very different styles of each of the contributors, at which point it is necessary to remind oneself that one is reading a *collection*, even if it is one with the advantages of internal cross-reference. At times I felt uneasy about the order of the chapters, particularly in *Human Rights* where criticisms are raised of points made in subsequent chapters. There is a case for restricting references in the body of the text to criticisms of earlier chapters, and relegating criticisms of subsequent chapters to footnotes, in order that the reader is not overcome with the Hegelian anxiety that in order to understand any of it one will have to understand all of it!

LAUCHLAN CHIPMAN*

Principles of Company Law (2nd ed.), by H. A. J. Ford, LL.M. (Melb.), S.J.D. (Harvard), Professor of Commercial Law, University of Melbourne.
Australia, Butterworths Pty. Ltd., 1978, lxii + 552 pp. (including index). $17.00 (limp cover), $22.00 (hard cover).

In the preface to the first edition of this work, which was published in 1974, Professor Ford declared that it had been written primarily with the object of providing students of law and commerce with a basic text book in company law; and he modestly expressed the hope that legal practitioners and business men would also find in it ready access to the subject. That there was a real need for such a book and that this work has admirably met that need has been plainly demonstrated by the call for three impressions within its very first year, and now for a second edition after only four years. The author might well have added to the list of his intended beneficiaries those who study, teach or practise company law in other jurisdictions, and researchers all over the world, for his treatment is in no sense parochial and his own source-material is distilled from reading which ranges from Ghana to West Germany. I found it an instructive, accurate and stimulating book, and regret that I was not acquainted with its predecessor.

One of the factors which had by 1974 made it imperative that Australia should have its own text book of company law, and not continue to depend on English works such as Gower's *Modern Company Law*, was the enactment of the "uniform" Companies Acts by the Australian states in 1961 — legislation which made significant advances on the existing United Kingdom law of 1948. The differences have now become even more marked: the pace of change in Australia has, if anything, quickened, while the legislators at Westminster seem to be satisfied with

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a number of hesitant and imperfect measures, some of them not of our own devising but done at the bidding of Brussels, with really fundamental reform now many decades overdue. From this distance, the willingness of those who are responsible for company law reform in Australia to move with the times and to tackle new problems boldly and imaginatively shows up in striking contrast against the indecision and seeming lack of purpose here at home. Nor are the differences entirely of a statutory kind: one can discern in the Australian judicial decisions as a whole a frank appreciation of the needs of the businessman and a readiness to share his attitudes and values which is all too rarely apparent in the English cases. The spirit reflected in such decisions as *H. A. Stephenson & Son Ltd.* v. *Gillanders, Arbuthnot & Co.*[1], *Mills* v. *Mills*[2] and *Walker* v. *Willis*[3] no doubt does more to foster enterprise than does the counterpart in *Re Introductions Ltd.*,[4] *Clemens* v. *Clemens Bros. Ltd.*[5] and *Re Holders Investment Trust Ltd.*[6]

Even so, public concern in corporate affairs is now leading to a greater degree of legislative and judicial intervention in Australia too, as Professor Ford perceptively observes (§1701).

The special features of the new edition include a discussion of the constitutional competence of the federal legislature in matters of company law, and an account of the steps taken towards reaching a solution of the difficulties by a co-operative approach. The abortive proposals of the Whitlam government for a national Corporations and Exchange Commission and the establishment by the participating states of the Interstate Corporate Affairs Commission are fully dealt with. Securities regulation is covered in the new edition by a separate final chapter. In addition, there is revised treatment of the topics of corporate litigation, remedies for misrepresentation, directors' duties and priorities in a winding up.

Looking at the book as a whole, it is apparent that the author has encountered, but hardly solved, the problems of arrangement which company law notoriously presents. Novices are thrown in at the deep end very early on by the treatment (under the scarcely appropriate head of "capacity") of the formidable problems of *Foss* v. *Harbottle*, personal and derivative suits, and a good deal of "fraud on the minority". There is then a gap of fourteen chapters until minority protection appears in its own right in its more familiar role as a tidying-up subject. There are also large spaces between "the corporate constitution" and "meetings", and between "regulation of public offerings" and "regulation of the securities industry", which might have been thought of as bedfellows. The really admirable treatment of "accounts" is in the group of topics headed "management and control", while that of "membership" appears under

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[1] (1931) 45 C.L.R. 476.
[2] (1938) 60 C.L.R. 150.
[3] [1969] V.R. 778.
[4] [1970] Ch. 199.
[5] [1976] 2 All E.R. 268.
[6] [1971] 1 W.L.R. 583.

"company finance".

Arrangement is only one of the hazards of writing a book on company law. Another is to try and strike a balance between those parts whose source is almost all statutory, those which mainly describe commercial institutions and practice (with very little "law" content) and the purple patches where the footnotes thicken and case-law takes over — without which examinations in the subject would be very arid exercises indeed. Some authors, and notably Professor Gower, have been very successful in sustaining a steady narrative and an even style throughout these fluctuations in their material: in the present work, the variation is more marked. Perhaps this is a virtue, since it serves to highlight the discussions of judicial decisions, where Professor Ford's writing attains the highest levels of scholarship. I thought that the different approach to the question of the control of majority shareholders' decisions (based, like another Australian work, Dr. P. D. Finn's *Fiduciary Obligations*, on the "fraud on a power" principle rather than the traditional test of *bona fides*) was very illuminating. Again, the differentiation of ratification, condonation, waiver and relaxation in regard to directors' duties and their breach is quite the best account of this topic I have read. If one *were* to venture a criticism of these parts of the work where Professor Ford's writing makes its most important contribution, it would be on the ground that the very thoroughness of the exposition and the pains that are taken to put a complex matter into its proper perspective must make the going rather difficult for the student reader, who would probably prefer something more dogmatic even though the law is far from clear-cut. For him it is not especially helpful to be led into subjects such as corporate litigation (p. 64) or company management (§1403) by an exposition of the corresponding problems in the case of an unincorporated association, although for other readers it is a treat to have the views of an acknowledged expert in this difficult area.

One would have to search long and hard to find points where the accuracy of the author's views on matters of law are open to challenge. In the rare cases where one's reading was arrested by a moment's doubt, it was usually a matter of nuance and no more. For instance, the suggested duty of directors to creditors (§§308, 1514), though acceptable in the context of the Companies Act, section 367B, runs contrary to too much established company law to be writ large, and the same may hold for the hint of a "proper purpose" doctrine affecting shareholders (§§307, 1532). There is some running together of the personal and the derivative suit, and of fraud on the minority and fraud on the company, though the difference is well explained in its own place (§§225, 1706). And the view that s. 232 of the Canada Business Corporations Act 1975 "has widended the scope for members to sue" has been proved wrong by later case-law which has held the provision to be restrictive rather than enabling (§309).

The one real surprise was to learn (§1202) that the Australian citizen is taxed at the rate of 471½ cents in the dollar. Alas for those dreams of emigrating! But one can only express the hope that Ford's Company Law will go on from strength to strength and from edition to edition, even if the successors to the present volume have to be written from some South Pacific tax haven.

L. S. SEALY*

Der Internationale Richter im Spannungsfeld der Rechtskulturen. Eine rechtssoziologische Studie über die Elemente des Selbstverständnisses des Internationalen Gerichtshofs by Lyndel V. Prott, Volume 2 of the Tübinger Schriften zum internationalen und europäischen Recht, edited by Thomas Oppermann. Berlin: Duncker & Humblot, 1975. 257 pages. (The English version of this book, *The Latent Power of Culture and the International Judge* (Professional Books Ltd.) will issue in 1978).

This equally original and useful work yields an insight which would be otherwise hard to obtain into the internal modes of work of the International Court of Justice, the Court of the European Communities and the European Court of Human Rights. The authoress gained her knowledge not only from detailed interviews with eleven judges of these Courts, but also from a thorough analysis of judgments and opinions, especially those of the ICJ. Thus she shows for example through comparisons of the mode of expression in Sir Percy Spender's minority judgment in the *South West Africa Case* 1962, how far his ideas in that opinion came to be asserted in the controversial majority judgment in the same case in 1966. Other analyses of the authoress of language and style are very informative.

The authoress goes far beyond international law in order to be able to assess the function and task of the three courts mentioned, and especially of the ICJ. She discusses the role awareness of the judges with the tools of sociology. The international lawyer should not however be frightened off reading this book by the use of some terminlogy which is strange to him, such as "role-transmitter" and "group theory". The authoress explains these concepts clearly. So far as she has recourse to sociological theories, virtually only principles are dealt with, so that individuals and groups behave as one would also expect on the basis of general experience and common sense.

The conclusions which the authoress draws from her work are certainly not only for sociologists but particularly worthy of attention also for international lawyers in general and for the International Court of Justice

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