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New Means of Financing International Needs

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The book, because it has two authors, adopts a special device to clarify divergences in their views. Each author wrote several of the chapters and then amended them to take account of his colleague's critique. Where important differences persisted, footnotes expound the point. See p. 407 for an illustration, author Snyder dissenting. (I agree strongly with Snyder.)

What the book attempts to do it does well, and the material is certainly important. But what it does not do is important, too. As it looks at crises as categories occurring in a system, it suffers (as does Schelling's work, which they frequently cite) from being essentially devoid of cultural context. Their approach is perfectly valid and has value; I only point out that generalizing about actors, structures, and systems can usefully be taken only so far. Then its results have to be cross-tabulated against a look at the specific cultural context in which diverse actors approach decisionmaking. It is not only important to look at crises comparing changes in the system but at crises comparing who was involved (and considering the stage of their always changing self-views of their proper role in world affairs). Snyder and Diesing do not, of course, attempt this second task.

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Steinberg, Eleanor B., and Yager, Joseph A., with Brannon, Gerard M. *New Means of Financing International Needs*. Washington: The Brookings Institution, 1978. 256pp.

The United Nations is already experiencing what seems to be a chronic shortage of funds for maintenance of peacekeeping forces and for assistance to developing nations. In coming years there is likely to be a growing shortage of funds to pay for such new international services as controls over pollution of the environment. The answer to the

dilemma of growing demand for international services, and a relatively fixed supply of financial means, is sought by Eleanor B. Steinberg and Joseph A. Yager in new means of finance, and not in economies in services.

The authors believe that the existing means of raising money for international purposes—voluntary contributions by national governments to the United Nations and its associated agencies, or funds borrowed in capital markets by the World Bank and other international financial institutions—will not be adequate in future. Accordingly they study other possible sources of finance, including taxes on international trade, on oil, on raw materials, on international investment income and, most interestingly, on pollution of the marine environment. They also explore the possibility of raising funds from the proceeds of exploiting resources in or under international waters, in particular manganese nodules on the ocean bed. No possibility is excluded simply because its adoption seems unlikely for the time being, but clearly, unless nation states are to abandon both part of their sovereign rights and their propensity to disagree with each other, the scope for international taxation is limited, perhaps more limited than the authors appear to realize. Again, there are serious fiscal problems when taxes are collected in different currencies, some of them inconvertible, and some with highly variable exchange rates. Certainly the political and economic complexities of international taxation made this reader wonder whether the existing system of voluntary contributions and of borrowing by international agencies is not the best possible solution in an imperfect world.

Be that as it may, nautical interest will center on the authors' ideas for taxes on polluters of the marine environment. Such taxation would raise revenue only incidentally, the main purpose being to give polluters an

economic incentive to reduce pollution, particularly from oil spillage. The case of *Torrey Canyon* is noted, when a tanker flying a flag of convenience ran aground in the English Channel outside British territorial water in 1967, causing what was then the most costly oil spill on record. The owners of the tanker who were inadequately insured refused to acknowledge responsibility. The only readily available assets of the company were two other tankers, one of which was seized by British naval forces, and released only in exchange for a bond of security from the company. Such incidents raise problems in international law, and the United Nations, lacking a navy, would not seem to be well placed to police the ocean unless member states agree to their vessels being policed by each other's navies. Steinberg and

Yager attempt to bypass this problem by what seem at first sight to be practicable fiscal expedients, but even collection of taxes on polluters would depend on cooperation by national port authorities, and past experience of the attitude of flag-of-convenience nations makes one wonder whether the authors might not have been more pessimistic on this score.

Nevertheless, the tone of the book is one of caution and careful appraisal. The general reader is likely to find the "if-pigs-had-wings" approach tiresome, however logical, but doubtless this product of the Brookings Institution has provided food for thought in the finance offices of the United Nations.

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Annotated by

Ann Hardy, with Kathleen Ashook
Doris Baginski and Mary Ann Varoutsos

Bagley, Worth H. *Sea Power and Western Security: the Next Decade*. Adelphi Papers, no. 139. London: International Institute for Strategic Studies, 1977. 40pp. \$1.50

After comparing the relative strengths of the armed forces of the United States and the Soviet Union, Admiral Bagley argues that the balance of power is gradually shifting towards the East, thus undermining the military stability of the world. He analyzes the implications of this premise and proposes several measures Western seapower can employ to arrest such a trend.

Bayliss, Gwyn M. *Bibliographic Guide to the Two World Wars*. New York: Bowker, 1977. 578pp. \$30.00

The volumes listed in this guide to bibliographies and reference works on World War I and World War II are arranged by category, with a brief annotation. Included are materials published through 1976, which are indexed by author, title, subject, and country or region.