# Maryland Journal of International Law

Volume 1 | Issue 2

Article 12

# The Unhinged Alliance: America and the European Community by J. Robert Schaetzel

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# **Recommended** Citation

Peter Hay, The Unhinged Alliance: America and the European Community by J. Robert Schaetzel, 1 Md. J. Int'l L. 269 (1976). Available at: http://digitalcommons.law.umaryland.edu/mjil/vol1/iss2/12

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#### The Unhinged Alliance: America and the European Community. By J. Robert Schaetzel. Harper & Row, New York, 1975. Pp. viii, 184, \$8.95.

# Reviewed by PETER HAY\*

The Unhinged Alliance is a thoughtful, insightful and often disturbing account of America's relationship with the European Community. Its author, the former U.S. Ambassador to the European Communities, writes from the vantage of his diplomatic post and more than ten years' service as Deputy Assistant Secretary of State; he has an extraordinary grasp of the many issues political, economic and military — which face, and beset, the Alliance.

This "policy book," written for the Council on Foreign Relations, details the many blunders and misguided policies on both sides of the Atlantic - unhappily, however, mainly American. For example, two short pages present the simple arithmetic that the European defense contribution is roughly equivalent to our own, despite the American myth and perennial Congressional rumblings (and accompanying threats of cutbacks) to the contrary. The Trade Act of 1974 comes in for severe criticism: "a materialistic piece of legislation with a clear bias against the GATT," the "new knife — all blade, ... could be used to cut duties, or to cut imports." While Congress receives some credit. despite the defection of organized labor "from the ranks of liberal trade," for not trying "to deal with the worst economic crisis since the 1930's with the traditional rain dance of new barriers against imports," Mr. Schaetzel also points to the obvious American (and European) footdragging with respect to new international trade negotiations. Both sides still retain a battery of nontariff barriers against each other (and third countries), combined, in the case of Europe, with the negative effect on American trade of the Community's "Common Agricultural Policy" and, in the case of the United States, with restrictions ranging from "dairy quotas to the disingenuously named 'voluntary' steel and textile agreements."

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Mr. Schaetzel wisely recognizes the effect of eroded foreign policy during the Nixon years, and the resultant skepticism on the part of the American public toward Euro-American cooperation, especially in economic sectors. Withdrawal of the previously strong American support for political and financial unification led to a real deterioration in European-American relations, coloring all American foreign policy since and abruptly changing American focus to other areas of the world, most recently the U.S.R.R., China, and the Middle East. Mr. Schaetzel's major concern is the atmosphere of suspicion and distrust regarding economic matters which has pervaded all American-European negotiation since the Nixon era.

The author reserves his most severe criticism for the Nixon-Rogers and Nixon-Kissinger conduct of our political relations with the European Community. From President Nixon's refusal to receive Commission President Rey in 1969, after he had issued a formal invitation for a visit to Washington, to Alastair Buchan's statement quoted from the 1973 Reith lectures which for Schaetzel points out the dangers of personalized diplomacy and the necessity for some institutionalization of foreign policy ("Kissinger . . . may perceive that the best to which he can put his reputation . . . will not be to reorganize the world, but to lay the foundations of reform that would give greater confidence in the consistency of an American foreign policy . . ."), the book details both the American neglect of its European relations and our lack of sensitivity in pursuing and pressing those policies which did emerge. To be sure, American diplomatic relations are made more difficult by the delicate distribution of power within the European Community among the national governments of the Member States. the Community's political power center (the Council of Ministers), and its administration and bureaucracy (the Commission). Because the United States is represented both in national capitals and by a special mission in Brussels, and because the Community's mission in Washington exists side by side with nine national missions, coordination of diplomatic contacts and relationships is difficult indeed. The solution of the Nixon administration --largely to bypass the Commission (and the U.S. diplomatic mission to the Commission) in favor of direct contact with "France. Britain, and Germany, in that order" - undermined the Commission's position: "... denied the most elementary trappings of government, [it] is regarded as the poor relation both by the member governments and by Washington."

But direct diplomatic relations with the Member States did not work well either, for "Nixon exceeded his predecessors in that distinctive American practice of placing in ambassadorial positions men whose only visible qualification was financial loyalty to the party." Small wonder, then, that "[w]hen Kissinger and the White House became interested in an issue. American officials [professionals and political appointees alike] would be cut out." The result of mismanaged and personality-centered diplomatic relations with Europe is, in Mr. Schaetzel's words, that "[t]he Nixon-Kissinger era has left to future administrations a heritage of priorities, prejudices and style which limits their maneuverability." Well-conceived, and succinctly stated, remedies include the strengthening of the position of the American diplomatic representative to the Commission, a rethinking of the role of American missions in national capitals of Community members. and increased, formalized dialogues on the bureaucratic and cabinet level between American and Community (Commission and Council) government officials. Mr. Schaetzel appears hopeful that the more open Ford administration may move toward these remedies, but as recent events have demonstrated, the continued dominance of the Secretary of State may weaken this hope.

In some instances, Mr. Schaetzel's criticisms seem too sweeping, especially in his evaluation of the European institutions and policies. Thus, his view of the Commission still contains undertones of the stereotype that it is a technocracy; he gives it too little credit for genuine achievements despite the undisputed fact that political power lies with the Council. The Court of Justice, despite its singular achievement of elaborating (and gaining national judicial and political acceptance for) the doctrine of "directly applicable" and preemptive (in the sense of our federal Supremacy Clause) Community law, receives but a one-paragraph mention. An evaluation of the integrative process should give the Court far more emphasis.

Mr. Schaetzel is also critical of the Community's association policies which, to him, "have nearly reached their limits," have undermined GATT, and have created trade preferences instead of (desirable) free trade. No express mention is made of the Lomé Convention of early 1975 by which the Community restructured a number of its association agreements and provided an overall framework for the association of 46 African, Caribbean and Pacific states, virtually all developing nations. With associations of such global nature, one might argue that, rather than representing discriminatory preferential systems, these relationships are not only a meaningful manner in which to render foreign assistance; they also achieve something developing nations have long sought from GATT and industrial nations individually, but — except for Australia — so far have not received: recognition that the status of "developing nation" makes the application of traditional free-trade and most-favored-nation principles inappropriate. The latter are enshrined in GATT, but GATT began as the industrialized world's very own club.

The Community has moved slowly to meeting third-world needs, for instance in the form of unilateral preferences; even the Trade Act of 1974, despite all the justified criticism one may levy against it, takes a first few halting steps in that direction. In view of this, the Community policy should perhaps become an example of how third-world problems may be addressed and redressed, rather than being placed on the agenda for dismantlement.

These minor criticisms apart, Mr. Schaetzel's book is a singularly balanced and thoughtful achievement. Extremely readable, insightful and wide-ranging in the policy problems it raises and the changes in thinking it suggests, the book deserves the widest audience.

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