

DEVELOPMENT OF SECURITIES REGULATION IN HONG KONG 1972-1977.  
By M.F. HIGGINS. [Netherlands: Sijthoff & Noordhoff. 1978.  
192 pp. Hard cover Dfl. 50., US\$25.00]

This volume traces the events of the 'boom and bust' of the four Hong Kong Exchanges of the early seventies together with the legislative responses in the form of the Companies (Amendment) Ordinance 1972, the Securities Ordinance 1974 and the Protection of Investors Ordinance 1974. With interesting parallels, they mirror similar events of the corresponding period with the Stock Exchange of Singapore and Malaysia,

This work is useful in its description of the local conditions which contributed to the phenomenal rise in stock prices and is particularly useful by way of oral history as it relies greatly on interviews, with key persons who were involved at the time *viz.* investors, speculators, regulators, bankers and stockbrokers, together with Far Eastern Economic Review reports covering the same period. Thus it is interesting to observe how a tight money banking policy unwittingly set off a chain of public issues which were readily over-subscribed and consequently further fuelled bullish market trends. Also the uniquely Asian dimension of new branch banking which brought with it funds which were not previously banked, as well as the multiplicity of forged share certificates which were rendered easy because of simple non-security printing of share certificates, serve to document interesting local variations of an Asian capital market. It then proceeds to trace and briefly analyse the relevant legislation that followed.

What detracts from this work however are certain minor but nevertheless annoying lapses of law and legal research. For example on page 61, *In re South of England Natural Gas Co.* is cited as deciding that a breach of the prospectus disclosure provision or its equivalent carries an implied right of action for breach of fiduciary duty. Reflection will indicate nothing of the sort, as a fiduciary duty does not exist between prospective shareholders and the makers of a prospectus unless it is so provided by statute: in this case it is not. What the case does imply however is that there may exist the tort of a breach of statutory duty the elements of which tort are substantially different. The reviewer wonders why reference is made to the second edition (1957) of Gower when the third edition of 1969 has been around for some ten years. References to Cantonese as a language of the Far East Stock Exchange pales when the purist notes that Cantonese is not a language but a dialect, the latter having no unique script of its own. References to the non-existent Malaysian Law Journal, should read the Malayan Law Journal. On page 34 a leading English case is cited as having held a plaintiff time barred after a lapse of two weeks from the date of allotment. A quick reference to footnote 19 reveals, not the name or citation of the case but a law review article wherein hopefully the case must lie.