but also by the fact that the substantive civil as well as procedural law in force in the several states is, in most situations, uniform because it is patterned after federal models. . . . Finally, it should be taken into account that in many areas of potential interstate conflicts, such as commerce, labor, transportation, natural resources and others, uniform, i.e., nationwide federal substantive law prevails.\footnote{S. Bayitch & J. Siqueiros, supra note 1, at 27.}

The United States student will thus get the most good out of this book if he will think of it as (a) a book about Mexican law and (b) a book not about "Conflict of Laws" but about the Mexican rules and practice determining jurisdiction and competency of courts, choice of law and recognition of foreign-based rights. As such a book, it is first-rate.

The United States reader will also get an unadvertised bonus which may be of even more value to him than the study suggested by the title. The authors, partly out of the necessities imposed on them by their subject and partly from a scholarly thoroughness and a desire to make their book helpful, for which we can only be grateful, have given us a very detailed and comprehensive statement of the legal status of the foreigner in Mexico, especially that of a United States citizen. The many statutory and regulatory provisions they cite, and their discussion of them, give us as clear a picture as can be found anywhere of what his rights and duties are, what he can and cannot do and what remedies are open to him in time of trouble.

On both counts, then—as a scholarly study and as a practical handbook for the United States businessman in Mexico and his lawyer—the book deserves genuine praise.

\footnotetext{S. Bayitch & J. Siqueiros, supra note 1, at 27.}

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Kenneth W. Dam is a professor of law at the University of Chicago. Although still a relatively young man, he has established himself as one of the country's leading scholars in the field of international economic organizations. This book is a major contribution to the study of such organizations and their problems. It is destined to become one of the standard reference works on the General Agreement on Tariffs and Trade (GATT) and to add measurably to the author's already substantial reputation.

At the outset it should be noted that the book is conceived of, and is.
something more than a technical analysis of GATT and its operations. While a very clear and useful profile of GATT is presented, GATT is also used as a vehicle for exploring the nature and problems of international organization and for posing questions about the efficacy of rules in the organization of the international community. In pursuing his analysis of the function of rules in international organization, the author sounds several recurring themes, which he flags for the reader in the opening chapter. Briefly summarized, these themes are: (1) The tension in GATT between the poles of "legalism" and "pragmatism;" (2) The importance of procedures for identifying and resolving underlying economic problems and the insufficiency of substantive rules alone; (3) The extent to which GATT, in original concept and in operation, fails to take account of emerging economic theory; (4) The problem of adapting legal rules to new problems; (5) The conflict between those countries for whom its primary value is the elimination of barriers to international trade, and the less-developed countries for whom its primary value is their own economic development; (6) The role of GATT in resolving conflicting values and in clarifying the common interest of all the members of the international trading community; and (7) The difficulty of attacking complex economic problems piecemeal, as GATT must since it has no jurisdiction over monetary matters, international aid and other large sectors of international economic activity, and since it must share its limited competence with other international institutions.

In view of these multiple themes, it is not surprising that the book reaches no single conclusion. Indeed, among its virtues are the multifaceted approach taken by the author and his willingness to pursue his analysis of GATT from a number of differing viewpoints. He is, of course, not without strongly held views of his own, and he promptly warns the reader of certain of his predilections; the most important of these is his belief in "the value of an international trade organization that seeks to improve the conditions of trade for the international community as a whole, whether that organization be the GATT or another." Although he puts great stress on the goal of increased efficiency through trade, Professor Dam recognizes that in many cases it will be subordinated to values other than efficiency. Before preferring some other value, however, it is "highly useful to identify the prospective policy that would maximize economic efficiency. . . . As Ragnar Nurske has observed, 'The world is not rich enough to be able to despise efficiency.'" Professor Dam also notes the difficulty, even on a theoretical plane, of identifying those policies that lead to efficiency in the economic life of the international community; no longer can it simply be taken for granted, as it was by the drafters of GATT, that all customs unions lead to efficiency, or that all preferences lead to inefficiency.

This rise of GATT in Phoenix-like fashion from the ashes of the ill-starred International Trade Organization is skillfully traced in one short chapter, which

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2 Id. at 8-9.
3 Id. at 9.
also contains an excellent analysis of the failure of United States trade diplomacy to make its views prevail during the post-World War II period. The author sees three major reasons for that failure. First, the free trade ideal which our diplomats pursued faced opposition from many other countries, as well as from domestic interests (notably agriculture) which favored the continuation of protectionist policies. Second, the code of laws approach advocated by the United States was “ill adapted to the nature of the international economy and to the international financial system.” Finally, the United States approach lost sight of the fact that substantive agreement on international economic matters is worth little unless accompanied by an appropriate institutional framework; while the United States negotiators saw the need for an international organization, they viewed its purpose as being primarily that of an enforcement agency—when what was needed was a mechanism through which countries might identify their common interest and work out mutually acceptable solutions to their international trade problems. For all these reasons—and a number of others—the ITO never got off the ground. Although GATT was not originally intended to provide the missing institutional framework, it nevertheless has improvised many procedures which have, in Professor Dam’s view, gone far to overcome the weaknesses of our postwar approach to world trade. This surely is not the least of GATT’s achievements.

The author introduces his detailed examination of GATT with a very brief, but most helpful, summary of the main principles of the General Agreement. Here one finds a clear and concise overview of GATT’s rules with respect to tariff concessions, its embodiment of the most-favored nation principle, the general approach taken toward nontariff barriers, and the procedural and institutional framework provided by the General Agreement. Having thus set the stage, Professor Dam then rings up the curtain on an extended display of GATT’s technical arrangements. Dealt with in this portion of the book is the GATT tariff system in all its many aspects, as well as GATT’s handling of nontariff barriers, the discussion of the latter including chapters on internal taxes, subsidies, quantitative restrictions, antidumping and countervailing duties, administrative barriers to trade, government procurement, and border tax adjustments. These chapters are of special significance; as the author notes, “With the Kennedy Round behind it, the GATT will have to devote increasing attention to nontariff barriers.”

The discussion of the GATT tariff system and GATT’s technical arrangements with respect to nontariff barriers is followed by a cluster of chapters dealing with GATT’s relationship to a number of broad economic problems: less developed countries, temperate agricultural commodities, regional economic arrangements, market disruption and cotton textiles, and state trading. All of these problems have placed some degree of strain on GATT

\(^1\)Id. ch. 2.
\(^2\)Id. at 15.
\(^3\)Id. at 199.
and, in turn, all of them have to some extent been affected by GATT. One of the more intractable of these problems is, of course, that of fitting centrally planned economies into the GATT system, which "presupposes that importation and exportation are handled by private firms which, stimulated by profit motives, are guided by commercial considerations." In a central-plan country, however, commercial considerations often give way to political considerations. Price, for example, may become a negligible factor in determining the source of imports. Consequently, the tariffs levied by a central-plan country are unlikely to play an important role in determining the origin of imports. The author demonstrates this point brilliantly, adding the caveat that, from a GATT perspective, the differences "between state trading in particular industries by market-economy countries, and total control over imports in central-plan countries, must not be overemphasized." In either case, GATT is ill-equipped to deal with the economic distortions which flow from state enterprise and its seemingly inevitable subordination of commercial considerations to the political goals of the state. Professor Dam contends that GATT's preoccupation with more obvious trade barriers (erected by market-economy countries and central-plan countries alike) is responsible for GATT's failure to come to grips with the state-trading problem. He suggests that the experience of the European Economic Community in attacking the problem of trade barriers stemming from state monopolies may be useful in determining steps that might be taken by GATT in reckoning with state trading. Even within the EEC, however, success on this front has been modest, and the author warns that "The EEC experience cautions against expecting the GATT to accomplish very much at its present stage of institutional development."

Juridically, GATT is merely a multilateral trade agreement. Is it nevertheless an "international organization?" While disdaining this question as "futile and abstruse," Professor Dam leads off the concluding section of his book with a chapter entitled "The GATT as an International Organization." He quotes approvingly from a speech in which Eric Wyndham White, while executive secretary of GATT, remarked that "because it is a multilateral agreement and contains provisions for joint action and decision it had the potentiality to become, and has in fact become, an international 'organization' for trade cooperation between the signatory states.'" Having laid this groundwork, the author then describes several of the institutional arrangements adopted by GATT over the years including the secretariat.

In discussing the secretariat of GATT, Professor Dam gives due regard to the enormous contribution of its first director-general, Eric Wyndham White:

At every major turning point and in every major success in GATT history has

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1Id. at 318.
2Id. at 320.
3Id. at 332.
4Id. at 335.
5Id. at 335 n.1.
figured an imaginative compromise, an unexpected initiative, or a face-saving formula originated by Wyndham White. His personal style has been reflected less in broad principles of administration and leadership than in pragmatic responses to individual situations. What is needed for an understanding of the GATT is perhaps a biography of this singularly effective international civil servant. But one who has not lived through the GATT years in the secretariat or in one of the more active national delegations is not in a position to tell the story properly, because that story is to be found less in documents and in speeches than in private conversations.  

Professor Dam also remarks upon the modesty of the secretariat's size and financial resources.

The budget for the GATT as a whole did not climb above one-half million dollars until 1958. In 1965 the GATT was able to accomplish its work with 179 full-time employees, including typists and file clerks. The International Labor Organization, a few blocks away in Geneva, required some 1,547 employees, and the International Monetary Fund, whose functions are in some ways comparable to those of the GATT, had some 773 employees. Most independent observers would probably agree that the GATT's accomplishments compare favorably with those of the Food and Agricultural Organization, which provided employment for a full-time staff of 4,261. The GATT's budget remains similarly unpretentious. For 1966 the GATT budgeted $2,233,000, which compared, for example, to the IMF's forecast of $15,160,000 for administrative salaries and expenses alone. The United Nations Conference on Trade and Development, fresh in the budgetary race as it was, had already lapped the GATT with a 1966 budget of $5,971,500.  

One is tempted to conclude that GATT's achievements, when measured against its relatively low costs, make it the outstanding bargain among the multitude of international organizations active in the post-World War II era.

Professor Dam rounds out his discussion of GATT's institutional arrangements with a chapter on dispute settlement and another dealing with UNCTAD and the OECD. The chapter on dispute settlement is one of the most important and interesting in the book. A full discussion of this chapter would prolong this review unduly, but one very significant point developed therein is that in recent years "emphasis has shifted from the formal role of GATT as third-party arbiter to its informal role as catalyst for the resolution of disputes by the disputing parties themselves." As the author notes, the style of both the secretariat and the contracting parties tends to be anti-legalistic and pragmatic. He also develops the point that the contracting parties have used both the procedural and substantive limitations of Article XXIII in order to
deny authorization to make a retaliatory withdrawal of trade concessions or obligations—and in this manner have further emphasized "the conciliatory aspect of their role in dispute settlement." In this connection, Professor Dam describes the unsuccessful effort of Uruguay and Brazil to put more bite into the Article XXIII procedures by making developed countries financially liable to less-developed countries for violations of the General Agreement. He suggests that the reason for the ultimate rejection of this proposal may lie in the inherent conflict between the conciliatory approach favored by GATT, on the one hand, and the imposition of financial liability (requiring an adjudicatory approach), on the other. The discussion here offers little encouragement to those who would look to GATT for the development of international judicial institutions.

Professor Dam's book concludes with an Appendix which conveniently sets forth the text of the General Agreement, including interpretative notes and Protocol of Provisional Application. A very adequate index is also supplied.

This is a work of high scholarship. It should prove to be a great value not only to GATT buffs but to anyone with a serious interest in the problems and the possibilities of international economic organizations. It will not satisfy those who tend to see further organization of the international community as a panacea for the ills of the world. Nor will it give aid and comfort to either ardent free traders or devout protectionists. Instead, it is a balanced presentation, firmly rooted in fact and given to clear analysis and exposition. In a unique way it explores the law, the politics, the history and the economics of an important international institution. Although the terrain is often difficult, the author's footing is sure, and he guides the reader through many difficult areas with understanding, style and ease. I applaud Professor Dam for his achievement.

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Thomas Buergenthal's Law-Making in the International Civil Aviation Organization is a unique study designed to assess the substantial law-making accomplishments of the International Civil Aviation Organization. The

1"Id. at 364.

1The International Civil Aviation Organization came into being on April 4, 1947, when the