

Discussions of the obligations to be assumed by each member of the Fund have led to the coining of a phrase the meaning of which should be carefully examined. This phrase is "surrender of sovereignty".

In essence, the concept of national sovereignty is similar to that of individual liberty. Nations cannot remove themselves from this world any more than men can avoid living with each other. One of the cornerstones of the basic law governing all civilized society is that individual liberty means liberty exercised in such manner as not to interfere with the liberty of others, with the functioning of a free and orderly society, or with the existence of a strong and effective government. Without these qualifications liberty would mean anarchy. Without similar qualifications on a global basis, sovereignty would mean world chaos perpetuated.

Just as free men have recognized rights within the communities in which they live, so too, sovereign and independent states have certain rights and powers which are well recognized among nations. One of the most important of these powers in determining the international relationships between sovereign and independent states is the power to enter into agreements with other sovereign and independent states and carry out their terms and provisions. If the phrase "surrender of sovereignty" means that a nation entering into an agreement to participate in the Fund thereby deprives itself of the right to take inconsistent independent action, then it is an element which is present in almost every important international agreement.

Treaties, conventions, unions, and other formal contracts between nations have real meaning only if they bind the parties to certain courses of conduct. The contracting nations either bind themselves to take positive action or to refrain from taking positive action. In either case the net result is a diminution of the sum total of the powers which may be freely exercised without reference to the interests of other nations.

The basic documents on which the government of the United States of America is founded recognize the right and power of the nation to contract binding international obligations. The Declaration of Independence speaks of the right to contract alliances and the Constitution confers upon the President and the Senate the power to make treaties. The exercise of this right or power can not be effective unless it contemplates the creation of duties and obligations binding the United States to a particular course of

action. If this is a "surrender of sovereignty" then nations have always assumed the right or power to surrender their respective sovereignties to whatever extent may be necessary to establish satisfactory international relations.

Innumerable examples could be cited of international agreements which have been, in this sense, surrenders of sovereignty. Disarmament treaties, customs unions, trade agreements, and commercial treaties are obvious examples. All of them bind the respective parties to pursue a given course in connection with the area of international contacts governed by the particular agreement.

Thus it may be fairly stated that participation in the Fund, like participation in disarmament agreements or customs unions, is a "surrender of sovereignty" only in the sense that it is an exercise of the right or power of every nation to bind itself to act in accordance with a standard of conduct worked out by agreement with other nations. A more accurate characterization of the action taken by each participating government would be that the assumption of the obligations of a member of the Fund is an "exercise of sovereignty"--not a "surrender of sovereignty".