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BOOKS RECEIVED

A REFERENCE GUIDE TO INTERNATIONAL TAXATION: PROFITING FROM YOUR INTERNATIONAL OPERATIONS. By Michel W.E. Glautier and Frederick W. Bassinger. Lexington, Massachusetts: D.C. Heath and Company, 1987, 422 pp.

A Reference Guide to International Taxation recognizes the unique problems faced every day by international businessmen. Through readable text, charts and tables, current tax issues are explained and analyzed. The subtitle "profiting from your international operation" is a bit misleading, because this book covers not only tax on international corporations, but also personal taxation issues such as retirement, trusts, and other personal investments.

Part I of *International Taxation*, which comprises nearly half the book, is a thorough and up-to-date description of tax systems. This portion of the book will give the reader a working knowledge of tax structures with which to understand the international issues. Everything from depreciation and taxation on transfers of wealth, to value added taxes are explained in clear terms. The reader who is already familiar with many aspects of taxation can confidently move right to the international subjects. If an unfamiliar term or concept is used, the book's index and table of contents are sufficient for reference.

Part II focuses on the topic of double taxation. Similar in purpose to Part I, this section provides the reader with the background necessary to understand the issues involved when two countries tax the same income or assets. Double taxation is the chief issue raised in international business, and consequently this part contains a precise explanation of the nature of double taxation, as well as the methods employed to relieve the burden of a double tax.

Part III turns to the very different environment of the tax haven. This part of the book does more than just identify potential tax havens from Andorra to Vanautu. The authors also discuss impediments to the use of tax havens such as the implementation of tax avoidance rules by high tax countries, and the possibility of political and economic instability in tax havens located in developing countries. Furthermore, *International Taxation* discusses the factors that should be considered when selecting a tax haven. These factors include secrecy, good communication (including language barriers), the cost of transferring assets to tax havens, and the importance of matching business objectives to tax haven use.

Part IV is the last part of the book and deals with international tax planning. Starting with a detailed methodology the authors analyze various planning approaches and available alternatives. For example, some alternatives include establishing subsidiaries, entering into licensing agreements, or appointment by selling agents in different countries. This part, like the rest of the book, does not avoid the subject of personal wealth and has a separate chapter on the subject, analyzing estate duty reducing plans and property transfers in anticipation of death. The book ends with appendixes containing the resolutions of various conventions and a bibliography.

This book is relevant to any international businessman and uses clear language to explain complicated tax issues. In order to make concepts easier to understand, the authors have effectively organized the materials into parts and sub-parts and the reader is helped by numerous examples and hypothetical situations.

ISLAMIC BANKING. By Zubair Iqbal and Abbas Mirakhor. Washington, D.C.: Occasional Paper (International Monetary Fund), No. 49, March 1987, 62 pp., \$7.50 (paper).

This paper examines the salient features of an Islamic financial system, while focusing in particular on the implications of the absence of fixed interest rates. The authors compiled their information through discussions with authorities and representatives of commercial banks in the Islamic Republic of Iran and Pakistan. They stress, however, that no attempt is made to analyze all aspects of an Islamic economic system.

Basic theoretical considerations of an Islamic financial and banking system are described in Section I. The central requirement of such a system is the replacement of the rate of interest with the rate of return on real activities. Specific rules and requirements define the framework within which the banking system can operate, derived from the Quran and Sunna (the actions and sayings of the Prophet). In the Quran, the charging of interest is considered an injustice, serving as the rationalization for the prohibition of interest in an Islamic system. Consequently, banks must rely primarily on risk-sharing and profit-sharing as the mechanism for allocating financial resources.

Section II examines the implementation of the non-interest system in the Islamic Republic of Iran and Pakistan. The authors focus on the different approaches to the process of transformation taken by these two countries, while noting that both appear to have successfully replaced the interest rate mechanism without any major disruption of the financial stability of the system. Common obstacles such as lack of trained personnel and poor business ethics are outlined.

In Section III, the authors focus on issues of transition to Islamic banking and possible constraints on effective implementation. The lack of a legal framework that specifically outlines the domain of property rights is seen as one reason for the increased concentration in short-term trade instruments. Moreover, the inadequacy of the financial infrastructure is examined as a contributor to reducing the scope of long-term investment financing.

The authors include a brief and informative summary in Section IV, while also noting areas needing future research. The Laws and Regulations governing Islamic banking in both the Islamic Republic of Iran and Pakistan are set out in the Appendix, and numerous graphs and charts illustrating textual points are interspersed throughout the paper.

This paper is quite readable for those having little or no back-

ground in finance or banking, yet introduces concepts that are thought-provoking to the experienced economist and legal scholar as well.

INTERVENTION ON TRIAL: THE NEW YORK WAR CRIMES TRIBUNAL ON CENTRAL AMERICA AND THE CARIBBEAN.

Edited by Paul Ramshaw and Tom Steers. New York, New York: Praeger Publishers, 1987, 195 pp., \$32.95.

Paul Ramshaw, an organizer of the War Crimes Tribunal on Central America and the Caribbean, was editor of the *National Lawyers Guild Central American Task Force Newsletter* and is presently a staff attorney at the U.S. Court of Appeals for the Ninth Circuit. Mr. Ramshaw received his law degree at the University of California at Davis in 1983.

The New York War Crimes Tribunal on Central America and the Caribbean, sponsored by the National Lawyers Guild, convened in October 1984 in order to conduct a public forum to examine United States foreign policy in Central America and the Caribbean. The War Crime Tribunal, set up in the nature and tradition of the "peoples" proceedings created to investigate alleged U.S. war crimes in Vietnam, was held in order to publicize evidence of human-rights violations in the region in order to appeal to public opinion and conscience at home and abroad.

The War Crime Tribunal was established to simulate the function of a court of law and had a panel of seven judges and a prosecuting attorney. The panel heard testimony from approximately 26 witnesses including academicians, journalists, and refugees. Each witness alleged to be a victim of or eyewitness to human rights abuses, war crimes or other violations of international and domestic law in Central America and the Caribbean. The witnesses testify in detail as to the abuses they had either witnessed or been the victim of. Based on this testimony, the tribunal found that the Reagan administration, through its foreign policy in the region, had violated both domestic and international law.

This volume is a compilation of the 26 witnesses' testimony along with the panel's finding of facts and conclusions of law and ends with a "peoples" indictment against President Reagan, former Director of the CIA, William Casey, Secretary of State, George Schultz, and Secretary of Defense, Casper Weinberger. The indictment charges these and other unnamed executive officials with violations of the U.N. Charter, various treaties and domestic laws of the U.S. and the U.S. Constitution. The countries discussed in this volume are El Salvador, Guatemala, Honduras, Cuba, Grenada, and Nicaragua.

STRENGTHENING THE INTERNATIONAL MONETARY SYSTEM: EXCHANGE RATES, SURVEILLANCE, AND OBJECTIVE INDICATORS. By Andrew Crockett and Morris Goldstein, Washington, D.C.: International Monetary Fund, February 1987, Occasional Paper No. 50, 84 pp. (paper).

This publication is comprised of three papers written by staff members of the International Monetary Fund's ("IMF") Research Department in response to reports on the international monetary system prepared in 1985 by the Group of Ten (representing the industrial countries participating in the General Arrangements to Borrow) and the intergovernmental Group of Twenty-Four on International Monetary Affairs. The reports appear as appendices to this volume while the main text provides analyses of some of the conclusions and recommendations reached in them.

The first paper, by Morris Goldstein, focuses on issues and proposals for improving the functioning of the floating exchange rate system. It discusses perceived weaknesses of the present system, namely, the volatility of the exchange rates, the misalignments of real exchange rates, and the lack of coordination among the macroeconomic policies of industrial countries. These weaknesses are contrasted with the system's contributions to external payment adjustments, to the insulation from shocks abroad, to the effectiveness of domestic monetary policy, and to the maintenance of an open trade and payment system. Goldstein then examines three proposals for improving the system, discussing the adoption of target zones for currency exchange rates, the introduction of objective indicators to assist in multilateral surveillance, and the use of consultative and judgmental mechanisms to enhance the compatibility of policies.

The second paper, by Andrew Crockett, focuses on surveillance over the exchange rate policies of members. A discussion of the background behind the adoption of the surveillance principles, provided by the Articles of Agreement of the IMF, describes the perception of international economic interactions at the time the principles were adopted. This perception is contrasted with developments since the adoption of the surveillance document, with particular attention given to aspects that differed from the evaluation foreseen in 1977. A discussion on ways in which the surveillance document might be changed concludes the chapter.

The final paper focuses on the use of objective indicators for monitoring international interactions and for coordinating economic policies. It provides an analytical framework for discussing policy interactions

between countries and discusses indicators that might prove useful in surveillance work. This chapter's suggestions for a more systematic use of indicators concludes with an analytical summary of some of the main issues that need to be resolved.

THE EUROPEAN MONETARY SYSTEM: RECENT DEVELOPMENTS. By Horst Ungerer, Owen Evans, Thomas Mayer, and Philip Young. Occasional Paper No. 48, Washington, D.C.: International Monetary Fund, December, 1986, 75 pp.

This brief essay surveys the evolution of the European Monetary System ("EMS") from its inception in 1979 until 1983. The paper's primary function is to provide statistical information on the monetary systems of participating ECC nations. The twenty-seven pages of text, already liberally sprinkled with explanatory graphs, is supplemented by forty-three pages of statistical tables. This appendix presents a wealth of data on rates of interest, consumer prices, inflation, productivity and, most importantly, currency exchange among the ECC economies.

After a brief general background on the original objectives and early history of the EMS, the essay moves swiftly to its focus on the exchange rate mechanism ("ERM") among the participating European currencies. The text explains both the theory and practice of this device. The authors recognize the power of domestic economic policy in, for example, their discussion of the United Kingdom's decision not to participate in the ERM. They also consider the role of competing economic theories, such as the current debate over the desirability of economic convergence. Their main topic, however, is how the ERM has affected exchange rate variability and economic convergence; all the text and data ultimately relate to this central issue.

While the authors' approach is more descriptive than evaluative, their perspective clearly falls somewhere between the optimistic supporters and the pessimistic critics. The authors find decidedly mixed results in the brief history of the EMS and are no more sanguine about the immediate future.

THE ROLE OF THE SDR IN THE INTERNATIONAL MONETARY SYSTEM: STUDIES BY THE RESEARCH AND TREASURER'S DEPARTMENTS OF THE INTERNATIONAL MONETARY FUND.
Washington, D.C.: Occasional Paper/International Monetary Fund,
No. 51, 1987, 62 pp. \$7.50

The International Monetary Fund's system of special drawing rights ("SDR") was created in 1969 in order to supplement official reserve assets in the international monetary system. This two part presentation traces shifts in the role of the SDR throughout the development of the international reserve system, and then examines the SDR in a comparative functional analysis with the European Currency Unit ("ECU").

Section One of Part One reviews the major points in the development of international reserves, from the Bretton Woods par-value gold system to the current multiple-currency reserve system. The SDR was established in 1969 during this shift in character as a response to both an absolute decline in official holdings of gold and unprecedented growth in the volume of international transactions. The SDR was intended to alleviate the shortage of international liquidity. This section examines the change in this role after gold conversion of U.S. dollars was suspended and fixed exchange rates were discontinued in the early 1970's.

Section Two of Part One characterizes the present reserve system as inadequate in its ability to enhance global economic stability. This is mainly due to opportunities to engage in additional borrowing from sources outside the reserve system, and thus to preserve national reserves in the system. The limits on the role of SDR in this scenario are examined, and, finally, potential developments in the use of the SDR are explored with reference to correcting system inadequacies.

Part Two compares the functions of the SDR with those of the ECU. Success of the ECU in fostering stability in the European Monetary System prompted this focus on similarities in their functions as value and account units, official reserve assets, and private financial instruments. Some differences between the two, such as the relative volume of official and private transactions involving the reserve units, are submitted as potential areas for development in pursuit of a more dynamic role for the SDR in reaching greater stability of the international monetary system.

The book concludes with appendices providing basic information on establishment, valuation, and market action of the ECU and SDR. These appendices include a wealth of useful analytical tables outlining

the relationship of ECU-denominated assets and liabilities of commercial banks, SDR valuation baskets and allocations, and statistics on ECU bond issues.

THE STRUCTURE OF CRIMINAL PROCEDURE. By Barton L. Ingraham. New York, New York: Greenwood Press, 1987, 171 pp.

Greenwood Press has published this book as number sixteen in the series, "Contributions in Criminology and Penology." It is a worthy addition to the series. The author is Associate Professor at the Institute of Criminal Justice and Criminology of the University of Maryland, College Park.

This work studies the laws and criminal procedures in France, the Soviet Union, China, and the United States. The author has chosen four modern societies which differ substantially from one another in their political and legal perspectives, and compares the structure of their systems of criminal procedure. France and the United States are both democracies. France, however, uses an inquisitorial method of court proceeding, in contrast to the adversarial system used in the United States. The Soviet Union and the People's Republic of China share the political philosophy of Marxist Socialism, and both use the inquisitorial method of court proceedings, yet they differ in their legal perspectives. Chapter one sets out the author's goal of comparing these systems of criminal procedure.

In chapter two, the author presents an analytical model of modern criminal procedure to assist in comparing the procedures used in criminal cases around the world. In summary, the author classifies six functions of criminal procedure: intake, screening, charging and protecting, adjudication, sanctioning, and appeal.

In the six chapters which follow, the author examines each of the six functions of criminal procedure separately. He compares how each of the functions of his analytical model operates in each of the four modern procedural systems.

In chapter three the author discusses the initiation of criminal proceedings, the method of "intake." In each of the four societies there is some form of police department and prosecutor's office which process and investigate the crimes. In addition, China authorizes both the police and private citizens to apprehend and take into custody a person committing one of eight specific offenses set out in the procedure law.

Once a criminal is apprehended a decision must be made whether to prosecute. This "screening" process is discussed in chapter four. In France, the police and prosecutor decide whether to prosecute, whereas in China the decision is made solely by the police. In the Soviet Union there are many instances of "hiding cases," in which cases are screened but not reported, thereby avoiding prosecution. In the United States there are two formal screening processes, the grand jury or preliminary

hearing. In addition, the author examines three informal processes: arrest policies of the police, policies of the prosecutor's office, and the plea bargaining process.

In chapter five, the author discusses eight protections regarded as fundamental to ensure fairness and protect against abuse. He compares how each of the four societies views those fundamental protections.

Chapter six focuses on the actual trial proceeding and method of adjudication. France and China both use a three judge panel, as does the Soviet Union. However, the Soviet Union uses one professional judge and two lay judges. In the United States the proceeding is presided over by only one judge, or by a judge and a jury. The trial procedure is relatively similar in the four societies. In each system, the charges are presented, followed by questioning and cross-examination of the defendant and witnesses. Once all of the evidence is presented and arguments are heard, each system provides for deliberation or debate, after which a judgment or verdict is rendered.

Sanctioning and criminal penalties are outlined in chapter seven. France has a limited range of penalties in comparison to the broad range of punishments used in the Soviet Union. The most basic punishment for serious crimes in the Soviet Union is deprivation of freedom. China defines five types of "principal" punishments and three types of "supplementary" punishments. The author then reviews five methods of criminal punishments used in the United States, although they may vary in each of the several states. He then mentions eight "collateral consequences" of criminal conviction in the United States. With the exception of France, which abolished the death penalty in 1981, each society also has the option of imposing the death penalty for severe crimes.

The final function of criminal procedure which the author focuses on is the appeal process, discussed in chapter eight. Each of the four societies provides some degree of appellate review, with China offering the least and the United States the most.

The author concludes with a brief summary and comparison of inquisitorial and adversarial procedures. He also lists the major differences between Communist and non-Communist inquisitorial procedures.

The author strives throughout the book to show that there is a basic underlying structure which exists in the criminal procedural systems of the four different societies which he has studied. He summarizes the underlying structure as a fundamental order of society which compels human laws to conform to its norms.

The book is an interesting study and comparison of the criminal procedural systems in four of the world's major modern societies.

THE POLITICAL ECONOMY OF INTERNATIONAL RELATIONS.
By Robert Gilpin. Princeton, New Jersey: Princeton University Press,
1987, 449 pp., \$45.00 cloth, \$9.95 paper.

Robert Gilpin, Dwight D. Eisenhower Professor of International Affairs at Princeton University, presents a comprehensive, practical and theoretical analysis of three major ideologies of political economy (Liberal, Nationalist and Marxist) as these themes apply to the currently evolving international arena in *The Political Economy of International Relations*.

The author explores the interaction of international politics and economics and attempts to narrow the gap between them through a focus on "normal" economic activities of monetary relations, international trade and foreign investment. Gilpin proposes that this interrelation of economics and politics and the interdependence of the economies of the major powers make the traditional capitalist/free market/laissez-faire economic theories obsolete.

The interaction of politics and economics is explored in light of Japan's surge into and challenge of the international economic order previously dominated by the United States, the shift in the center of world economy from the Atlantic to the Pacific arena, and the shift in Western Europe's position in world economy and concurrent withdrawal from the liberal view of the economy. Additionally, Gilpin examines the growing integration and interdependence of American and Japanese economies.

The first three chapters of the book discuss the theoretical issues to be covered. The first chapter delineates the nature of international political economy as the interaction of two opposed forms of social organization, the modern state and the market, and proceeds to evaluate the significance of the relationship. The second chapter analyzes three views of the interaction between the state and the market. The third chapter then discusses the workings of the international political economy.

The author then shifts to the substantive issues of the modern international political economy. Chapter Four focuses on the international monetary system as the essential center of an efficiently functioning international economy. The next two chapters analyze the interrelationship of international trade and multinational corporation. Chapter Seven discusses the controversy arising from the impact the international economy has on the development of less developed countries. The central role played by the international financial system in binding national economies is brought out in Chapter Eight. The chap-

ter further discusses the impact of the international financial system on the continuation of global economic development and the danger that the system's increasing vulnerability poses to global economic stability.

The final two chapters analyze the international political economy in the context of the 1980's. An analysis of the political, economic, and technological changes of the last few decades is undertaken in Chapter Nine. Their significance, as related to international economic relations, is discussed in Chapter Ten, in light of the increasing importance of mercantilism, regionalism, and sectorial protectionism.

Robert Gilpin has written an exceptionally clear and accessible analysis of the theory of political economics and has translated this theory into a practical description of the modern international world. *The Political Economy of International Relations* will appeal to novice and expert alike.

MULTINATIONALS, THE STATE, AND CONTROL OF THE NIGERIAN ECONOMY. By Thomas J. Biersteker. Princeton, N.J.: Princeton University Press, 1987, 344 pp., \$45.00 (cloth), \$12.50 (paper).

Large numbers of third world colonies were transformed into politically independent states during the decolonization movement following World War II. Political independence, however, did not inevitably mean economic independence.

Professor Biersteker has examined the maneuvers of the Nigerian government, indigenous capital, and foreign capital in their competition during the 1970's for control of resources, enterprises, markets, and the means of production. He traces the economic and political forces which led in 1972 to the first Enterprises Promotion Decree, an early step toward a sweeping mandatory joint venture program. The decree, a government response to pressures from local business interests, reserved certain areas of economic activity strictly for Nigerians and in others mandated a minimum 40 percent Nigerian equity. A third category was exempt from the mandate.

Systems were developed by foreign and multinational business interests to circumvent the decree and to maintain non-indigenous controls through silent partners, local fronts for foreign owners, applications for citizenship, inflated prices on the sale of foreign-owned businesses to discourage Nigerian buyers, and general stalling. Implementation of the decree is shown to have achieved partial success, with an increase in indigenous control of commerce, in spite of frequent circumvention of its terms. But, where the decree was effective it led to concentrated control and benefits in a small number of urban indigenous hands.

The second decree, in 1977, was designed to strengthen the state's role in economic policy and provide a wider distribution of benefits. The new decree required a Nigerian share in all business enterprise, expanded the category of enterprise reserved to Nigerians, and increased the equity required to be held by Nigerians. It also required an employee share in ownership, limited the acquisition of business shares by any individual, and strengthened enforcement powers of the state.

Professor Biersteker analyzes the countervailing measures of multinationals and foreign interests to inhibit the goals of the second decree. He finds the increase in Nigerian equity participation resulted in very little change in effective control of enterprises. He predicts the foreign exchange problems which, after the time span of his study and after a sharp drop in oil prices, and a consequent rise in foreign debt,

led to the 1984 military coup which threw out the four year old constitutional government.

The objective of this study is an understanding of reasons for economic nationalist programs in developing countries, methods of implementation, and any resulting changes in control of the economy. Nigeria is the most populous African state and, with its oil and gas resources, the wealthiest black African nation. The Nigerian experience, examined in a search for a general model of the indigenization process, is seen as too distinct for valid and useful generalizations. The author proposes instead a methodological generalization based on his approach to the specifics of the Nigerian experience. The greatest value of the book is in the synthesis of elements from six theoretical perspectives ranging from conservative neoclassical realist and liberal internationalist to dependency and classical Marxist approaches. This method permits a fuller understanding of development in North-South relations and of the reasons for, and consequences of, third world economic nationalist programs.

THE FUTURE OF HONG KONG: TOWARD 1997 AND BEYOND.
Edited by Hungdah Chiu, Y.C. Jao and Yuan-Li Wu. Westport, Connecticut: Quorum Books, 1987, 254 pp.

Because Hong Kong represents a major world economic center, the 1984 Sino-British treaty negotiating its reversion to the People's Republic of China has been the subject of much speculation. A comprehensive and insightful discussion of the topic is found in *The Future of Hong Kong: Toward 1997 and Beyond*, a collection of essays which counts University of Maryland Law professor Hungdah Chiu among its editors. Professor Chiu, an expert on East Asian affairs, has authored and coauthored several books on China and Taiwan and is President of the American Association for Chinese Studies.

The volume begins with a summary of Hong Kong's unique historical development and proceeds with an outline of the negotiations that led to a formal treaty. Following these introductory materials, opposing theorists present hypothetical scenarios of the transition from British rule and of Hong Kong's future under eventual Chinese administration. Generally, the optimistic theorists stress China's historical respect for international agreements, its good record in Hong Kong and its recent trend towards modernization. The pessimists, on the other hand, doubt that a capitalist enclave can survive within a Communist country and list economic and ideological tension as the most likely assaults to success. This polar framework, while perhaps exaggerated for argument's sake, is especially helpful to readers evaluating the varied topics presented in the work.

Additional chapters assess Hong Kong's economic uncertainties, consider the effect of these unknowns on the world economic community and discuss the possibilities for building a political consensus both before and after the transition period. The first of these essays, "Interaction between Hong Kong and its Economic Partners and Neighbors," examines the economic consequences of the takeover. Central to the discussion is whether China will perpetuate the favorable labor, tax and free trade systems that have created Hong Kong's prosperity. The chapter also introduces the issue of Hong Kong's sovereignty and whether: (1) individual trade partners will maintain the territory's most favored nation ("MFN") status, and; (2) whether Hong Kong itself will retain its generalized system of preference (GSP). The chapter's author suggests that in order to resolve these uncertainties, foreign governments should make the preservation of Hong Kong's economic independence a precondition for granting or extending external treatments such as MFN status.

Similarly, a subsequent chapter on human rights conceives third party interference as necessary to guarantee the stability of the region after 1997. Proposed therein is that the United States and the West insist on a linkage between technology transfers and policies respectful of human rights. The theorists though, espousing the pessimistic view, doubt that such a plan will be successful because the very nations who should be most concerned are the ones who are "blindly scrambling to attach financial fortunes to the uncertainties of China's future."

A final chapter poses the entire Hong Kong issue as a model for possible Chinese unification with Taiwan. But the chapter notes that peaceful unification with Taiwan, a sovereign nation with defense capabilities and independently conducted foreign affairs, will be a much tougher test of China's mood to accommodate.

This book stems from an April 1985 panel discussion for the 27th Annual Conference of the Western Social Science Association. In addition to multidisciplinary and multidimensional perspectives on the Hong Kong question, the volume also contains important official documents and a comprehensive bibliography. Policy makers, economists and students of Asia alike will benefit from the collection's developed analysis. Businesses involved with Oriental markets or interested in the interplay between capitalism and communism will find the work especially worthwhile.

TERRORISM, U.S. STRATEGY, AND REAGAN POLICIES. By Marc A. Celmer, New York: Greenwood Press, 1987, 132 pp., \$29.95.

Marc A. Celmer received his Masters degree in International Affairs from American University. In this text, the author traces both the history of international terrorism and the United States government's response to this phenomenon. He feels that the United States has developed a fragmented and ineffective response to international terrorism starting with the Nixon administration and culminating in the arms for hostages debacle of the Reagan administration.

This book contains eight detailed chapters. Chapter one, the introduction, explains that the United States annually suffers 35-45% of the effects of international terrorist incidents, while the United Kingdom and Israel each suffer about 10% of all terrorist incidents.

The second chapter defines terrorism and its goals. While the first reign of terrorism is attributed to the epoch of the French Revolution, the modern era of terrorism is dated from the Lod Airport massacre and the Munich Murder of Israeli Olympic athletes in 1972.

Chapter three examines the development of a governmental response to international terrorism in the Nixon, Ford, Carter and Reagan administrations. The author feels that the approach of the executive branch has been fragmented and that no clear cut policy to combat terrorism has evolved.

Each executive department and its involvement in the antiterrorist bureaucracy is described in chapter four. The author then makes recommendations including dismantling the present system which gives rise to interdepartmental fighting and developing a centralized department which will coordinate all aspects of response to terrorist incidents.

Chapter five deals with governmental attempts to counter terrorism through self-help military operations such as National Security Decision Directive ("NSDD") 138 signed in 1984. The author contends that the Department of Defense has consistently relegated special forces to a secondary position resulting in the best military talent being channeled elsewhere. Interservice rivalry has also affected the ability of quick response when terrorist incidents occur. Moreover, when the antiterrorist forces have been used, the results have been failure as in Operation Eagle Claw in the Iran hostage crisis, or in the unnecessary casualties of the Grenada operation.

The importance of intelligence gathering in combatting terrorism is detailed in the sixth chapter. This often requires infiltration into terrorist groups which is extremely difficult. Passage of the Freedom of Information Act also has made external sources of intelligence wary of

providing information to the United States. The author feels the gathering and dissemination of terrorist related intelligence should be removed from the governmental intelligence bureaucracy and instead overseen by antiterrorist officials to insure that incoming intelligence is quickly and accurately disseminated to appropriate agencies.

The use of International Law in combatting terrorism is examined in chapter seven. Mr. Celmer finds that with the exception of international aviation, there have not been effective international agreements to combat terrorism. Extradition treaties do exist between many nations especially when terrorist acts have been aimed at diplomatic personnel, but in general such efforts have been hampered by non-compliance and by grants of asylum.

In the final chapter the author assesses our government's response to terrorism in the last fifteen years and finds it lacking. The author feels that the hard-line rhetoric of the administration raises ethical questions and cannot be effectively executed by the bureaucracy now in place.

Mr. Celmer presents a comprehensive account of the antiterrorist bureaucracy in place for the last fifteen years, and appends a selected bibliography. The author uses this detailed work to demonstrate the lack of an effective and coherent approach to terrorism in the government including the present administration.

INTERNATIONAL SANCTIONS IN CONTEMPORARY PERSPECTIVES. By Margaret P. Doxey, New York, New York: St. Martin's Press, 1987, 175 pp.

International Sanctions in Contemporary Perspective by Margaret P. Doxey is a very pertinent study of non-violent sanctions. Included in this topic are diplomatic and political actions, cultural and communication measures, as well as a broad range of economic measures of commercial, financial and technological nature.

The study examines when and how official international sanctions are imposed, why particular measures are selected, and analyzes what problems they cause. The study focuses on sanctions sponsored by governments against other governments and not on official boycotts by consumers.

The first chapter of the book discusses the authoritative basis for sanctioning. The United Nations is examined as a body for authorizing sanctions. It is, however, pointed out that the UN is not an independent authority; it needs majority support. As a result, UN condemnation of standard-breaking by members has been highly selective, and many glaring cases of human rights abuse have gone uncensored. The author points out that, except for comprehensive economic sanctions directed at the white minority regime in Rhodesia, the security council of the UN often either has not discussed or has failed to decide about sanctions due to a permanent member's veto. It is concluded that, in reality, the Security Council could not develop a consistent pattern of sanctioning and that measures are adopted voluntarily by individual governments on the recommendation of the Security Council.

The bulk of the book discusses case studies in which sanctions were applied. Chapters three and four deal with sanctions imposed by the League of Nations and the United Nations. Chapter five considers sanctions in regional settings, including Eastern Europe, Western Hemisphere and the Arab World. Chapter six considers four recent cases where such organizational backing was lacking. The Tehran hostage crisis, Soviet intervention in Afghanistan, martial law in Poland and the Falklands war. Chapter nine is devoted to the volatile situation in South Africa.

Chapters seven and eight address the problems faced by governments in attempting to orchestrate a collective sanctions program and consider the impact of such programs on targets and on third states. Concerted international action requires cooperation of states of different sizes and strengths with different values and competing ideologies. It is stressed that both policy costs and political costs must be

considered.

Ms. Doxey concludes her study by reviewing trends in sanctioning. The author's study should prove useful for those who seek a deeper understanding of the use and limitations of International Sanctions.