

## BOOK REVIEWS

COMPANY LAW AND CAPITALISM. Second edition. By TOM HADDEN.  
[London: Weidenfeld and Nicholson. 1977. xxii+522 pp. Hard  
cover £12.50]

Readers already familiar with the Law In Context series will no doubt recall that its common theme is to present critically a broader exposition of legal doctrines with a law in action bias, particularly tending to its social and economic context. Mere doctrinal works while useful for their own purposes do not enable one to observe the context within which these rules operate and their underlying currents and limitation. This had led much of law reform activity to concentrate on reforming doctrinal anomalies without the vision and perspective of knowing how these rules actually work. In its first edition this work brought into sharper focus the unique problems and roles of the small private company, the larger unquoted family company, and the large modern corporation. In so doing, it expressed a growing dissatisfaction with legislative approaches to Company Law which hitherto sought to focus on a basic corporate model for all types of companies, being content only with greater disclosure in the case of the large modern corporation. The new edition follows the same design except that it has a significantly abbreviated chapter on the introductory concepts.

In this edition two major threads find special and extensive discussion. In the United Kingdom, as elsewhere, there has appeared a marked trend towards the control of quoted companies through administrative rather than legislative mechanisms. Thus the experience of the Panel on Takeovers and Mergers and corporate investigations bring into view the question whether a company administration structure similar to the American Securities Exchange Commission would not prove inevitable.

While the first edition, made the case for worker-directors, the Bullock Report on Industrial Democracy has since been issued and it is considered at some length in this edition. More interestingly also is the discussion of the German experience as contained in the Biedenkopf Report on Co-determination which has in 1977 been translated into English. The Bullock Committee, has rejected the German system of a two-tiered board in favour of a unitary board with equal representation for the shareholders and employees and a third group to be elected jointly by both sides. This represents a much wider inroad into management by workers and unions than is presented by the splitting up of board functions between executive powers and supervisory powers whilst confining worker representation to the latter.

As the new edition is more closely a reflection of prevailing issues in the United Kingdom, the state of company law while having its origin in capitalism, cannot currently be said to operate in such a context. The socialist underpinnings of the contemporary corporate world find expression through the issues of nationalised industry, worker directors and industrial democracy and government financial support of large industry belie the capitalist appellation.

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