

BOOK REVIEW

The Impact of State Sovereignty on Global Trade and International Taxation

By Ramon J Jeffery, published by Kluwer Law International Ltd 1999, ISBN 90 411 9703 6, 192 pages, price £61.

This study was awarded the 1998 Mitchell B. Carroll Prize by the International Fiscal Association. It focusses on sovereignty and jurisdiction in relation to the creation and abolition of direct tax barriers to international trade and investment. In so doing it aims to narrow the gap between the study of international tax and international law.

The main body of this interesting work consists of five chapters. Firstly, there is a chapter on international direct tax distortions and the global economy. Secondly, there is a chapter on sovereignty and jurisdiction. Thirdly, international tax non-discrimination is considered, with particular attention paid to Article 24 of the OECD Model Treaty and the activities of the Court of Justice in relation to the fundamental freedoms. The last two chapters look, in turn, at treaty-shopping and extra-territorial enforcement of revenue law and then the need for tax co-ordination and relations between the EC and the Member States with the rest of the world. The sixth chapter contains Dr Ramon's conclusions in respect of each of the topics covered in the preceding chapters.

The conclusions include suggestions for a general anti-avoidance provision in the OECD Model Treaty and a new provision in the Treaty dealing with the extra-territorial enforcement of revenue law. Dr. Ramon also puts forward suggestions for protecting the interests of the EC in the negotiation of tax treaties. Views will differ on the desirability of the solutions which are proposed. The discussion is, however, stimulating and the author wisely recognises the practical difficulties which beset progress in this field. It may be that this sense of reality encouraged the author to include the following quotation from Plato's *The Republic* at the front of the book:

"Well then, do you agree that the society and constitution we have sketched is not merely an idle dream, difficult though its realisation may be? The indispensable condition is that political power should be in the hands of one

or more true philosophers ... They would regard justice as of paramount importance, and throughout their re-organisation of society, serve and forward it.”¹

Readers are most unlikely to dissent from the notion that we should struggle to solve the problems of the contemporary world, including those with which this book deals, or to deny the value of involving experts in particular areas of activity. Presumably, neither the author nor readers of this book would be prepared to give political power to the equivalent of Plato’s philosopher kings in order to achieve their aims. As Sir Karl Popper remarked in his book *The Open Society and its Enemies* (which Commissioner Sir Christopher Patten has described as “the book that has marked me most”):² “What a monument of human smallness is this idea of the philosopher king.”³

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1 2nd ed. translated by Desmond Lee, Penguin Classics, 1987.

2 *East and West*: Chris Patten, 1998, Macmillan at p.326.

3 *The Open Society and Its Enemies*, Vol. 1, *The Spell of Plato*, Routledge, re-printed 1999, at p156.

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Conference Languages:
English, German, French
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The European Academy of Law Trier organises this conference in Brussels.
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