Maryland Journal of International Law

Volume 1 | Issue 1 Article 9

The Relevance of the European Community to the Revival of International Institutions and Procedures

J. Robert Schaetzel

Follow this and additional works at: http://digitalcommons.law.umaryland.edu/mjil



Part of the International Law Commons

Recommended Citation

J. R. Schaetzel, The Relevance of the European Community to the Revival of International Institutions and Procedures, 1 Md. J. Int'l L. 111

Available at: http://digitalcommons.law.umaryland.edu/mjil/vol1/iss1/9

This Article is brought to you for free and open access by DigitalCommons@UM Carey Law. It has been accepted for inclusion in Maryland Journal of International Law by an authorized administrator of DigitalCommons@UM Carey Law. For more information, please contact smccarty@law.umaryland.edu.

THE RELEVANCE OF THE EUROPEAN COMMUNITY TO THE REVIVAL OF INTERNATIONAL INSTITUTIONS AND PROCEDURES

by J. Robert Schaetzel*

The slow evolution of political systems and law seems to have resulted from man's painful and reluctant conclusion that anarchy was marginally more objectionable than the restraints order imposed on unlimited individual freedom of action. Accelerating population growth, industrialization and the revolution in communications increasingly make anarchy a less feasible alternative in the last years of the 20th Century.

And yet, under pressure from these basic factors, man's reaction today has been not to intensify his long, largely haphazard struggle to create order in a disorderly universe, but to accept a human anthill. From Roman Church to temporal prince and divine right to the Western European imperialism of the 18th Century, various systems which approached the universal were imposed. Imperialism was an offense for which we all pay today, but its not inconsequential side effect was to reduce anarchy.

In turn, Woodrow Wilson's revulsion against European imperialism and nationalism produced that grand failure, the League of Nations: we now know that the collapse of Wilson's crusade was less important than the seeds he planted for the institution-building of the postwar period.2 A unique confluence of events permitted the innovations of the mid-20th Century. World War II tore governments and people loose from old moorings. Europeans, for a moment, had starkly illuminated the emptiness of national sovereignty. Both in Asia and Europe new doubts had been raised about established governments. The

^{*}Currently writer, lecturer, and consultant on European-American relations; former State Department official and Ambassador to the European Community, 1966-1972.

**The footnotes contained herein were prepared solely by the Journal Staff.

*See H. NICOLSON, PEACEMAKING, 1919 at 35-38, 182-232 (1933).

By 1916 the Administration was disturbed by the "barbarism of the Germans," said to be "the inveterate foe of all the ideals which we hold sacred and for which this republic stands." R. LANSING, WAR MEMORIS 102-104 (1935). Edward M. House, President Wilson's friend and confidant, sensed the war spirit when he visited Paris in the summer of 1914. The trouble with Germany seemed to be "militarism run mad." However, the government was not wholly responsible. House blamed the imperialistic industrial and trading interests. These interests hoped for speedy German victories which would bring expanded markets and colonies. 1 The Intimate Papers of Colonel House (C. Seymour ed. 1926-23). Link reports that when Wilson was told that persons were saying he "wanted war," the President was extremely surprised. What he really wanted was to explore the possibilities of the United States as arbitrator, leading toward a "postwar league of nations." A. Link, Confusions and Influence was felt strongly in the creation of the United Nations. Its fundamental goals "began where the League left off." These goals were maintenance of international peace and development of

extraordinary task of reconstruction could be accomplished only by novel forms of international collaboration. Wartime and postwar cooperation created a momentum of its own which facilitated the construction of more permanent institutions at both international and regional levels.

Out of this fluid, experimental and creative mood emerged the United Nations³, a host of specialized agencies, significantly those in the economic field, and various regional bodies.⁴ In light of its isolationist tradition, America's central role in this constructive enterprise was striking at the time and seems the more remarkable today as interest in international matters ebbs.

I

It is instructive to examine the European Community against this background. Quite apart from the significance of the integration movement to Europe's long quest for unity,⁵ the achievements, obstacles and failures of the European endeavor shed light on the prospects, such as they are, for general progress in imposing order at the international level.

economic and social programs. Haviland states that the idea of the U.N. as a coalition of world powers responsible for the maintenance of world security was based on the League Council and the Concert of Europe. H. HAVILAND, THE POLITICAL ROLE OF THE GENERAL ASSEMBLY 6 (1951). In M. HILL, THE ECONOMIC AND FINANCIAL ORGANIZATION OF THE LEAGUE OF NATIONS 116-119 (1946), Hill states that the proposals to the United Nations for a special council responsible for economic and social programs were shaped by the prevalent attitudes espoused by the League Council. Moreover, the acceptance of the League Council as a legitimate political authority contributed to the general stature of the General Assembly of the United Nations. Goodrich points out, "it should be a cause neither of surprise nor of concern to find that the United Nations is for all practical purposes a continuation of the League of Nations. Rather it would be disturbing if the architects of world organization had completely or largely thrown aside the designs and materials of the past." Goodrich, From League of Nations to United Nations, in 1 International Organizations 20 (1947). For a detailed account of the planning stage, see 2 THE MEMORS of CORDELL HULL 1625-1742 (1948); E. CHASE, THE UNITED NATIONS IN ACTION 17-30 (1950); V. DEAN, THE FOUR CORNERSTONES OF PRACE (1946); L. GOODRICH and E. HAMBRO, CHARTER OF THE UNITED NATIONS: COMMENTARY AND DOCUMENTS (rev. ed. 1949) cited in HAVILAND, supra, at 5 n.1.

The Charter of the United Nations, June 26, 1945, T.S. 993, 59 Stat. 1031 (entered into force Oct. 24, 1945), establishes an international organization to be known as the United Nations consisting of six principal organs: a General Assembly, U.N. CHARTER arts. 7, 9-22; a Security Council, U.N. CHARTER arts. 7, 23-54; an Economic and Social Council, U.N. CHARTER arts. 7, 55-72; a Trusteeship Council, U.N. CHARTER arts. 7, 86-91; an International Court, U.N. CHARTER arts. 7, 92-96; and a Secretariat, U.N. CHARTER arts. 7, 97-101.

⁴The novel forms of international collaboration are endless. A few examples are the following: the North Atlantic Treaty Organization (NATO), April 4, 1949, 63 Stat. 2241, T.I.A.S. No. 1964 (entered into force Aug. 24, 1949); Organization for Economic Cooperation and Development, Dec. 14, 1960, 12 U.S.T. 1728, T.I.A.S. No. 4891 (entered into force Sept. 30, 1961); European Free Trade Association (EFTA), November, 1959 [1960] G.B. T.S. No. 30 (CMD 1026), 370 U.N.T.S. 5 (1960); United Nations Relief and Rehabilitation Administration (UNRRA) [1943] G.B. T.S. No. 3 (CMD 6491), E.A.S. No. 352. See A. ROBERTSON, EUROPEAN INSTITUTIONS 27-29 (3rd ed. 1973) regarding EFTA and the OECD; see UNRRA (G. Woodbridge, ed. 1950).

^{*}For political aspects of unification see Spinelli, The Growth of the European Movement since World War II, in European Integration 37-63 (C. Grove Haines ed. 1957); Van Kleftens, The Case for European Integration: Political Considerations, Id. at 80-96; Nord, In Search of a Political Framework for an Integrated Europe, Id. at 215-228; E. Haas, The Uniting of Europe: Political, Social, and Economic Forces 1950-1957 (rev. ed. 1969). For economic aspects see Delouvier, Economic Integration: Problems and Possibilities, in European Integration, supra, at 114-124; Economic Integration in Europe (G. Denton ed. 1969). See generally M. Beloff, Europe and the Europeans (1957).

As contrasted with the limited attempts of other regions or the efforts at world-wide organization, the Western European movement had, and still has, marked advantages. French Foreign Minister Schuman's initiative in 1950 for the European Coal and Steel Community was addressed to countries each of which had been either defeated or occupied. Memories of disaster were vivid. Through the leverage of the Marshall Plan, the Europeans had been forced to cooperate by their American benefactors, who then went on to give periodic lectures on the advantages of European unity. The Europeans were as one in awareness of a Soviet menace, sharpened by the coup in Czechoslovakia and the Berlin blockade. Despite centuries of conflict. European homogeneity-cultural, religious, political and economic—created an atmosphere conducive to the unprecedented drive toward European integration. Europe was momentarily blessed with leaders of vision and courage. It was an altogether fortuitous combination of events and men.

Robert Schuman and Jean Monnet were determined that their initiative would not be diluted into merely another organization of sovereign national states. The treaties (first for the Coal and Steel Community, then for EURATOM and the European Eco-

Gon May 9, 1950, Robert Schuman, the French Foreign Minister, proposed that French and German coal and steel production be placed under a "common high authority" in an organization to be open to other Europeans. Negotiations for the new community began in June, 1950 between Belgium, Germany, Italy, France, Luxembourg, and the Netherlands. Great Britain refused to join in those negotiations, because she rejected the supranational principle which would interfere with the traditional international principle of national sovereignty and remove the control of basic industries from domestic jurisdiction. See H. SCHMITT, THE PATH TO EUROPEAN UNION 49, 63-66 (1962); Vernon, The Schuman Plan, 47 Am. J. INT'L L. 183 (1953); Bebr, European Coal and Steel Community: A Political and Legal Innovation, 63 Yale L.J. 1 (1953); D. DIEBOLD, THE SCHUMAN PLAN (1959); P. REUTER, LA COMMUNAUTE EUROPEENNE DU CHARBON ET DE L'ACIER (1953); Pella, The Coal and Steel Community as a Case Study in Integration, in EUROPEAN INTEGRATION, supra note 5 at 137-149. The text of the Schuman Declaration may be found in The Political Development of the European Community: A DOCUMENTARY COLLECTION 31-33 (H. Bliss ed. 1970).

^{&#}x27;During the negotiations, Monnet and Schuman insisted on the principle of supranationality. As to the meaning of the principle, see E. Stein & P. Hay, Law and Institutions in the Atlantic Area: Readings, Cases and Problems 75-83 (1967). Monnet's proposals, early in the negotiations, went much farther than was acceptable to other member states. He wanted a High Authority modelled after the parliamentary system, in effect an "embryo European legislature," and his ideas caused sufficient dismay that on the second day of the conference, the meeting adjourned. See Haas, supra note 5, at 241-245 a.8; Monnet, A Ferment of Change, I J.C.M. Studies 203 (1962).

Monnet's dedication to the idea of a federated Europe continued with his formation of the Action Committee for the United States of Europe in 1955. Recognizing the unwillingness of the six governments to give up sovereignty outside the economic domain and the restraints of the Treaty of Paris (establishing the ECSC) which did not allow an increase in ECSC authority, Monnet formed a "supranational pressure group" composed of national elites. See G. MALLY, THE EUROPEAN COMMUNITY IN PERSPECTIVE 76-79 (1973).

See generally HAAS, supra, at 451-485.

³ Treaty Establishing the European Coal and Steel Community, April 18, 1951, 261 U.N.T.S. 140 (1957) (entered into force July 20, 1951) (hereinafter referred to as ECSC Treaty).

⁹ Treaty Establishing the European Atomic Energy Community, March 25, 1957, 298 U.N.T.S., 167 (1958) (entered into force Jan. 1, 1958) (hereinafter referred to as EURA-TOM Treaty).

nomic Community10) were conceived as organic law.11 Under the Rome Treaties,12 with neither terminal dates nor provisions for withdrawal¹³ the signatories to the treaties consciously gave up sovereignty in limited areas, explicit in the provisions for qualified majority voting.14

The emphasis on institutions was a significant innovation. Other postwar organizations were built around delegations from the member governments. Business would be done and decisions made, if there were to be such, at conferences where national sovereignty was protected by the rule of unanimity.15 The High Authority of the Coal and Steel Community, 16 subsequently merged into a single 14-man European Commission, 17 was designed as an executive body with exclusive powers of initiative.18 A nascent European Parliament was established with the injunc-

¹⁰ Treaty Establishing the European Economic Community, March 25, 1957, 1 CCH COMM. Mkt. Rep. § 1-5449, 298 U.N.T.S. 14 (1958) (entered into force Jan. 1, 1958) (known as the Treaty of Rome) (hereinafter referred to as EEC Treaty).

¹¹ Sec Rawlinson, Britain and Community Law, 121 New L.J. 894 (1971); De Smith, The Constitution and the Common Market: A Tentative Appraisal, 34 Mod. L. Rev. 597 (1971); Pescatore, Fundamental Rights and Freedoms in the System of the European Communities, 18 Am. J. Comp. L. 343 (1970); Trindade, Parliamentary Sovereignty and the Primacy of European Community Law, 35 Mod. L. Rev. 375 (1972); Kozyris, National and Supranational Law in the EEC on the Eve of British Entry, 37 Law & Contemp. Prob. 286 (1972).

¹² Supra notes 9 & 10.

²³ Article 240 of the EEC Treaty and article 208 of the EURATOM Treaty both state that the Treaty is concluded for an unlimited period.

the Treaty is concluded for an unlimited period.

14 The Council of Ministers is the basic decision-making organ of the EEC. The voting formula is indicative of the willingness to give up absolute sovereignty. The Treaty states that unless otherwise provided in the Treaty, the Council shall vote under the principle of majority voting. EEC Treaty, art. 148(1). Under the system of qualified majority voting, the votes of each member state are weighted. The distribution of votes among the original Six was as follows: Luxembourg — 1; Belgium and the Netherlands — 2 each; Germany, France and Italy — 4 each. A qualified majority vote required twelve votes. EEC Treaty, art. 148(2). The votes of the nine member states are now weighted as follows: Luxembourg — 2; Denmark and Ireland — 3 each; Belgium and the Netherlands — 5 each; Germany, France, Italy and the United Kingdom — 10 each. A qualified majority is forty-one votes. EEC Treaty, art. 148(2), repealed by Treaty Concerning the Accession of The Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Britain and Ireland). The European Atomic Energy Community, January 22, 1972, CMND. No. 4862, 2 CCH. Mkt. Rep. ¶ 7011 (entered into force January 1, 1973 for Denmark, Great Britain and Ireland). Norway signed the Treaty but accession was defeated by popular referendum on September 25, 1972. That referendum was not binding on the Parliament, but the Norwegian Parliament chose to conform to popular wishes. See 2 CCH. Mkt. Rep. ¶ 7001. The subjects to be decided by a qualified majority numbered twelve in the early period of the Treaty (1958-61), and eighteen in the next stage (1962-65). By the end of the transitional period, the principle of majority vote applied to most proposals. ciple of majority vote applied to most proposals.

See 1 AMERICAN ENTERPRISE IN THE EUROPEAN COMMON MARKET; A LEGAL PROFILE 36-7 (E. Stein and T. Nicholson eds. 1960); Mally, supra note 7, at 105-6, 313-15 (list of those measures requiring a majority vote).

^{15 &}quot;Intergovernmental organizations on the traditional pattern have two distinct characteristics: the rule of unanimity and the lack of executive powers. The rule of unanimity means that no government can be bound to take action to which it does not expressly agree; the corollary is that every government has a veto and, even when this is not exercised, the speed of the fleet is the speed of the slowest ship." Robertson, Legal Problems of European Integration, 91 RECUEIL DES COURS 109, 122 (1957-8).

 $^{^{16}\,}See$ ECSC Treaty, supra note 8. Articles 8-19 of the ECSC Treaty provide for the creation of the High Authority.

[&]quot;Treaty Establishing a Single Council and a Single Commission of the European Communities, April 8, 1965, 2 CCH. COMM. MRT. REP. [5115, Decree of July 28, 1967, J.O. July 29, 1967 (hereinafter referred to as Merger Treaty). For a background discussion see Thompson, The Leiden Meeting, 15 Int'l. & Comp. L.Q. 276 (1966).

¹⁸ For a discussion of this major power of the Commission, see Noel, The Commission's Power of Initiative, 10 C.M.L. Rev. 123 (1973).

tion in the treaties that in time it would be directly elected.19 Borrowing from the United States, a Court of Justice was established with explicit powers to interpret the organic law, to settle conflicts between national and Community law, and to be a court of appeal for citizens or member states charging the Commission or other Community institutions with violations of the basic treaties.20 The power center of this Community structure was the Council of Ministers, in effect the Community's legisla-

was the Council of Ministers, in effect the Community's legisla
"The European Parliamentary Assembly is an institution common to the three European Communities, along with the Court of Justice. See Convention on Certain Institutions Common to the European Communities, March 25, 1867, arts. 1-4, 2 Cen. Comm. Mark. Rev. 15100, Decree of Jan. 28, 1988, J.O. Feb. 2, 1883. I American European Common to the European Communities, March 25, 1867, arts. 1-4, 2 Cen. Comm. Mark. Rev. 15100, Decree of Jan. 28, 1988, J.O. Feb. 2, 1883. I American European Communities, approach to the Assembly were originally to be designated by the respective Parliaments from among their members pursuant to the procedure decided upon by each State. ECSC Treaty, art. 21(11), substituted by the Convention on Certain Institutions Common to the European Communities, supro, art. 2; EEC Treaty, art. 138(11): EURATOM Treaty art. 108(11). Each Treaty also stated that the "Assembly shall draw up profused art. 108(11). Each Treaty art. 108(11). Each Trea

tive body, appropriating money and enacting laws binding on the member states.21

Today, attention is not directed to the impressive innovations of the Community or even its considerable achievements, but to European paralysis. Significantly, the problems of the Community have not been due to inherent weaknesses of the treaties, the institutions or procedures, or even of inevitable conflict between Community and member state law. The difficulties have been, at bottom, the lack of political will among the member governments.

While General de Gaulle has been gone from the Elysée for eight years, the vibrant nationalism which bears his name lives on.22 With its reverence for the nation state, sovereignty and total freedom for unilateral action, Gaullism is antithesis of the tentative federalism of European integration. Gradually with Pompidou and more specifically with Giscard d'Estaing, the French government has attempted to separate itself from the more extreme forms of Gaullist nationalism.23 Ironically, it was left to Prime Minister Wilson to pick up the fallen Gaullist banner: voting within the Community only by unanimity, power exclusively in the hands of the Council of Ministers, no directlyelected Parliament, no movement of the Community into the fields of foreign policy or political union. Britain, and to a degree Denmark, have thrown their weight behind an evolution which if their views were to prevail, would convert the Community into another classical intergovernmental organization. The Community's immediate business must be to bring to a head and settle, one way or the other, the British demand for "renegotiation" of the terms of entry.24 Until this issue is faced and resolved, the United Kingdom both inhibits progress and provides the excuse for the dalliance of the other members of the Community.

Several contradictory phenomena have sequentially sapped the energy of the Europeans and slowed the drive toward fur-

The Merger Treaty, supra note 17, art. 1, established one Council of the European Communities which took the place of the Special Council of Ministers of the ECSC, and the Councils of the EEC and EURATOM. ECSC Treaty, arts. 26-30; EEC Treaty, arts. 145-54; EURATOM Treaty, arts. 115-123. The Council consists of one representative from each member state, designated by the Government of that state. Merger Treaty, supra

each member state, designated by the Government of that state. Merger Treaty, supra note 17, art. 2.

See Stein & Hay, supra note 7, at 89 and Thompson, supra note 16, at 277. As to the power to enact binding laws, see EEC Treaty, art. 189.

See Major Addresses, Statements, and Press Conferences of General Charles de Gaulle, 1958-64, at 92 (1964); D. Calleo, Europe's Future: The Grand Alternatives 91 (1965); Mally, supra note 7, at 84-93 ("Internal Inhibitor: Gaullism").

See A. Hartley, Gaullism: The Rise and Fall of a Political Movement 275-310 (1971); S. Hoffman, Decline or Renewal? France Since the 1930's at 320, 441-2 (1974); J. Charlot, The Gaullist Phenomenon 177, 181-6 (1971). As to the Independent Republicans, the parliamentary group of Valery Giscard d'Estaing, see Id. at 109-119.

See Kozyris, supra note 11, at 302-5; see generally Symposium — Expansion of the Common Market, 37 Law & Contemp. Prob. 221-391 (1972).

ther unity. First, almost two decades of steady economic growth and rising affluence created a comfortable plateau of personal satisfaction.25 Why suffer the trouble of change, all of the problems of restructuring Europe, if things are going well? Second, the gathering economic crisis produced an antithetical rationale for inaction: the problems today are so acute and governments so hard pressed that they lack the elbowroom for change which prosperity offers and which is essential to fundamental social and economic adjustment. Third, whatever may have been the importance of the goad of Stalin and the cohesive influence of the common fear of Soviet imperialism, détente largely eliminated the Eastern threat as an incentive to further integration.

Europe is also cursed by all of the problems common to the Western world. Each of the European member states is more notable for political weakness than strength. Even Chancellor Schmidt, sitting on monetary reserves more than double those of the United States, heads a party which has lost ground dangerously in recent local elections.26 Uncertain political bases in Europe produce cautious leaders preoccupied with the struggle for political and economic survival.

The Community institutions were never granted, and have been unable to acquire, sufficient independent power so that the Commission or the European Parliament might successfully challenge the national governments. Dependent on the sufferance of the governments for decisions and for money,27 the Commission has been condemned to irritable frustration. Insult has been heaped on injury. Persistent attacks, especially by Schmidt, have been levied on the size, futility and weakness of the Commission. In fact, the responsibility for the Community's stagnation lies with the national governments.

Two decades' experience have brought to the surface another fundamental obstacle to effective Community action: the obstructive power of entrenched national bureaucracies.28 The effectiveness of these bureaucracies in resisting change and hindering the work of the European institutions had been grossly underestimated. Indeed, the volatility of several governments at the political level only enhanced the authority of the civil service. Large national bureaucracies, blessed, or

²⁵ See Table 17, International Financial Statistics in International Monetary Fund: Annual Report 1973/74 at 38 (1974).
26 N.Y. Times, June 12, 1974, at 44, col. 1.
27 N.Y. Times, Dec. 15, 1973, at 17, col. 3.
28 See R. Albercht-Carrie, A Diplomatic History of Europe Since the Concress of Vienna 319 (1958). See clso Reuter, Juridical and Institutional Aspects of the European Regional Communities, 26 I.A., & Contemp. Prob. 381 (1961); W. Akline, European Romany Control and Political Groups in the Three European Regional Communities, 26 I.A. AND Contemp. Prob. 430 (1961). For a theoretical analysis of bureaucracy in the International system, see The International System (K. Knorr and S. Verba eds. 1961).

cursed, by continuity, fight best when protecting their vested interests. Like some great hydraulic pump, any progress in Brussels at the Community level means diminution of national prerogatives and power.

As the momentum toward unity slowed, rather than address seriously the ponderous Community system and particularly to the Council of Ministers' bottleneck, the heads-of-government developed a charade of bilateral visits, princely exchanges, and periodic Community summit conferences. Summit meetings may be indispensable to further Community progress, but the technique is not without its costs. By creating the prospect of progress the hopes of the public are lifted, then all too frequently the results are disappointing. An almost unavoidable consequence of the summit method is to enfeeble the institutions. while Europe awaits the next summit or the results of the last.

To round out the picture, the Community is neither dead nor without substantial achievement. The customs union,29 the commercial policy, the controversial Common Agricultural Policy³⁰ and many elements of internal economic and social policy are in place. Workers now move freely within the Community. There are rights of establishment.31 The Commission presses ahead with an active competition program.³² The Europeans have a credible record in assisting the developing countries.33

Disenchantment has arisen from the failure of the Community to cope with Europe's most pressing problems. The heady goal of economic and monetary union by 1980, fading even before the 1974 oil and financial crisis, has been lost from sight.

EEC Treaty, arts. 9, 12-37. The goals of the treaty establishing the EEC provide for free movement of labor, capital, and enterprise. Thus the Common Market establishes a union between the countries as a means to economic and social progress. Elimination of trade barriers and tariffs is a major thrust toward economic integration of the Community. See Ortoli, The Customs Union in International Manual on the European Economic Community 81-115 (H. Junckerstorff ed. 1963); J. Vinkr. The Customs Union Issue 41-56 (1950). S. Scheingold, The Rule of Law in European Integration: The Path of the Studies of the establishment of the customs union and its provisions see L. Lindberg, The Political Dynamics of European Economic Integration 16-18 (1963).

Decently 1960 (1960): Krohn & Schmitt, The Common Agricultural Policy in International Manual on the European Economic Community, supra n.31, at 267-386; see Robertson, supra note 4, at 178-9.

EEC Treaty, arts. 48-51 (workers), arts. 52-58 (right of establishment). The treaty provides as well for the free movement of workers inside the Community. This movement is especially significant for the integration of economics of those countries which form the economic community. Article 48, paragraphs 1 and 2, provides that by the end of the transition period workers will move freely from country to country, unimpeded, as members of the European Economic Community, abolishing discrimination by nationality in regard to employment and working conditions. Scholz, Bruns-Wuestefeld, Le Tallec, and Bronsart, The Right of Establishment in the EEC in International Manual on the European Economic Community, abolishing discrimination by nationality in regard to employment and working conditions. Scholz, Bruns-Wuestefeld, Le Tallec, and Bronsart, The Right of Establishment in the EEC in International Manual on the European Economic Community. Accommentation and Restrictive Trade Practices in Legal Problems of the European Economic Community. A Commentary on the EEC Rules of Competition (Abric

Indeed, it was not until October, 1974, that the Community began to put together a borrowing facility to deal with the mushrooming balance-of-payments deficits of the states.34 A year after the Yom Kippur war only the rudiments of a Community energy policy existed, despite endless prodding by the Commission.35 Due to disagreement among the member states a regional policy to deal with depressed areas in the Community, in Southern Italy, the British Midlands and Ireland, remained in abeyance until the end of 1974.

The danger is not some coup de grâce to the Community, the ill effects of possible British withdrawal, the unlikely end result of "renegotiation," or even collapse through failure to deal with the major problems of energy and economic crisis. The threat is a continued, helpless drift toward irrelevance with the independent Commission becoming no more than a dependent secretariat to a Community which is not a Community but only another regional organization of sovereign states.

Of itself absorbing, the European Community is, as well, a case study shedding light on the general malaise infecting all contemporary society.

European heads-of-government typify contemporary addiction to personal diplomacy. The illusion of action has been found to be less exacting than the substance. They cherish the transient political advantage of the high visibility of foreign visits. They care little for and, indeed, in certain cases derive satisfaction from the degree to which this self-serving process undermines the essential bureaucracies of their own countries and the European institutions which they are presumably obligated to support.

When the member states finally agreed in October, 1974, on a Community borrowing authority,36 the Council of Ministers cast about for some alternative that would keep the new project out of the hands of their own executive body, the European Commission. When new functions must be undertaken, the reflex action of the governments has been to create some new entity, at best tangentially related to existing organizations.

Closely akin to personal diplomacy is the absent-minded or in some cases determined attack on the established Community bureaucracy, suddenly cast in the role of the "enemy." This confrontation seems bizarre when one realizes that the bureaucracy is nothing more than the creature of the governments.

³⁴ Proposal for A Council Regulation Concerning Community Loans, E.E.C. J.O. C129 (1974).

**Supra note 27.

**Supra note 34.

(1974).

If the Community institutions are deficient it is the political leaders of the member states who are responsible. Yet, Chancellor Schmidt excoriates the European Commission as though it were some extra-European phenomenon imposed on Bonn and the other countries. Whatever the weaknesses and shortcomings of the European institutions they can be remedied only by firm member state action.

Western Europe seems bent on constructing the ultimate paradox: If Europe is to survive, common action becomes not merely desirable, but inescapable. While this truism is mouthed by all politicians, the instinctive reaction is the antithesis, further excess of blind nationalism.

II

In point of fact, the international system suffers from each of the foregoing maladies, and from several others as well. For instance, the advanced industrialized countries still cling, in large part, to the principle of the integrity of contract. They correctly see this principle as central to any viable economic order. The repetitious denunciation by the Arab States of "binding agreements"37 has had the side effect of muffling the shock of this violation of contract. In the summer of 1973, when a hemorrhage of exports occurred, the Nixon Administration precipitously imposed an embargo on some 30 agricultural products,38 without reference to outstanding contracts. This dangerous virus of allowing national interests to override any foreign obligation can easily spread through both developing and advanced countries.

Related to the erosion of international contract has been a parallel wasting away of the rule of "just, prompt and effective compensation" for private property which is nationalized. 30 A further and different example of contempt for treaty obligation came in the mid-1960s when de Gaulle decided that the language of the Treaty of Rome was unacceptable. For almost a year

³¹ N.Y. Times, Dec. 15, 1973, at 1, col. 6; N.Y. Times, Dec. 10, 1973, at 45, col. 3; N.Y. Times, May 16, 1973, at 6, col. 4; N.Y. Times, May 20, 1973, at 4, col. 4.

32 N.Y. Times, June 20, 1973, at 55, col. 8; N.Y. Times, June 21, 1973, at 63, col. 4.

33 As to the formula of "just, prompt and effective compensation," see RESTATEMENT OF THE LAW (SECOND), FOREIGN RELATIONS OF THE UNITED STATES (1965) § 187, and in general §§ 185-92. This formula represents the position advocated by the United States. The classic statement is found in the diplomatic notes of Secretary of State Hull to the Mexican Ambassador in 1938 relating to expropriation of United States nationals' property in Mexico under Mexican land reform. See 3 Hackworth, Digest of International Law 655, 658-59 (1942). But see Banco Nacional de Cuba v. Sabbatino, 376 U.S. 398 (1964), where the United States Supreme Court refused to decide whether the expropriation, without compensation of U.S. nationals' property in Cuba constituted a violation of international law. Id. at 428. Id. at 428.

See the Hickenlooper Amendment, 76 Stat. 260 (1962), as amended, Foreign Assistance

Act of 1973, § 15, 87 Stat. 714 at 722.

For an introduction to this area, see F. V. Garcia-Amador, L. Sohn, & R. Baxter, Recent Codification of the Laws of State Responsibility for Injuries to Aliens 45-59

France boycotted the European Community institutions in order to impose French views on her five Community partners. De Gaulle's attack centered on the decision-making process: qualified majority voting versus unanimity. The boycott was ultimately resolved by a compromise which met almost fully the French objectives. The result was an unofficial, in fact, illegal agreement that any member could declare an issue before the Council of Ministers, a matter of "vital interest," thus assuring that a decision could only be reached by unanimity. 40

For years, under pressure of unilateral assertion and force, international disorder has spread with respect to territorial waters, fishing rights and now seabed oil and mineral rights. Iceland's battle with Great Britain is only one example of such anarchy and the total absence of effective means of mediation or arbitration.⁴¹

The assault on institutions and roles comes from another quarter, the so-called "voluntary agreements" which are brought into play when international obligations threaten to interfere with immediate national economic interests. For instance, when President Kennedy and then President Nixon found that fulfilling political obligations to domestic textile interests required the repudiation of formal international agreements and even the abrogation of commercial contracts, they resorted to this device.42 An economic shadow world emerges where political figures horse-trade, threaten, bluff and may agree - all outside the boundaries of open covenants openly arrived at. A sudden glut of meat upsets the domestic American market and the instinctive means of redress is a personal demand from the Secretary of Agriculture to the Australians, or other exporting states, that they "voluntarily" restrict their shipments to the United States. Behind the personal petition, only half-hidden, is the threat of harsher American actions - Congressional mandate. retaliation, withdrawal of concessions in other areas, etc.

^{**} See Hjorth, The Common Agricultural Policy: Crisis in the Common Market, 40 Wash. L. Rev. 685 (1965): Riesenfeld, Common Market for Agricultural Products and Common Agricultural Policy in the European Economic Community, U. Ill. L. Forum 658 (1965): Luxembourg Accords Treaty in Mally, supra note 7, at 106-7; Stein & Hay, supra note 7, at 106-13; Lambert, The Constitutional Crisis 1965-66, 4 J.C.M. Studies 195 (1966). The Political Development of the European Community, A Documentary Collection 159-88 (H. Bliss, ed. 1970).

POLITICAL DEVELOPMENT OF THE EUROPEAN COMMUNITY, A DOCUMENTARY COLLECTION 159-88 (H. Bliss, ed. 1970).

4 The latest stage of the conflict over Iceland's extension of her exclusive fisheries zone from 12 to 50 miles was referred to the International Court of Justice after "several months of fruitless negotiations..." See Churchill, The Fisheries Jurisdiction Cases: The Contribution of the International Court of Justice to the Debate on Coastal States' Fisheries Rights, 24 Int'l. Comp. L.Q. 82-85 (1975). Before the ICJ gave a judgment on the merits, the United Kingdom and Iceland came to an interim agreement on November 13, 1973, for a two year period, but "without prejudice to the legal position or rights of either Government in relation to the substantive dispute." Id. at 85. See Fisheries Jurisdiction Case (United Kingdom v. Iceland), Rc lest for the Indication of Interim Measures of Protection, order of Aug. 17, 1972 [1972] I.C.J. 12; Fisheries Jurisdiction Case (United Kingdom v. Iceland), Continuance of Interim Measures of Protection, order of July 12, 1973 [1973] I.C.J. 302; Fisheries Jurisdiction Case (United Kingdom v. Iceland), Jurisdiction of the Court, judgment of Feb. 2, 1973 [1973] I.C.J. 3.

Common to all of these contemporary diseases is what Alec Cairneross dubbed, "ad hocery," pragmatism run riot. Each case is taken up on its immediate merits outside any larger framework and with slight attention to formal obligations. Organizations, orderly procedures, responsible bureaucracies, either domestic and foreign, are ignored. It may indeed be "ad hocery," but it is also the highway to anarchy.

TIT

The General Agreement on Tariffs and Trade, 43 an institution which replaced the stillborn International Trade Organization, had done useful work when the members were few in number and shared a sense of common responsibility to international obligation. As membership expanded it became commonplace to twist the rules. For instance, "grandfather clauses"44 were abused by the United States to retain full freedom to continue agriculture policies manifestly at odds with GATT principles: the European Community was able to obtain sanction for preferential arrangements with African states in clear violation of the GATT — they had the votes.

A less explicable case, in view of America's dominant position in an organization which includes weighted voting, was Washington's calculated assault on the International Monetary Fund. Neither Secretary of the Treasury Connally nor the Nixon White House had any notable tolerance for dissident views, especially those of international civil servants. America's irritation with IMF Managing Director Pierre-Paul Schweitzer's observations on the world's monetary problems was palpable. In the course of events he was deposed but this manipulative success was not followed by any perceptible change in American coolness toward the IMF. Indeed, as the financial crisis intensified America turned more and more toward ad hoc meetings and new committees which had all the order of chickens feeding in a barnyard: the Group of 20;45 the Big Five, the

look into international monetary reform.

⁴³ General Agreement on Tariffs and Trade, Oct. 30, 1947, 61 Stat. (5), (6), T.I.A.S. No. 1700, 55 U.N.T.S. 194 (1948), as amended, and Vol. IV, BISD. See Scott, The United States Response to Common Market Trade Preferences and the Legality of the Import Surcharge, 39 U. CHI. L. REV. 177 (1971): 24 UN FOOD & AGRICULTURAL ORGANIZATION, TRADE YEARBOOK 420, Table 120 (1970): W. ZARTMAN, THE POLITICS OF TRADE NECOTIAL-TIONS BETWEEN AFRICA AND THE EUROPEAN ECONOMIC COMMUNITY 93 (1971); Van Den Bergh, The New Convention of Association with African States, 1 C.M.L. REV. 156, 162-64 (1963); GATT, DEVELOPMENT PLAN STUDIES: THE FIRST SIX YEAR PLAN OF NIGERIA 21 (1966); K. DAM, THE GATT: LAW AND INTERNATIONAL ECONOMIC ORGANIZATION 283-86 (1970); VINER, supra note 31; Dam, Regional Economic Arrangements and the GATT: The Legacy of a Misconception, 30 U. CHI. L. REV. 615, 625 (1963).

""Grandfather clause" refers to the fact that at the time the GATT was negotiated the United States was given waivers for particular obligations. That is, the United States, before applying countervailing duties, did not have to comply with certain provisions of the GATT such as dairy import quotas. United States law existing prior to GATT would stay in effect even during the GATT. See J. Jackson, World Trade and the Law of GATT, 28, 264-70, 548, 638, 665, 692, 770 (1969).

"The Group of 20 was set up under the auspices of the International Monetary Fund to look into international monetary reform.

U.S., Japan, Germany, France, and the UK (the latter especially interesting in light of Britain's putative insolvency), with Italy as belated gate-crasher; mysterious meetings of central bankers at Basle — and so it went.

One of the more mystifying aspects of Washington's diplomacy has been its persistent shunning of the Organization for Economic Cooperation and Development. 46 Purposefully designed, with the United States playing a leading role, to include the advanced countries and to deal with their special problems, the OECD would seem ideally suited with its limited membership and flexibility to deal with the energy-financial crisis. Yet, for the better part of a year the American government successfully excluded the OECD. The first energy initiative, Kissinger's Pilgrim speech in London in late 1973.47 proposed an ephemeral group of experts: this was replaced by the February 1974 meeting of Foreign Ministers in Washington; then, there emerged the Group of 12, which came to be 11 when Norway held back. Ultimately the International Atomic Energy Agency evolved.48 An early American decision to deal with the energy question within the OECD, with all its flexibility, might have avoided the debilitating confrontation between the United States and France and the separation of France from her European associates on this issue.

TV

Out of these random cases emerge certain common denominators. One recurring factor is discouragingly clear: the unwillingness of governments to transfer authority to international organizations, whether regional, multinational or international. Reluctant to acknowledge the implications of interdependence, glorifying the national sovereignty that does not exist, each nation conspires to weaken the very process and the institutions which might offer salvation.

The international system also suffers from the profligate use of the summit meeting, for the drama and personal political advantage that the device offers and the publicity accruing to the head-of-government or foreign secretary who calls his own conference. At best, the desire to get at the substance of the issue is no more than equal to the sponsor's quest for domestic political benefit. These mixed objectives and the generally casual preparation usually end in superficial meetings, lead to public

^{**}Supra note 4; N.Y. Times. Ane 4, 1974, at 47, col. 1; N.Y. Times, June 7, 1974, at 1, col. 3.

**N.Y. Times, Dec. 13, 1975, at 28, col. 1 (text of speech); N.Y. Times, Dec. 13, 1978, at 1, col. 1; N.Y. Times, Dec. 14, 1973, at 14, col. 3.

**Agreement for Cooperation in the Civil Uses of Atomic Energy, May 11, 1959, 10 U.S.T. 1424, T.I.A.S. No. 4291

boredom and further detract from the authority of existing institutions.

Nationalism marked the August 1971 financial crisis.⁴⁹ While the overvalued, ostensibly convertible dollar required drastic medicine, unilateral American action was unnecessary. One result was to deliver a devastating blow to the already weakened international financial system. In the wake of the crisis the inevitable working parties were set in motion, but no effort was made to bring anything to a head. It had to be assumed that Washington found to its advantage this undisciplined, "state of nature," financial order.

Indeed, non-institutionalized economic affairs were in harmonious counterpoint to Kissinger's approach to international politics: insistence on freedom of action and a willingness to employ power to advance American policies and to control the direction of Western events. In contrast, the use of or the reliance on international institutions would reduce the area for pragmatic movement and limit national freedom of action.

Hooked on "summitry" and diplomatic showmanship, suspicious of all bureaucracy, bored by economics and institutions, closed in by a country preoccupied with domestic problems and impatient with ungrateful foreigners, Washington gives the regime of institutions and rules short shrift.

V

In this interdependent, interconnected world we face the choice between mutually destructive national actions and reactions or the repair and reinforcement of the system of institutions and rules. No nation can escape this question or choice. The African and Arab states, heady with power, make their contribution to international anarchy. But the Atlantic nations carry a special responsibility. Steeped in experience with democratic institutions they pride themselves on governments of laws not men. Against this tradition the commissions and omissions of the last years are indefensible.

The international system, elementary and weak, can take little more indifference and abuse. The various bodies and the endless meetings will continue, no matter what, but they will become even more forums for the gossip of irrelevant officials. To arrest this process of decay the first step must be a decision among leaders of the principal countries that the international system must be preserved. This cannot be done, even initiated, without

⁴⁹ N.Y. Times, Aug. 14, 1971, at 31, col. 1; N.Y. Times, Aug. 15, 1971, at 5, col. 1.

the United States and more particularly without American leadership.

American authorities have another reason to address this problem. Disengagement from international affairs on the part of the American public accelerates. It is not classical isolationism so much as preoccupation with domestic issues and disinterest in complicated and apparently insoluble foreign problems. Strong international institutions provide some bulwark against this trend. As America struggled free from its isolationist tradition, the United Nations came to be a rallying symbol for the new internationalist, just as NATO was for those who sensed the vital importance of the Atlantic relationship. One effect of personal diplomacy and summit spectaculars, with established institutions left unused in the shadows, is to convert the citizen into passive spectator.

There is little likelihood that infinitely complex defense, political, economic and social problems will succumb to some overarching, "general field" theory within which each piece neatly fits. Answers will be partial and unsatisfactory. The public grows, at best, impatient with the expert's explanation or intricate expositions. If there is no clear, complete answer, the public must be given a system, institutions, rules and a process for dealing seriously with the world's major problems.

This renaissance can begin only at a few points and with luck perhaps start a trend. The obvious points of attack are those where a sense of general urgency exists and a consensus may be possible. The European Community is one such area. The common interests of the members, the need for "European" answers, and the perils they face together created a sense of urgency that led to partial action at the December 1974 Paris Summit. On the international level the spreading economic crisis makes collective responses almost unavoidable. The OECD is there to be used. The International Monetary Fund can be adjusted, amended and expanded in order to cope with the unprecedented world financial crisis. With U.S. trade legislation finally passed, the road is open for both negotiations and steps to strengthen the trading system.

This will not be possible unless a deliberate effort is made to stem the excess of personal diplomacy, a political disease that, thanks in no small part to Nixon and Kissinger, has reached epidemic proportions. Its debilitating effects are all too apparent: foreign relations that rely on the personal ingredient are

⁵⁰ Communique of European Community "Summit Meeting," Background Note No. 27/1974. December 16. European Community Information Service, Washington, D.C.

intrinsically unstable and impermanent. Furthermore, personal diplomacy is the enemy of democratic practice, which assumes broad popular involvement and openness. Due to the great weight of the United States in world affairs, when Washington makes personal diplomacy the centerpiece of its conduct of foreign policy the adverse effects are multiplied many times.

To emphasize institutions and rules in no way assigns unimportance to substantive policies. The finest international machine will spin in futility without good policies. But the stress on the institutional factors is required to counter the pervasive disdain and indifference governments currently give to this essential part of the international system. There is another reason. In view of the general absence of consensus on policies to deal with unprecedented international problems, for instance in the fields of trade and finance, there is merit in concentrating initially on organization which involves a collective search for answers.

It is inexplicable that the United States, proud of its managerial and organizational talents, with its commitment to government by law, should stand by indifferent to the decay of the international system. This insensitivity is even harder to understand in the aftermath of Watergate and America's sharpened sensitivity to the crucial importance of law and constitutional procedures.

The spreading difficulties of 1974 were no more than a prelude to 1975, a year when the world will be put to the test. As economies stagnate, unemployment and deficits mount, governments will be severely tempted to employ draconian measures. Parallel to the desperate search for export markets will be schemes to limit exports. In this environment the world could just as easily slide into patterns of cutthroat national behavior as adhere to even minimal forms of international cooperation. At this time of traumatic change one can only hope that a new stimulus will arise and lead to a collective effort to instill a minimum of order in this chaotic world.