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BOOK NOTES

THE CONSERVATIVE PARTY FROM HEATH TO THATCHER: POLICIES AND POLITICS 1974-79. By Robert Behrens. Westmead, England: Saxon House, 1980. Pp. 139.

Mr. Behrens has written a comparative analysis of the Conservative Party's policy initiatives and internal dynamics under the leadership of Edward Heath and later Margaret Thatcher. Behren's examination emphasizes the divisions between Diehards, those conservatives who seek a return to the moral and socio-economic values of the late-Victorian era, and Ditchers, conservatives who have been opposed to national governmental intervention in economic affairs.

It is initially pointed out that prior to 1974 the overwhelming majority of conservatives accepted components of the welfare state imposed by post-war labour governments and sought merely to conserve the status quo. In 1974, due to a dispute with the nation's coal miners, Edward Heath's Government dissolved, and the conservatives suffered an electoral defeat. This loss gave rise to calls for the reformulation of the party's ideology and destabilized Heath's position as a leader.

Alarmed by the power of trade unions, moral decay and economic stagnation, many conservatives called for a return to traditional middle class moral values and a free market economy. The author refers to this faction as Diehards. Edward Heath and other Ditchers believed that the party could only retain popular support through solid management of existing social welfare programs. The author examines this ideological conflict in detail.

The book proceeds to explain the party's internal structure in the context of Diehard Margaret Thatcher's ascension to leadership in 1975. In addition to their ideological differences, Heath and Thatcher brought divergent styles of leadership to the party. While Heath was aloof and surrounded by advisers who shared his views, Thatcher is depicted as a warm politician who stays in close contact with the local party organizations. Nevertheless, Behrens emphasizes that both Heath and Thatcher believed the primary role of the local organizations was to raise funds for the party rather than to participate in national policymaking.

Later chapters examine Thatcher's economic initiatives. Particular emphasis is given to the role of trade unions, who many conservatives believed were responsible for their 1974 electoral defeat. By the winter of 1978-79, increasingly large numbers of voters blamed trade unions for the country's economic malaise. This disaffection gave rise to the

election of Margaret Thatcher's Government. The author points out that despite Diehard rhetoric, Thatcher has been cautious in formulating economic policy. As a result, current conservative economic policy is similar to that espoused by Heath's Government.

The author concludes by examining the personal acrimony that developed between Mr. Heath and Mrs. Thatcher during the period. Heath is portrayed as bitter that former members of his government criticized his policies shortly after the 1974 electoral defeat. He viewed this as a violation of the constitutional doctrine of collective cabinet responsibility. The author tends to support Heath's position, and finds it ironic that Diehards, who espouse personal responsibility, so quickly abandoned policies that they had helped to promulgate.

THE OIL FACTOR IN U.S. FOREIGN POLICY, 1980-1990. By Melvin A. Conant. Lexington, Mass. Lexington Books, 1982. Pp. 119.

The theme of this book is that the securing of oil imports now influences political, economic and security interests of the United States and its allies. American policy formation has not, however, adequately acknowledged this situation in its foreign policy. The author traces the history of United States dependence on foreign oil, the transfer of oil production control from the multinational corporations to the producer governments and the implications of this transfer for the United States and its allies. Mr. Conant concludes that, at least through this decade, the United States cannot do without foreign oil. Therefore, it is up to the United States to set forth a coherent policy on energy, interrelated with other foreign policy objectives, so as not to impair relations with its allies.

The analysis can be divided into three parts. Chapters 1, 2 and 3 discuss the interests of the United States, its allies and the Soviet Union, paying special attention to the contrasting oil interests of the United States and its allies. Chapters 4 and 5 discuss the interests of the oil producing nations. The author examines the unique political, economic and social factors that have defined the interests of the Middle East, from which half of the world's known oil reserves originate. The remaining chapters discuss the prospect for common action to secure a consistent supply of oil, the implications of the politicization of oil for the United States and its allies, and finally, prescriptions that should be considered by the United States policy-makers in the 1980's.

This author provides various tables supplying data of oil availability and surpluses, allied oil import data and trade accounts.

LIBERATION SOUTH, LIBERATION NORTH. Edited by Michael Novak. Washington, D.C.: American Enterprise Institute for Public Policy Research, 1981. Pp.99.

This work is a collection of essays which examines two contrasting traditions of political economy in North America and Latin America. In the introduction Mr. Novak explains that, historically, the two regions have followed varied philosophical and theological paths which have led to their different cultural and economic developments. North America concentrated on breaking away from its European economic and religious traditions in its attempt to establish a different political system. In contrast, Latin America retained its European affiliation as well as its traditional Catholicism. Thus, as Mr. Novak notes, Latin American liberation theologians are hostile to North American capitalism and think more sympathetically of socialism.

One of the essays is by Father Juan Luis Segundo, S.J., which Novak calls a classic statement of Latin liberation theology. In contrast, Ralph Lerner's essay illustrates the different political, economic and religious views of the two regions.

Novak also includes essays by Latin American economists which examine Latin dependency, market democracy and democratic reformism. In two of the essays, Professors Sergio Molina and Sebastian Pinera analyze poverty in Latin America and conclude that a free market economy is not the solution, but that governmental intervention is the only viable answer for the eradication of poverty.

Roger Fontaine's conclusion questions the efficacy of liberation theology and finds that it is somewhat distortive in its approach to socialism and capitalism. In addition, it lacks scientific rigor; therefore, a fair and complete critique of it may not be possible. Fontaine concludes his evaluation by stating that the clerical revolutionaries manipulate theological themes in the name of peace when, in fact, they may be encouraging tyranny.

U.S. INTERNATIONAL AVIATION POLICY. By Nawal K. Taneja. Lexington, Mass: Lexington Books, 1980. Pp. 163.

The objective of this book is to examine current United States aviation policy and to determine its potential domestic and international impact on consumers, airlines and other nations. The book is in response to the current controversy concerning the 1978 deregulation of United States airlines. Based upon the assumption that the United States is attempting to incorporate its domestic freemarket philosophy into bilateral agreements, Dr. Taneja analyzes possible short and long-term consequences of these policies. The author argues that the deregulation, open skies and freemarket policies are misguided and will

prove counterproductive.

The book begins with an historical review of United States aviation policy, and charts the introduction and development of regulation in the domestic and international aviation industries. To highlight constantly changing airline regulation, Dr. Taneja focuses on international agreements and presidential policies up to the 1978 deregulation of the industry. With this historical foundation, the book considers the rationality of the domestic pro-competitive, pro-consumer, freemarket oriented philosophy. While questioning the success of deregulation, the author analyzes the past and present effects of deregulation. This study considers the real impact on fares, carrier profitability, truck carriers, and the quantity and quality of service. The analysis concludes by discrediting the feasibility of transferring our domestic philosophy to international aviation.

The final section of the book examines the evolution and need for the International Aviation Transport Association (IATA). It is asserted that the IATA's multilateral forum should be used to negotiate solutions to the problems caused by the divergent objectives present in the world aviation community. The book provides preliminary financial results of deregulated carrier operations on the North Atlantic, and assesses the benefits to consumers and airlines from the international application of a portion of the open skies policy. Dr. Taneja concludes by questioning the realistic benefits of deregulation and asks for a reassessment of United States international aviation policy.

CORPORATE CONCENTRATION: NATIONAL AND INTERNATIONAL REGULATION. Michigan Yearbook of International Legal Studies, Volume II. Ann Arbor: The University of Michigan Press, 1981. Pp. 366.

The second volume of the Michigan Yearbook of International Legal Studies contains the written contributions of foreign and American scholars who participated in the University of Michigan Law School's autumn 1979 symposium on the existence and regulation of corporate concentration. This collection identifies and discusses the issues and problems of transnational corporate concentration and proposes possible solutions.

The volume is divided into three sections: United States Perspectives, Foreign Approaches and Multinational Efforts. In addition, the appendix is a summary of select foreign antitrust law and an outline of recent U.S. legislative proposals relevant to corporate concentration.

Thomas Kauper's introductory article identifies the many issues addressed in the book. For example, it is a commonly held belief that corporate concentration breeds monopolistic behavior and thus threatens democracy and individual liberties. There is also a view that suc-

cessful collusive behavior is facilitated by corporate concentration. When a corporate enterprise crosses international boundaries, problems of conflicting merger policy and effective control mechanisms arise. These issues and others are addressed in the volume's twelve articles.

The first section of the book, entitled *United States Perspectives*, explores the response to transnational corporate concentration. David Boies' article discusses a recent legislative proposal that would limit mergers based on size criteria. Deborah Levy explores Sherman Act applications to controlled economy enterprises conducting business in the United States. She summarizes the problem by stating that corporations in the United States do not have the variety of advantages of a controlled economy enterprise that is virtually unrestrained by rules of competition.

Foreign approaches to transnational corporate concentration is explored in the second section. J. Denys Gribbin reports on the United Kingdom's approach to regulation of transnational corporations. The European Economic Community's response to transnational corporate concentration including articles 85 and 86 of the European Economic Community Treaty and its prohibition of abuse of a dominant market position by one or more firms is the subject of John Temple Lang's article. Canadian merger policy and structural aspects of multinational corporate trade with nonmarket economies of Eastern Europe are also explored in this section.

The final section on multinational efforts discusses recent activities of the Organization for Economic Cooperation and Development and the efforts of the U.N. Conference on Trade and Development and the U.N. Economic and Social Council's Commission on Transnational Corporations. The appendix consists of a brief description of the monopoly and merger laws of several nations. An extensive annotated bibliography of the leading writings on industrial concentration is also included.

COMPLIANCE AND PUBLIC AUTHORITY: A THEORY WITH INTERNATIONAL APPLICATIONS. By Oran R. Young. Baltimore: Johns Hopkins University Press, 1979. Pp. 172.

This book tackles two types of issues. The first is the problem of compliance as a matter of individual choice; namely, what factors govern whether an actor or subject will comply with rules, laws, moral standards, social norms, agreements, i.e., what the author terms behavioral prescriptions. The second is the problem faced by public authorities who seek to induce compliance with behavioral prescriptions or compliance mechanisms; in particular, which options do public author-

ities have in eliciting compliant behavior from subjects or groups of subjects and how do they choose among them.

The author analyzes the problem of compliance in highly decentralized social systems with particular emphasis on the problem in the international arena. His interdisciplinary approach brings together politics, philosophy, economics, decision theory, sociology, international relations and foreign policy to construct a theory of compliance at the most general level and to show that compliance problems in highly decentralized systems are not always qualitatively more difficult to solve than those arising in more centralized systems.

The analysis proceeds in three parts. The first lays out the issue, puts forth a special theory of compliance characterizing the issue as a matter of individual choice, and points up attributes common to all decentralized systems as well as those distinctive of the international system.

The second studies the signatory compliance with two major international conventions: the Partial Nuclear Test Ban Treaty and the International North Pacific Fisheries Convention. The author concludes that these decentralized compliance mechanisms have achieved relatively high levels of compliance.

The third moves towards a more general theory of compliance. It introduces new complexities to the issue, develops a normative model of the cost-benefit analysis used by public authorities in choosing compliance methods and considers the empirical applicability of the normative assumptions made.

Lastly, it discusses the social costs of compliance mechanisms, especially the unintended side effects such as invasion of civil liberties.

THE CREATION OF STATES IN INTERNATIONAL LAW. By James Crawford. New York: Oxford University Press, 1979. Pp. 498.

After a comprehensive survey of the many theories and approaches to the creation and extinction of states in international law, Crawford asserts that the two prevailing theories of statehood, one declaratory and the other constitutive, are inadequate to explain the modern practice of state creation. This book investigates whether, and to what extent, the formations and existence of states are regulated by international law.

The author first addresses the concept and history of statehood in international law with a discussion of recognition, the criteria for statehood, and how modern influences affect these criteria. Part II then deals specifically with the creation of states in international law and examines dependent states, devolution, secession, divided states and federations of states. The author analyzes the creation of states in in-

ternational organizations, with primary emphasis placed on the role of international organizations in the process of decolonization. The final chapters are devoted to the administration of mandated and trust territories and the problems of commencement, continuity and termination of statehood.

The text contains a listing of States, a recapitulation of League Mandates and United Nations Trusteeships, and finally a summary of relations between the United Nations and Non-Self-Governing Territories.

A CONVERSATION WITH MICHAEL NOVAK AND RICHARD SCHIFTER: HUMAN RIGHTS AND THE UNITED NATIONS. Washington, D.C.: American Enterprise Institute for Public Policy Research, 1981. Pp. 25.

The conversants here are the United States delegate to the United Nations Human Rights Commission (UNHRC) and his alternate. The book is an edited transcript of a discussion sponsored by the American Enterprise Institute in which Mr. Novak and Mr. Schifter relate their impressions of the workings of the Commission.

Mr. Novak begins by defining the public and private scope of UNHRC. He then outlines the United States human rights policy, as presented to the Commission by President Reagan in Geneva in February 1981: first, the defense of human rights is a permanent tradition in the United States and therefore the Administration's policy would not condone such violations; second, all violators are treated equally; finally, the focus of the Reagan Administration is on improving the quality of institutions devoted to human rights.

Mr. Schifter continues the conversation by examining what constitutes human rights in the Western and Soviet blocs and the Third World. He then discusses the limited ability of the Commission to effectuate actual change in human rights policies throughout the world.

The last two-thirds of the book consists of questions and answers on such topics as the human rights policy of the United States, the source of UNHRC's funding and placement of an issue on the Commission's agenda.

Pawns in a Triangle of Hate: The Peruvian Japanese and the United States. By C. Harvey Gardiner. Seattle: University of Washington Press, 1981. Pp. 222.

The late nineteenth and early twentieth century witnessed the immigration of thousands of Japanese into Peru. Through perseverance and hard work, they achieved a modest level of prosperity in their new land. This prosperity, coupled with their different racial background,

made them a target of resentment for many Peruvians. As a result of the Japanese attack on Pearl Harbor, the United States government actively encouraged the Peruvian government to arrest and deport many of the Peruvian Japanese to the United States for internment. The Peruvian government, eager to rid itself of its Japanese population, readily complied.

This book is an account of the United States and Peruvian policies that led to wartime and post war deportation and internment of thousands of Peruvian Japanese men, women and children, and provides an account of how those policies adversely affected their lives. The author points out that, in most cases, these individuals were deported without judicial hearing or any notice of, or substantiation of, specific charges against them. Many of those deported left behind wives, husbands and children. Most were given little or no opportunity to put their affairs into order or to liquidate their assets.

Through the use of capsule biographies, the author describes the lives of the internees aboard the transporting vessels and in the internment camps, the agonizing loneliness they suffered in being separated from their families and their homes and the fearful awaiting of their ultimate fate.

The latter chapters portray the dilemma of the internees as the war came to an end: the Peruvian government did not want them back; the United States considered them "alien enemies" and hence, deportation to Japan, a land strange to most of them, seemed their ultimate destination.

The final pages record the noble efforts of an American attorney who, after the war, won freedom for the internees, and the right for them to choose to return to Peru or to remain in the United States. In accomplishing these ends, his endeavors were wrought with constant frustration in the face of government bureaucracy and indifference.

This is a well-documented, descriptive analysis of the struggle of a powerless people and their victimization by racism, war-related paranoia and government disregard for basic human rights.

DIPLOMACY OF POWER: SOVIET ARMED FORCES AS A POLITICAL INSTRUMENT. By Stephen S. Kaplan. Washington, D.C.: The Brookings Institution, 1981. Pp. 733. Footnotes.

As the book's title indicates, this work provides an historical analysis of Soviet use of its armed forces as an instrument of foreign policy. In this three-part analysis, Kaplan first examines the evolution of Soviet and communist expansion, citing 190 incidents between 1944 and 1979 in which Soviet armed forces were employed in a variety of political contexts. The nature of the incidents is discussed in terms of the

role of the forces as well as any elicited international reponse.

In part two, Kaplan places himself in an editorial position, and narrows the scope of analysis by providing eight case studies individually authorized by specialists, concerning the Middle East, Southeast Asia, Central Asia, Eastern Europe and Africa. The cases selected present diverse geographic contexts, as well as varied Soviet and local military involvement.

Part three presents an overall analysis of Soviet military action. Kaplan evaluates the general effectiveness of past Soviet uses of force, the nature and composition of the forces, and the effects of interaction between United States military power and operations and the use of Soviet armed forces. Kaplan concludes his analysis by presenting his thoughts on the future of Soviet military diplomacy.

Throughout the book, the reader is provided with charts and tables to aid in analysis. Also included are two appendixes which identify each of the 190 incidents by month and year, and a bibliography of available sources for studying the use of Soviet armed forces.

ELECTRONIC NIGHTMARE: THE NEW COMMUNICATIONS AND FREEDOM. By J. Wicklein. New York: Viking Press Inc., 1981. Footnotes, index. \$14.95.

The book examines the Home Communications set (HCS), which, in addition to entertainment programming, will receive televised news, printed news, and reference material from computerized libraries. The HCS will allow people to do their banking, take part in town meetings and school hearings, send mail electronically, and tie into international communications.

A major threat that Wicklein identifies is that a single authority will win control of the whole system and its contents. He asserts that an agency could dictate its contents and decide its political, economic, and social applications if left to operate without adequate restraints.

In this comprehensive study, Wicklein investigates the systems on line and in prototype in the United States, Japan, Europe, and Brazil. Specific examples of major developments in communications are used to illustrate how both the blessings and threats of the new technologies are already upon us. The illustrations focus on the concepts and techniques, rather than the specific pieces of hardware. The author believes that knowing the techniques and what they can do for us, and to us, are more important than knowing the hardware.

The book concludes that the federal statutes now in effect on communications, fair credit reporting, and privacy are woefully inadequate to hold in check a technology that is fast outstripping our ability to shape it. The author recommends that we immediately impose social

and legal controls on the system so that we can gain the benefits of a diversified, well-informed society while turning aside the threats that may make us powerless to protect our personal freedom.

FAILED MULTINATIONAL VENTURES. By Leon Grunberg. Lexington: Lexington Books, 1981. Pp. 177.

This book focuses on one aspect of the mobility of international capital—that is, the behavior of multinational companies regarding divestment. It explores the causes of international divestments and describes their effects. The greater part of the text provides an in-depth analysis of two cases of international divestment and another case of an attempted divestment.

The first chapter introduces the problem of international divestment and places it in an international economic context. The author notes that during the period 1966-1976, many cynical and structural changes occurred in the international economy. These changes included increased competition, stagnant demand, excess capacity, declining profitability, technological change and worker resistance. It is argued that all of these factors contributed, in varying degrees, to the increased incidence of international divestments.

After reviewing the limited literature on the causes of divestment by multinationals, the second chapter seeks to explain these divestments. Multinational companies, operating in an oligopolistic environment and constantly competing for larger market shares, struggle to gain cost advantages to increase profits. Therefore, multinationals tend to locate their capital—that is, invest and divest—according to comparative cost conditions in an unevenly developed world. This chapter also reviews the literature on the consequences of divestments and describes the damaging effects of divestment on workers and local communities.

The middle chapters comprise the case studies which are described and analyzed in the language of the participants. While divestments are generally considered to be the result of market forces, these case studies indicate that foreign subsidiaries are also subject to an "internal-political economy." Grunberg suggests that although competition is a major factor in divestment decisions, the fate of subsidiaries is more closely connected to the parent company's decisions on such crucial matters as transfer prices, product policy, and access to export markets. The author concludes that the multinational company, despite its structural flexibility and strategic planning capacities, has done no more than increase its degrees of freedom within an unplanned and highly competitive international economy.

NONPROLIFERATION AND U.S. FOREIGN POLICY. Edited by Joseph A. Yager. Washington, D.C.: The Brookings Institution, 1980. Pp. 438.

In the essays comprising *Nonproliferation and U.S. Foreign Policy*, the authors explore the policies advanced on nuclear proliferation by the countries of Northeast Asia, the Middle East, South America and South Africa. The state of the art in the development of nuclear weapons is delineated for each country, as are the interests and policies effecting further development or proliferation.

After outlining each country's position on the proliferation of nuclear weapons, part six proscribes for each country a means for effecting the United States' policy of nonproliferation.

Joseph Yager, in the final chapter, concludes that the United States' goal of nonproliferation is a difficult one to achieve single-handedly, due to the lack of uniformity in each of the countries discussed. He suggests a multinational effort to slow the proliferation rate of both the capabilities to produce nuclear weapons and the weapons themselves. An international plutonium management system, a limitation on reprocessing plants, a confinement on enrichment plants and the use of the United States as a spent fuel outlet, are among the suggestions made. It is further suggested that a reduction of the anxiety about national security would serve as an additional inducement for a policy of nonproliferation.

INTERNATIONAL ENERGY POLICY. Edited by Robert M. Lawrence & Martin O. Heisler. Lexington: Lexington Books, 1980. Pp. 218.

Energy interdependence is the common theme of this collection of essays analyzing international energy policy. The book, divided into two parts, first addresses the interdependence between the energy producing nations and the energy consuming nations. The various essays discuss not only the interdependencies that have arisen because of the world's uneven distribution of fossil fuel, but also the move away from fossil fuels to an interdependence on the high-technology capital equipment needed for solar, fusion and fission energy alternatives. Henry Nau's essay, concluding that the United States' energy policy is based on foreign policy, traces the United States' response to the energy crises from 1975 to the present. The last two essays of part one explore Mexico's hydrocarbon export policy and the United States' involvement in Canada's regional energy conflict.

Part two uses comparative studies to explore the energy policies of China, the U.S.S.R. and major Western European countries. Kenneth Paul Erickson explores energy efficiency in industrial societies and its correlation to per capita gross domestic product. Finally, part two addresses Soviet energy policy in the 1970's and the expansion of China's

electrical power capacity.

As suggested in Robert Lawrence's introduction, this book provides a low-level analysis of the global energy situation and is intended to invoke a response in the reader to the international challenge of rising energy costs.

ECONOMIC STABILIZATION IN DEVELOPING COUNTRIES. Washington, D.C.: The Brookings Institution (W. Cline & S. Weintraub eds. 1981). Pp. 517.

The editors have compiled the proceedings of a 1979 conference, organized by the Brookings Institute, into a single-volume study on economic stabilization in developing countries. The volume presents papers and commentary from individuals affiliated with governmental agencies, academic and international banking institutions. These papers offer both theoretical and case study analysis on the topic of economic stabilization, from international, regional and national perspectives. Among the areas examined are the international economic environment; the impact of the economic policies of major private and national lending institutions; the International Monetary Fund and the World Bank; the effect of economic stabilization on income distribution; and the efforts of individual nations to stabilize their economies.

The editors then examine case studies of economic stabilization efforts in Mexico, Peru, Tanzania, Pakistan and South Korea. They conclude that fast stabilization policies have not been very successful and present a "new structuralist" macrotheory that explains this lack of success.