Summary record of the 1575th meeting

Topic:
Jurisdictional immunities of States and their property

Extract from the Yearbook of the International Law Commission:
1979, vol. I
ever, if it followed the approach to the topic suggested by the Special Rapporteur.

31. Mr. USHAKOV said he had the impression that the Special Rapporteur proposed to draw up articles dealing with exceptions to the general rule of State immunity rather than with the rule itself. It could not of course be claimed that there were no exceptions to the rule, but it was probably rather early to affirm, as had the Special Rapporteur, that there was no State immunity in certain cases and that the exceptions might take precedence over the rule. Such assertions could not be made unless they were based on customary rules or State practice.

32. With regard to the reference to internal law, he stressed that it could be made only if the rule of internal law referred to did not conflict with a rule of international law.

33. In paragraph 71 of his report, the Special Rapporteur, having stated that a possible exception to the rule of State immunity was the trading activity of a foreign State, said that a question might arise in regard to Government-to-Government transactions. It was strange to consider that such a case might present difficulties, since it was a matter of treaties concluded between States, and such treaties, even if they related to commercial questions, could not be subject to State jurisdiction. Neither the application of internal law nor the question of State immunity was relevant.

34. The Special Rapporteur's terminology was not always very precise, nor was his general conception of the State satisfactory. It was true that in the seventeenth and eighteenth centuries some writers, influenced by theories prevailing in the Middle Ages, had contrasted State imperium with State dominium. In their view, imperium derived from dominium, so that the governmental authority exercised by the State over its territory derived from the fact that it was master of that territory. Those outmoded ideas were still upheld by some writers. For his own part, he thought it would be pointless to try to split up the single entity constituted by the State. It was only for the purpose of distributing tasks among State organs, and purely for convenience, that one spoke of legislative, executive and judicial powers, but it could not be said that a State could act as a trader. By definition, everything done by a State was political. To say that the purchase of shoes by a State was commercial in nature, or that other of its activities were cultural, was to resort to a fiction that concealed the essentially political nature of all State activities.

The meeting rose at 6.5 p.m.

1575th MEETING

Tuesday, 24 July 1979, at 10.10 a.m.

Chairman: Mr. Milan ŠAHOVIC

Members present: Mr. Barboza, Mr. Calle y Calle, Mr. Dadzie, Mr. Díaz González, Mr. Quentin-Baxter, Mr. Reuter, Mr. Riphagen, Mr. Schwebel, Mr. Sucharitkul, Mr. Thiam, Mr. Tsuruoka, Mr. Ushakov, Sir Francis Vallat, Mr. Verosta, Mr. Yankov.

Jurisdictional immunities of States and their property (concluded) (A/CN.4/323)

[Item 10 of the agenda]

1. Mr. USHAKOV said that, just as the State was an indivisible entity, State property could not be divided into State property in commercial use and other State property. In paragraph 85 of his report (A/CN.4/323), however, the Special Rapporteur referred to “State property in commercial use”. Oil, for example, could be used for commercial purposes, but it could also be used for warships. It was not only incorrect but also pointless to state, as the Special Rapporteur stated in paragraph 70 of the report, that “one possible exception to the rule of State immunity is the trading activity of a foreign State”, since in the modern world it seemed that States did not engage in foreign trade activities. In the Soviet Union, it was not the State but bodies having the status, as it were, of legal entities in private law, that engaged in foreign trade. Nor could capitalist States themselves engage in commercial activities. The State did not act as a real trader. True, it might sometimes happen, although only very rarely, that the State concluded contracts for the sale of certain products. For example, a private law contract, as opposed to an international agreement, might be concluded between a State and a foreign private bank. In such cases, the State acted as a legal entity under private law and was subject to the applicable law, in accordance with the contract. But there could be no doubt that it enjoyed jurisdictional immunity unless, in concluding the contract, it expressly agreed to submit to a certain internal law.

2. It would be wrong to consider that the topic under consideration comprised only immunity from judicial authority. The immunity of States was indivisible; they were exempt, in principle, from the governmental authority of other States as such, whether that authority was judicial, administrative or of any other kind. That being so, it would be pointless to draft articles relating only to the judicial activities of foreign States. In his view, “jurisdictional immunities” should be taken to mean immunities from State jurisdiction in the broad sense, in other words, from the exercise of governmental authority. That immunity was indivisible, and judicial immunity was only one aspect of it.

3. Mr. VEROSTA wished to place on record the congratulations he had expressed privately to the Special Rapporteur as soon as he had read his report. He agreed with Mr. Reuter (1574th meeting) that, in his approach to the topic, the Special Rapporteur should steer a middle course between general definitions and detailed provisions. Nevertheless, he hoped that the Special Rapporteur would prepare a questionnaire that was as thorough as possible, for it was the replies from
Governments that would show him and the Commission the existing scope for codification and progressive development of the law on jurisdictional immunities of States.

4. He hoped that the Special Rapporteur would try to obtain the questionnaire and the replies from Governments that had been used in preparing the European Convention on State Immunity, for there would be much in those documents that would be of direct relevance to his own work and it would be helpful to avoid repetition. The Special Rapporteur might wish to submit his draft questionnaire to the members of the Working Group for their comments. The questionnaire should include questions concerning procedure and State property, such as the extent to which the ships or aircraft of a commercial enterprise owned by the State were considered to be State property. He hoped that, without going too far into the area of private international law, the Special Rapporteur would be able to propose rules of public international law that would govern matters of private international law. He shared the view that the Commission should not consider the question of execution of judgements at the present stage.

5. Mr. SCHWEBEL associated himself with the congratulations expressed to the Special Rapporteur, whose report gave an admirable outline of the subject and the problems it entailed. He looked forward to a rapid succession of further reports that would probe deeply into the topic.

6. The topic was one in which there was a fascinating interplay between national practice and international reaction. The views of the foreign State whose immunity was at issue had to be weighed against the disposition of the national forum, and there was also the vital factor of executive action and reaction, which was surely classically international. Furthermore, although the bulk of the expressions of opinion on the topic was to be found in national judicial decisions and legislation, it was striking, as the Special Rapporteur had pointed out, how often such expressions had been influenced by international opinion. For example, United States policy on sovereign immunity, as set out in the “Tate letter”, to which the Special Rapporteur referred in foot-note 65 of his report, had clearly been heavily influenced by European practice.

7. His personal view was that the essential rationale of the restrictive doctrine of sovereign immunity was very sound and that that doctrine should be followed as closely as would be permitted by the difficulties that would inevitably arise in specific cases. The essence of that doctrine, which was progressive but well established, was that it was neither the object of the transaction nor the person of the actor, but the nature of the transaction, that determined whether jurisdictional immunity should be accorded.

8. Before the adoption of the United States Foreign Sovereign Immunities Act of 1976,¹ the United States Department of State had employed panels of attorneys to advise on requests for State immunity. He recalled the recommendation of a panel of which he had been a member: the panel had recommended, in the light of a decision by a court in the Federal Republic of Germany to the effect that the building of a foreign embassy was essentially a commercial activity, that immunity should not be granted to the foreign State concerned in a case in which a home-owner claimed that his property had been damaged during the building of an embassy in the United States. That recommendation was of course open to dispute, but he believed that it reflected a trend in United States thinking which had been confirmed in the Act he had mentioned. For example, the United States would view the operation of missile-carrying ships as an activity that was clearly not of a commercial nature, even though commercial activities might be incidental to its performance, and the vessels would therefore be entitled to immunity. On the other hand, activities such as the sale of natural resources, in which the State owning the ships engaged in order to finance their operation, would be viewed as commercial activities, and the State would be considered to be subject to suit in respect of them.

9. In reviewing the issues involved, the Special Rapporteur had noted in his report that the question of jurisdictional immunities raised the question of the limitations on those immunities. While it had been suggested by another speaker that the Commission should place the emphasis in its work on the immunities themselves rather than on the limitations, he believed that the Commission must give thought to both the negative and positive aspects of the question. To do otherwise would be tantamount to studying the privileges and immunities of diplomats without taking the rights of their host countries into account.

10. Judging from the Special Rapporteur’s report and the discussion so far, he had every hope that the Commission would be able to contribute materially to the resolution of a question that was of the highest importance to States and was fully ripe for codification and progressive development.

11. Mr. TSURUOKA pointed out that Japan, which was one of the world’s most active countries in international trade, clearly favoured absolute immunity in its jurisprudence, but opted for the doctrine of restricted immunity in its practice.

12. The courts had long accepted that the State enjoyed immunity even in matters of trade. On the other hand, several commercial treaties concluded by Japan embodied the principle of restricted immunity. An example was provided by articles 2 to 4 of the annex to the Treaty of Commerce between Japan and the USSR of 6 December 1957,² under which the USSR trade delegation to Japan was an integral part of the USSR Embassy in Japan and acted on behalf of the USSR Government, which assumed responsibility...
for all commercial transactions carried out or guaranteed in the name of the trade delegation. In principle, disputes concerning such transactions came within the jurisdiction of the Japanese courts and were settled in accordance with Japanese law. According to the Treaty of Friendship, Commerce and Navigation between the United States of America and Japan of 2 April 1973, the public enterprises of either party, whether wholly owned by the State or under State control, enjoyed no immunity, for themselves or for their property, if they engaged in commercial, industrial or other activities within the territory of the other party.

13. Japanese legal theory also favoured restrictive immunity, as could be seen from the statements made on several occasions by the Japanese delegation to the Asian-African Legal Consultative Committee.

14. Mr. YANKOV congratulated the Special Rapporteur on submitting a report which, by its form and content, constituted a logical and convincing guide to the possible sources of international law on the topic under study and, hence, a promising start to that study. Without wishing to detract in any way from the merits of the Special Rapporteur, who clearly had a deep knowledge of the traditional practice of States with legal and economic systems of the kind prevalent in Western Europe, he thought it expedient to point out that, if the Commission's articles were to gain wide acceptance, attention should also be given to the doctrine and practice of the socialist States and of those developing countries in which the economic structure and the nature of State participation in the national economy had added new elements.

15. In the socialist States, for example, State enterprises engaging in international transactions were themselves liable, within their terms of reference, for their business activities; however, the situation was less clear-cut when the State was viewed, for the purposes of public international law, as an actor in international transactions. Furthermore, it was well known that the socialist doctrine relating to State ownership, especially ownership of commercial vessels, was not generally accepted. That doctrine, however, was one to which the Commission should give attention if it was to produce general rules of law that were as nearly universal in character as possible.

16. He shared the views expressed on the extent to which the study should depart from the realm of public international law to take account of internal law, for he believed that the topic called for a cautious approach. In that respect, he supported the conclusions set out by the Special Rapporteur in the first sentence of paragraph 92 of his report.

17. Sir Francis VALLAT found the Special Rapporteur's report mature and satisfactory to a very high degree, and his original intention had been to do no more than congratulate the Special Rapporteur and urge him to continue, subject to the comments of the Commission, to work along the lines set out in chapter V of the document. In view of what had been said by other speakers, however, he thought it necessary to make a number of comments.

18. To his mind, the subject before the Commission was one that had been and still was developing more radically than many other subjects. The concept of the immunity of the State as an entity, which had emerged by almost imperceptible stages from the concept of the immunity of the individual sovereign, was of relatively short standing. The Commission should bear that fact in mind, especially as a new trend had appeared over the past 50 years, moving away from the theory that the State enjoyed absolute immunity in all cases and all circumstances. It could be seen, therefore, that it would be wrong for the Commission to look solely to one period of history to form its conclusions.

19. Furthermore, theories of the State differed: not everyone agreed that the State was indivisible. There were already examples of entities that exercised de facto and de jure sovereign powers without being States at all, and the world of the future would not consist solely of monolithic sovereign States. If a comparison could be drawn between individuals and States, the former were less readily divisible than the latter, and yet the law was capable of distinguishing between, and treating differently, their official and their private activities. That being so, he did not think it followed from the concept of the indivisible State that it was impossible to distinguish between different kinds of State activity. For example, distinctions between the different kinds of activity of individuals who represented a State had already been made in the Vienna Convention on Diplomatic Relations. The Commission should therefore avoid being governed by an abstract material approach to the problem.

20. The difficulties of distinguishing ratione materiae between commercial activity and activity that genuinely came within the context of the exercise of a State's sovereign powers were illustrated by the uncertainty that had surrounded the status of a United Kingdom fleet auxiliary which had visited New York in 1952 while carrying supplies for Royal Navy vessels. After part of the crew had absconded, the captain had been held liable by a United States court for their presumed illegal entry into the United States, on the grounds that the crew were not Royal Navy personnel and that the vessel's activity was of a commercial nature. The United States Department of State, however, had classified the vessel as an armed warship, and therefore as a vessel entitled to immunity, once it had been found, quite by chance, to have a small gun mounted on its foredeck. It was well known that Sir Hersch Lauterpacht had tried vainly for many years to find a criterion that would permit the making of the kind of dis-

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tinction in question, and the continuation of that search would undoubtedly be at the root of the Commission’s problems and the most difficult task it would have to undertake.

21. A further difficulty would arise from the fact that the Commission found itself in a sphere of law that involved private international law, private law and public international law. It would naturally have to approach the subject from the viewpoint of public international law, and possibly from that of private international law, and it must therefore perform the difficult task of isolating the concepts of public international law from those of private international law and private law. That would be especially hard, because in practice cases relating to the jurisdictional immunity of States always began from a private claim which in some way involved a foreign sovereign.

22. In paragraphs 61, 63 and 94 of his report, the Special Rapporteur drew attention to the problem of the application of procedures of the courts to foreign States. Personally, he suspected that that was a problem that should be dealt with very generally, perhaps by exclusion rather than by the submission of concrete solutions. Matters to which the Special Rapporteur might wish to give attention in that regard included the problem of implied acceptance of the jurisdiction of a local court (through, for example, a decision to enter an appearance before the court if only to prevent the pronouncement of a judgement in absentia) and the question whether a foreign State should be considered subject to local rules concerning security for costs and disclosure of evidence.

23. Those matters might be raised in the Special Rapporteur’s questionnaire. With regard to the questionnaire, he joined Mr. Verosta in hoping that it would be so designed as to elicit responses from the greatest possible number of Governments and to produce as much information as was possible at one time.

24. Mr. QUENTIN-BAXTER said that the Commission’s attention had inevitably focused on the central problem of a restrictive, or absolute, view of immunity, and members’ comments had shown very clearly how difficult it was to draw a dividing line between activities of the State that attracted immunity and those that did not. He had little hope that the Commission, succeeding where Sir Hersch Lauterpacht had failed, would manage to find an objective test which, in all circumstances, would separate questions arising jure imperii from those arising jure gestionis. That was the area in which the jurisprudence of various national courts had parted company, and the English courts, for example, had even been deterred from making any distinction at all, simply because they could find no rational ground for doing so. It was a case in which common law could be said to offer two traditions, the United States and the United Kingdom having gone their separate ways. He would not pursue the reasons for that state of affairs beyond saying that it was partly due to the balance between executive and judicial responsibility.

25. It was clear that, as indicated in the Special Rapporteur’s report, the practice of States should be determined by reference to the activities of the various branches of government—the legislature, the executive and the judiciary. As far as the contribution of the judiciary was concerned, Chief Justice Marshall, in the schooner Exchange case, had provided possibly the best pointer, by making a distinction between cases in which visitors who attracted immunity could be held to have an implied invitation to be present in the jurisdiction, and cases in which they could not; for example, visits of naval ships were so much a matter of course and of international comity that, unless the contrary was made abundantly clear, they would be said to attract immunity, but visits of an army, unless especially invited, would not. That kind of distinction tended to underline the position of the Special Rapporteur as reflected in paragraph 69 of his report, where he had expressed an entirely understandable preference for taking the general rule of sovereign immunity as the starting point, but had recognized that another approach was possible.

26. At an earlier point in his report, the Special Rapporteur had also made the general point that the Commission was as much concerned with determining the limits of the various principles as with stating their substance. Moreover, as indicated in paragraph 56, the Working Group on jurisdictional immunities of States and their property had itself found the doctrine of State immunity to be the result of an interplay of two fundamental principles: the principle of territoriality and the principle of State personality. His own view was that the intricate problems that tended to divide the Commission called for continuing emphasis on that interplay.

27. The Commission was concerned not only with finding exceptions to the rule of State sovereignty, but also with determining the place of that rule in relation to other fundamental principles, such as the sovereignty of States within their respective territories. By proceeding on that basis, the Commission should be able to identify the cases in which immunity was clearly attracted and the cases in which the foreign actor might reasonably be expected to acquaint himself with the rules and doctrine of the forum and to accept those rules if he wished to act within the jurisdiction of that forum. English law had always acknowledged that the doctrine of immunities had its own natural limits. In the Parlement belge case, for example, the concept of immunity had been qualified by that of public use. Admittedly, that qualification had been somewhat ignored in later cases, but the current trend in English law, as in the law of other countries, was for awareness of such limitations to revive.

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28. Lastly, it would be helpful if the Special Rapporteur, in preparing his first report, could concentrate on a limited range of fundamental issues, while building on the foundation laid down in his preliminary report.

29. Mr. THIAM said that the numerous questions raised by the Special Rapporteur called for very careful consideration.

30. As to whether it would be better to lay down a general principle and then specify exceptions, or to proceed empirically and formulate the rule only in the final analysis, both approaches had their advantages and it was difficult to fix a course a priori.

31. With regard to the exceptions mentioned by the Special Rapporteur, it had rightly been pointed out that there was perhaps no criterion common to the various examples given by which to establish the existence of an exception. The problem of immunity from execution was particularly interesting and difficult to resolve, even in internal law, whether the parties involved were long-established States or, a fortiori, new States.

32. He had no doubt that, pursuing his work along the lines described, the Special Rapporteur would succeed in proposing satisfactory solutions in the various areas identified in the preliminary report.

33. Mr. CALLE y CALLE noted that the title of the topic under consideration had undergone a series of changes since 1948. The title proposed for the Commission's long-term programme of work had been "Jurisdictional immunities of foreign States and their organs, agencies and property", which he thought particularly apt, since even if the titular holder of the immunity was the State, it was the organs and agencies of the State that could be called upon to submit to the jurisdiction. In the title the Commission had adopted in 1978, and which appeared in the agenda, the reference to organs and agencies had been omitted, but he considered that it was none the less implicit in the word "States".

34. The Commission's objective was to draw up a multilateral convention to regulate a matter that was generally recognized as being of everyday importance, in view of the multiplicity of activities in which modern States engaged. In principle, the State and its organs were outside the jurisdiction of the national forum of another State. Immunity, therefore, appeared to be based on a procedural exception or remedy, which was accorded by the State that recognized the existence of immunity and which annulled the jurisdiction of the national court.

35. To determine the scope and content of immunity, and to ensure a degree of uniformity in the rules drafted by the Commission, account should be taken, in the first place, of the Convention on Private International Law (known as the "Bustamante Code"), since cases might arise, in connexion with the application of private law, in which States, or their organs or agencies, could claim lack of jurisdiction of the local courts on the ground of immunity. Account should likewise be taken of the 1972 European Convention on State Immunity, which provided for the restrictive approach that was desirable in view of the increasing involvement of States in commercial activities. Another convention that would merit the Commission's consideration was in course of preparation by the Inter-American Juridical Committee.

36. The Commission should also consider the effect of the nationalization by a State of foreign private property situated in its territory, as it related to immunity. There had recently been such a case in Chile, when a foreign mining company had been nationalized.

37. Lastly, he fully agreed on the need for a questionnaire, and thought it would also be useful if the Secretariat could make a compilation of existing legislative material on immunity. The practice of local courts, together with national legislation, would prove valuable in determining the principles and basic rules of immunity.

38. Mr. DÍAZ GONZÁLEZ commended the Special Rapporteur for his excellent report on a complex subject. The information embodied in the report, together with members' comments, should provide the Special Rapporteur with sufficient material to begin his task of codification.

39. He agreed entirely that the study should for the time being be confined to jurisdictional immunity, and that other aspects of the subject should be dealt with later. The Special Rapporteur had pointed out, in paragraph 44 of his report, that there had apparently been no incident or conflict that had compelled States to seek international judicial settlement or an advisory opinion of the International Court of Justice, or to go to arbitration. It was therefore clear that, as far as immunities were concerned, all decided cases, precedent and doctrine were to be found at the national level. At the same time, he agreed that it would be dangerous to refer exclusively to internal law, notwithstanding the fact that disputes had generally been settled by reference to that law or to private international law.

40. What the Commission was endeavouring to do was to codify international law; its main aim, therefore, should be to lay down rules of public international law governing questions of immunity. That, in his view, would provide a sound basis for the Commission's future work.

41. Mr. SUCHARITKUL (Special Rapporteur) said that the comments made by members during the dis-
cussion would do much to assist him in achieving a balanced approach to the topic of jurisdictional immunities of States and their property. He had taken due note that the consensus of opinion in the Commission appeared to be that he should continue along the lines proposed in his report, while concentrating at the outset on general principles.

42. With regard to exceptions to the general rules on State immunity, he reiterated that the purpose of his preliminary report was simply to identify the issues involved and to draw attention to certain exceptions. Those exceptions had in fact been derived from the practice of certain States, although he recognized that they might attract a different response in other parts of the world.

43. The reaction to his proposals regarding source materials had been generally favourable. In particular, he was grateful for having his attention drawn to the question of treaties, which he would certainly examine more closely, as it could provide a pointer for a balanced approach that was acceptable to all States.

44. Allied to the general question of principle was the question of priorities, in regard to which he agreed that it was necessary to concentrate first on immunity from jurisdiction and to leave aside, for the time being, the question of immunity from execution. He had been pleased to hear that Mr. Ushakov agreed that the term “jurisdictional immunities” was not confined to the exercise of judicial power but extended to exemptions from the exercise of other kinds of power, including that of the executive, administration and legislature. That common ground afforded a basis on which the Commission could proceed.

45. With regard to the scope of the subject, and in particular to the relationship between international law and other areas of law, it was clear that source material came in the main from internal law, since the question was essentially one that fell within the jurisdiction of the municipal courts and of the executive branch of the State. Consequently, even private international law operated as a branch of internal law, because what was at issue was a choice of law and of jurisdiction. Mr. Reuter had rightly urged the need for care to be exercised in distinguishing between cases in which there was immunity and cases in which there was no jurisdiction under the applicable rules of private international law.

46. A note of warning had likewise been sounded by certain members, to the effect that the Commission should not delve too deeply into private international law. His point in that connexion had simply been that, with regard to immovable property, and particularly to land, State practice was virtually uniform in applying the law of the State in which the immovable property was situated, since a question of territorial sovereignty was involved. He had taken note of the suggestion that certain procedural questions, such as the incidence of costs, security for costs and service of writs, required examination, and would consider those matters more closely in due course. He agreed that the doctrine of act of State should be eschewed for the purposes of the study, and also that it was possible for a State to conclude contracts in private law that did not fall within the purview of the law of treaties. However, he had mentioned the latter point merely to indicate that it should be disregarded for the time being.

47. A fundamental concept was the duties and functions of the State, which differed according to the country concerned. The political and economic developments taking place in the world, particularly in developing countries, might well have an impact on the progressive development of law, although precisely what form it would take was not known.

48. Lastly, he agreed that a questionnaire would be useful, and thought the Commission would be assisted in its further work if the Secretariat could make a compilation of existing legislative material on immunity.

49. Sir Francis Vallat urged that, to spare Governments unnecessary or repetitive work, any questionnaire circulated should be as specific and comprehensive as possible.

The meeting rose at 1 p.m.

1576th MEETING

Wednesday, 25 July 1979, at 10.10 a.m.

Chairman: Mr. Milan Šahović

Members present: Mr. Barboza, Mr. Calle y Calle, Mr. Dadzie, Mr. Díaz González, Mr. Quentin-Baxter, Mr. Reuter, Mr. Riphagen, Mr. Schwebel, Mr. Sucharitkul, Mr. Thiam, Mr. Tsuruoka, Mr. Ushakov, Sir Francis Vallat, Mr. Verosta, Mr. Yankov.

Question of treaties concluded between States and international organizations or between two or more international organization (concluded)* (A/CN.4/312, A/CN.4/319, A/CN.4/L.300) [Item 4 of the agenda]

Draft articles proposed by the Drafting Committee

Articles 39–60

1. The CHAIRMAN invited the Chairman of the Drafting Committee to introduce the Committee's report on draft articles 39 to 60 on treaties concluded

* Resumed from the 1559th meeting.

1 Yearbook... 1978, vol. II (Part One).