

## BOOK REVIEWS

*THE IMPACT OF AMERICAN LAW ON ENGLISH AND COMMONWEALTH LAW. A BOOK OF ESSAYS* edited by Jerome B. Elkind. St. Paul, Minnesota. West Publishing Co., 1978. Xvii and 362 pp. including index and appendix. New Zealand price \$27.00.

Readers will surely find this collection of essays illuminating for here is a book which begins an inquiry into a subject that to now has hardly been considered. Even if English and Commonwealth lawyers are not themselves intimately aware of the impact that English law has had in the United States, that impact is well documented and readily appreciated by American lawyers. By contrast, how frequently do English and Commonwealth lawyers pause to consider the past impact and present-day use of American law in their home jurisdictions? The contributions in this book should stimulate interest in this neglected domain.

The first essay presented is by David Williams entitled "Constitutional Law — Reception and Impact". This essay focuses on two important facets of American constitutional law: the Bill of Rights and the power of judicial review. Mr Williams' discussion involves consideration of the impact of the American Bill of Rights in the Commonwealth, and he notes that of all the Commonwealth Constitutions, the Indian Constitution 1950 most clearly reflects the American Bill in that some of its provisions are directly copied from it. Unfortunately Mr Williams omits to elaborate on the extent to which the Indian legislation is modelled on the Bill. A further example provided is the Nigerian Bill of Rights 1960, itself adopted with minor modifications in over 20 ex-British colonies. It transpires that the source of most of the provisions in the Nigerian Bill was the European Convention on Human Rights 1950 and the author does concede that the influence of American concepts is "mostly indirect" here.

The second part of the essay is devoted to a discussion of the power of judicial review. The author writes more convincingly on this topic as he proceeds to analyse the impact which *Marbury v. Madison* has had in Australia, India and Canada. Specific instances are considered where in exercising their powers of judicial review, courts in India and Australia have called in aid American case law as a basis for their interpretation of the particular constitutional provisions under challenge; at the same time Mr Williams demonstrates that it should not be imagined that American decisions are slavishly followed in either country. In the case of Canada, where judicial review is an equally important power, it is noted that there

has been virtually no impact from America. This is because Canada's constitutional enactment, the British North America Act 1867, is modelled along British constitutional lines. A note on judicial review in Nigeria, Uganda and Kenya concludes a somewhat sketchy and over-generalised contribution.

In his essay "Race Relations – Repeated Intervention" the editor of this work, Dr Jerome Elkind, embarks on a thorough examination of legislation in the United States, the United Kingdom, Australia and New Zealand relating to racial discrimination. The United States has had civil rights or race relations legislation since 1866. Since then, the United Kingdom (in 1965, 1968, 1976), New Zealand (1971), and Australia (1975) have also enacted laws relating to race relations. Dr Elkind's inquiry concentrates on two matters. He looks first at the impact that American Federal Civil Rights legislation has had on legislation in these countries and then compares American and Commonwealth judicial attitudes to such legislation.

Dr Elkind concludes his detailed discussion of American race relations legislation with the comment (p.50):

There are two reasons why American Federal Race Relations legislation does not commend itself to adoption *in toto* by any other nation. The first is its piecemeal approach and development. The second is that much of its substance is involved in responding to the peculiar needs of the American Federal system.

There follows an account of the legislative history of the United Kingdom Race Relations Acts. Prominence is given to the Street Committee's use of American material, and the changes which ensued as a result of that Committee's Report are noted, as are other American-inspired Committee recommendations overlooked in the subsequent Race Relations Act 1968. At this point the author introduces his second theme, designed to illustrate the contrasting judicial attitudes in the United States and the United Kingdom to race relations legislation. Relevant cases are analysed with considerable clarity in an illuminating discussion which establishes that the impact of American case law on English case law is very minor. The same cannot be said for the impact of U.S. legislation on both the 1968 and 1976 Race Relations Act (U.K.). In these Acts there is to be found increasing statutory recognition of American provisions in the areas of public accommodation, employment, housing, education and enforcement procedures. To conclude the essay there is a discussion of New Zealand and Australian legislation including an interesting description of the effect of the New Zealand Human Rights Commission Bill 1976, (now the Human Rights Commission Act 1977).

The first of two contributions by Michael Whincup appears under the title "Consumer Protection – Products Liability". The paper begins with a brief general statement of the English law on products liability. It is mentioned that under English law the strict liability of a manufacturer for

damage caused to a consumer by his product can arise only in narrowly defined circumstances. Broadly speaking, the consumer must be a buyer who can rely on express contractual rights or the implied terms of the Sale of Goods Act 1893 (U.K.) as amended by the Supply of Good (Implied Terms) Act 1973 (U.K.). If he is not such a buyer, but merely a "user" of the defective product he can only succeed against the manufacturer upon proof of negligence. Herein lies the great difference between American and English law on products liability. Under American law, no distinction is drawn between the two types of consumer: a manufacturer incurs strict liability, contractual situation or not.

Mr Whincup next traces the development of products liability law in the United States. The importance of William Prosser's seminal work "The Assault upon the Citadel" ((1960) 49 Yale L.J. 1099) is acknowledged. Mostly however, the author relies on section 402A of the Second Restatement of Torts to present an exposition of the American law. The requirements of the section are identified and relevant American case law discussed and compared with corresponding English precedents. The theme which emerges from the discussion is captured in the author's statement that the "American cases... provide solutions which, it is submitted, are both more convenient and more rational" than those to be found in the English cases. Accordingly Mr Whincup recommends the adoption of the American rules.

A major criticism of the paper from a Commonwealth point of view is its unfortunate neglect of Commonwealth law which hardly rates a mention. The discussion of damages for economic loss for example, contains a footnote reference only to the "important case" of *Rivtow Marine Ltd v. Washington Iron Works* (1973) 40 D.L.R. (3d) 530, and omits reference to New Zealand cases such as *Gabolinscy v. Hamilton City Corporation* [1975] 1 N.Z.L.R. 151 and *Rutherford v. Attorney-General* [1976] 1 N.Z.L.R. 403 and the more recent Australian High Court decision in *Caltex Oil (Aust) Pty Ltd v. The Dredge "Willemstad"* (1976) 11 A.L.R. 227; (1977) 51 A.L.J.R. 270. More important perhaps is omission of the effect which accident compensation legislation in New Zealand and Australia has had on the need for a comprehensive law of products liability in those jurisdictions. As the New Zealand Torts and General Law Reform Committee has observed with reference to the enactment of the New Zealand Act: "This development cuts right across the principle of tort liability, whether strict or otherwise, for defective products." ("Report of the Torts and General Law Reform Committee on Products Liability" (1974) p.4). It appears then that the impact of American products liability law on both English and Commonwealth law has been negligible, although Mr Whincup's essay, through its comparison of the arbitrary and technical approaches of English law and the more socially acceptable basis of American law, suggests the desirability of

adopting the American rules.

Richard Sutton's paper, "Restitution – Change of Circumstance" is a vigorous piece of original writing in which the author explores the idea that the change of circumstance defence can be reconciled with the English cases on the recovery of money paid under a mistake of fact. As is well known, the change of circumstance defence appeared in English law long before it was accepted into American law. But in contrast to England where the defence has fallen into disfavour, in America it was embraced and now flourishes as a deeply-rooted principle of the American law of restitution. As in the case of products liability law, it is apparent that the paths followed by English and American courts in this matter have been quite distinct, and the impact of American law on English law has been unremarkable. For his part, Mr Sutton sees attraction in the change of circumstance defence, believing that it would work to make English law more just. Nevertheless he does not accept that the defence should be imported into English law unless it can be demonstrated that it can "properly [be] accommodated to the restrictions of established precedent" (p.178).

The first part of the article examines whether and to what extent a change of circumstance defence is consistent with English mistake of fact cases. The key to the author's subsequent analysis lies in an appreciation of his desire to distinguish between different types of mistake cases. At one end of the spectrum are cases involving "ordinary mistake". These are the *Kelly v. Solari* (1841) 9 M & W 54; 152 E.R. 24 variety. In this class of case the mistaken payer is allowed to recover and the change of circumstance defence is not available: *R.E. Jones Ltd v. Warring and Gillow Ltd* [1926] A.C. 670. At the other end of the spectrum, is a class of case, of which *Aiken v. Short* (1856) 1 H & N 210; 156 E.R. 1180; 25 L.J. Ex. (N.S.) 321 is a leading example, where mistakes of fact have occurred but recovery is barred. In between these extremities there may be said to exist a "grey area" – where recovery is allowed but it is not a case of "ordinary mistake". In this area fall the agency cases, the bill of exchange cases, the examples mentioned by Sir Wilfred Greene M.R. and Scott L.J. in *Morgan v. Ashcroft* [1938] 1 K.B. 49 and other cases which will arise as the categories of remediable mistake are gradually widened. (See Scott L.J. in *Morgan v. Ashcroft*). In respect of the cases in this "grey area", Mr Sutton submits that recovery should be made subject to a change of circumstance defence (as it is already in the "anomalous" agency and bills of exchange cases). He maintains that this would not be in conflict with established precedent as the rejection of the defence in *Warring and Gillow* deals only with cases of "ordinary mistake".

The second part of the essay looks at American law. Keener's philosophy in which is espoused the principle of unjust enrichment is outlined briefly. There is an instructive historical analysis of the defence in

the State of New York where, as the author observes, the doctrine propounded by Keener has come to prevail over the formerly accepted English view. The defence as it appears in the Restatement of Restitution is critically examined. Mr Sutton demonstrates that as presently formulated it is not free from difficulty. But though he perceives certain "weak spots" he suggests that these are not so serious that they cannot be overcome. He therefore remains in favour of a judicial acceptance of the change of circumstance defence in conformity with existing English case law. [Note: In Canada a move in this direction may already have begun. See *Rural Municipality of Storthoaks v. Mobil Oil Canada Ltd* [1975] 4 W.W.R. 591. As for New Zealand and Australia, there are recent legislative enactments which provide for a change of circumstance defence, but as yet there have been few cases in the area.]

A second contribution by Mr Whincup entitled "Company Law — Inequitable Incorporation" follows next. It is a short article in which English law is criticised for its mechanistic application of *Salomon v. Salomon and Co* [1897] A.C. 22 in situations where the privileges of incorporation have allegedly been abused. Apparently, on the basis of *Salomon* an English court will generally refuse to lift the corporate veil so as to permit the investigation of allegations of abuse. In some cases hitherto "ill defined and unpredictable" a court will find the power to lift the veil but Mr Whincup states that in his opinion English law, being somewhat mesmerised by *Salomon*, gives insufficient protection against the abuses which he says are inherent in the corporate entity theory. American law, by contrast, has developed a more pragmatic approach to this type of problem. There the corporate entity theory, though generally accepted, is upheld as a rule of convenience only. The author proceeds to discuss the two main classes of case where in the United States this rule of convenience will result in a finding of inequitable incorporation. The first is where a parent corporation so manipulates its subsidiary that in reality the subsidiary does not exercise any independent judgment of its own. Where this is proved, the company cannot escape liability for the subsidiary's breach of contract or negligence. The second situation arises where a corporation is undercapitalised in the sense that it is from the outset of its existence "likely to have no sufficient assets to meet its debts" (*Ballantine on Corporations* Rev. ed. pp. 302-3). In such a case personal liability will be imposed.

Mr Whincup's main submission is that these solutions are not inconsistent with what was actually decided in *Salomon's* case. It was not a case involving the domination of a subsidiary. Furthermore, the difficulties which actually overtook Mr Salomon's company were "not due to any obvious lack of capital". The author therefore suggests (p.192):

... it seems mistaken to assume that *Salomon* disposes of the capitalisation issue, albeit by default. In fact the problem was not discussed, because, in their

Lordships' view, it did not arise. The decision would accordingly still be consistent with any future recognition by English law that undercapitalisation could determine whether or not the corporate veil should be lifted.

Because in his view the English approach to the corporate entity problem is "both absolute and absurd", the author supports the adoption of the principles of American case law in England since they are more realistic, in view of the competing interests involved.

In the result the paper is an interesting but general account of English and American law. Commonwealth law is taken to be broadly the same as English law. It appears that English law has not been influenced by the American cases. The author is thus placed in a somewhat invidious position as regards the book's general theme. It is nonetheless a useful comparison of the contrasting approaches of two common law jurisdictions.

Pauline Vaver's paper, "Family Law – Divorce Without Fault" is a most stimulating critique of divorce law. The authoress develops the thesis that the traditional view of marriage, upon which the law is based, no longer squares with social reality. Marriage is no longer the "stable economic unit", the "social institution which provides stability and order", nor the "contract" or "religious sacrament" of old. Today, a woman can achieve considerable economic independence; she probably prefers the rewards of a job to staying at home looking after children. She feels less tied to the home. Her husband enjoys following his interests in his leisure time. Each desires to extend his or her capabilities. They are individuals first and marriage partners second. Spousal expectations towards marriage therefore have changed.

The prime function of marriage today is companionship. It follows that "when a marriage relationship no longer provides the desired congeniality, when it has broken down, the law must provide a means of terminating it" (p.203). It is from this provocative point of view that Mrs Vaver considers the concept of no fault legislation in the United States, the United Kingdom, Australia, New Zealand and Canada. She asks to what extent do the divorce laws of these countries accord with the social realities of marriage breakdown and examines whether the experience of American law holds any lessons for England and the Commonwealth.

The recent legislative trend in the United States towards no fault grounds for divorce may be considered to be the legislatures' response to society's changing view of marriage. The concept of marriage breakdown is today adopted in many American States as a ground for divorce, but as Mrs Vaver points out the difficulty inherent in such legislation is the necessity of attempting to develop justiciable grounds for finding that a marriage has broken down. The law tends to become very subtle and refined as the courts attempt to grapple objectively with a concept which is "purely a subjective state of affairs". Mrs Vaver opines that the

American experience of such legislation has shown the courts to be ill-suited to deciding such a question as the viability of a marriage. It is, she writes "a matter only the spouses can determine".

Nor does the authoress find the other no fault grounds, such as the use of a period of separation as the criterion of marriage breakdown, to have overcome these difficulties. The "separate and apart" requirement for example, has added difficulties of its own. Mrs Vaver accordingly does not think that American no fault legislation gives expression to the social reality that "spouses divorce themselves". It constitutes for her a political compromise which aims at avoiding any clear recognition of "the modern concept of marriage".

Turning finally to the impact of American law on English and Commonwealth law, Mrs Vaver observes that the courts of the United Kingdom, Australia, New Zealand and Canada seldom refer to American case law even where an American case may have considered a similar provision or concept. American law has however not been without influence in the legislative sphere. Early U.S. legislation (i.e. pre- no fault legislation) was influential in both New Zealand and the United Kingdom. But with the exception of Australia (which now has a no fault Act) the recent U.S. move towards no fault divorce has not been expressly followed in the other jurisdictions. It would however, be premature to conclude that these other jurisdictions are insensitive to the U.S. approach, as there are indications that no fault legislation may soon be enacted.

To conclude the series of essays Dr Elkind has provided an "Overview and Conclusion" in which he attempts to place the foregoing contributions in jurisprudential perspective. The author considers the underlying doctrinal differences between the American legal system and the English legal system. He begins by tracing the influence that Pound, von Jhering, Gény and other eminent theorists have had on American lawyers, and he concisely explains the form of sociological jurisprudence which they propounded. It emerges that the adoption of this jurisprudential approach has made the American courts more acutely aware of social realities and generally speaking has encouraged the judiciary to adopt a more creative role. Dr Elkind commends this approach to the lawyers of England and the Commonwealth and thoughtfully suggests that it is not an approach which is either very new or especially American. "Sociological jurisprudence" he says "is at heart, a restatement of the equitable tradition of the common law" (p.283).

This latter theme the author develops in a subsequent discussion on the interpretation of statutes. In the United Kingdom and the Commonwealth, where the equity of the statute doctrine has fallen into desuetude, the author observes that the judicial approach to statutes on the one hand and judicial decisions on the other, is noticeably different. A judge will find no difficulty in extending a principle in a decision, but a statute cannot be

extended in this way for that would constitute "judicial legislation". There follows a brief discussion of the equity of the statute doctrine in the United States and discussion of what the author considers to be the most important and basic difference between American and English law: the former's constitutional structure and its attitude towards precedent.

Such differences between American and English law as have been discussed cannot be ignored. At the same time Dr Elkind contends that the English and Commonwealth lawyer would be unwise to dismiss American law on that basis. The American legal system like its English counterpart has a common law tradition, and there is much in American law to enrich our own tradition. Moreover, as the impact on Commonwealth jurisdictions of British membership of the E.E.C. becomes more keenly appreciated, the author suggests that American concepts and ideas may become increasingly influential in the Commonwealth.

It remains to make a few general remarks on the structure and production of this book. It is above all a book of essays and not a treatise designed to provide an exhaustive examination of the impact of American law. The topics which are presented are wide ranging and, except to a minor extent in the case of the essays on Constitutional Law and Race Relations, the problem of overlapping material does not arise. It is apparent however, that some of the contributors tended to provide a comparison of American and English law rather than an analysis of impact, which leaves one wondering as to the advisability of including a subject in this collection where the contributor was to encounter difficulty in establishing that there has been any impact. On the whole however, the essays have been well-chosen.

The book contains a full index and a table of cases. There is also an extremely valuable appendix extending over 20 pages on American Research Materials. Unfortunately, the book's attractive presentation is to some extent spoilt by the number of misprints remaining in the text. On matters of substance however, readers will find this a significant collection of essays.

*ANTONY SHAW*

*A HANDBOOK ON AGREEMENTS FOR SALE AND PURCHASE OF LAND* P. Blanchard. Auckland. Handbook Press, 1978. 136 pp. including index. New Zealand price \$8.50.

The fundamental purpose of this book is to supply a concise practical guide of the law surrounding agreements for the sale and purchase of land in New Zealand. As such it will be welcomed by practitioners and students working in the vendor and purchaser field, as no comparable book dealing with this subject matter is available. (Stonham's contribution to this

branch of the law, although a work of considerable academic distinction, is now some sixteen years out of date, and is not concerned directly with the New Zealand title system.)

The content of the book is well organised, and the material attractively and lucidly presented. Excluding footnotes, the book comprises approximately one hundred pages, and students will appreciate the author's decision to sacrifice a mass of detail for the sake of presenting basic material in a readable, succinct and easily comprehensible form. Chapter headings in the main follow the order of sequence in the standard form of agreement for sale and purchase. The value of this reference book is not however restricted to situations where this model form has been adopted, for each chapter considers the position which would pertain in the absence of the matter being expressly dealt with by agreement of the parties. The chapters are adequately subheaded and paragraphed for facility of reference. It should be noted that the author has not attempted a comprehensive survey of those topics which are traditionally included in the subject matter of land law textbooks (e.g. leases, licences, mortgages and easements) for he is primarily concerned with the law governing *actual* agreements for sale and purchase. It may be said that he analyses the outstanding problems in this branch of the law extremely well, and succeeds in highlighting with great clarity the underlying principles involved.

Mr Blanchard has aimed at providing a practical treatment of his subject matter. It is therefore not surprising that his approach to many of the topics does not extend to an intensive probing of the caselaw, an aspect of the book which may provoke criticism from academics. The chapter devoted to making time of the essence for example, sets out three principles governing the validity of the notice, and briefly states the findings of the four major cases in this area. For the most part, fact situations are not recorded. As regards the practitioner however, this treatment is quite adequate. The current position on the issue is stated succinctly for him, and if additional detailed research is required, he is referred to the relevant cases. Similarly, the chapter dealing with conditional contracts tends to gloss over or ignore some of the complexities involved (such as the distinction between promissory and non promissory conditions precedent) although it does provide a clear explanation of the fundamental principles and problems involved. Indeed, many other topics of academic interest in the field of vendor and purchaser are not dealt with in any detail, (e.g. the time at which the contract can be said to be formed, the problems surrounding offer and acceptance, the nature of options, the doctrine of part performance, and certain requirements of the Contracts Enforcement Act).

Academics may find that this book is of limited utility. It should however have substantial appeal for students and will be a most useful

book for practising solicitors involved in conveyancing. It constitutes a most valuable practical guide to agreements for sale and purchase, and Mr Blanchard is to be commended for the useful service he has performed for students and practitioners alike.

ROBYN KERR

*THE POLITICS OF THE JUDICIARY*, by J.A.G. Griffith. Glasgow. Fontana, 1977. 224 pp. including index. Paperback. New Zealand price \$3.75.

This is an interesting and topical book which looks afresh at the political role of the judiciary in England. It is one of a series of books published by Fontana which, when completed, will consist of an overall study of major issues in British politics. The editors aim for a non-technical but stimulating look at these issues and hope to "fill an important gap in what has been called 'the dead ground of contemporary history' . . ." (p.9.)

In the first part of the book the judiciary as a body is considered. The appointment of all judges is wholly in the hands of politicians – a factor which Griffith finds "remarkable" (p.17). He asks to what extent the political allegiance and experience of the appointees is taken into account and finds that there is no conclusive correlation between the two. However the social position of judges is generally predictable. The overwhelming majority come from the upper and middle classes, attended public schools and are of a similar age and legal experience at appointment. So it follows that a great proportion of them fall into a narrow political and social background. While there is no direct pressure on judges to act in accordance with government, "political" decisions frequently do occur because of the homogeneous backgrounds of the judges.

Part Two of the book studies in detail various diverse cases where judicial decisions were clearly politically oriented. Industrial relations is portrayed as an area where judges are generally biased against trade unions. In the late nineteenth and early twentieth centuries this occurred as an expression of class conflict and fear of the potential power of unions, but in more recent times, government has attempted to use the judiciary to contain the union movement (pp. 74-75). Despite its failure, the attempt has resulted in mutual distrust and antipathy between judges and unions. Similarly, individual rights, where they show the potential to prejudice the rights of formal institutions, are narrowly construed by strict interpretation of the law. The performance of the judiciary in decisions relating to police powers, race relations, conspiracy, property rights and ministerial discretion, is examined in a similar way.

Thus, Griffith finds in these cases an overall pattern, with few exceptions, of policy decisions designed to maintain the precarious balance between the rights of government and individuals with a weighting in favour of the former.

Part Three is where Professor Griffith is given free rein by the editors to forward his personal views and conclusions. His systematic and factually based account and conclusions certainly raise points of interest likely to promote further discussion.

The capacity of judges to *create* law is an important function, and is now recognised as a legitimate part of their duties. Argument as to the outer limits of this creativity persists, but while leading to inconsistent decisions, is not as important as "their reactions to the moral, political and social issues in the cases that come before them" (p.181).

In the final chapter the author draws together the strands of his argument. The golden thread is the concept of neutrality and its relationship to impartiality and independence. Griffith emphatically refutes the existence of neutrality in judicial decision-making, for neutrality means that the judge:

is not to take into account any consequences which might flow from his decision and which are wider than the direct interests of the parties. He must act like a political, economic and social eunuch. (p.187)

This is a myth in Griffith's view, because judges function within the state machinery and therefore cannot avoid political influences and political decisions. They must uphold the status quo because that is a fundamental part of their function.

The basis for this is to be found in the frequent justification of decisions as being in the "public interest". Judges believe they owe their allegiance to the law and the public interest, the public interest being defined as the interests of authority and the system (p. 214). Griffith maintains that this results not from a conscious effort to pursue their own class interests, but rather from the inherent function of the judiciary in any political system, whether it be capitalist or not. He concludes:

My thesis, then, is that the judiciary in any modern industrial society... is an essential part of the system of government and that its function may be described as underpinning the stability of that system and as protecting that system from attack by resisting attempts to change it (p. 213).

However, nowhere does Griffith suggest how the judicial role might be changed or improved to ensure that the scales might be weighted more favourably towards individual rights. Yet perhaps this is implicit in his earlier discussion, for the author, while accepting that a political function is inherent in the nature of the judicial role, proposes a change in emphasis in the exercise of that function. Ideally, the judiciary should not be a bastion of government (and conservatism) in society, but a bastion of society as a whole. Its political function then, should take the form of an *active* check against the excesses of the executive and of the power elite,

without at the same time, adopting a radical or revolutionary stance. This may be a pipe dream though, given the roots of and the pressures on the judiciary. Yet, is it really too much to ask for a judiciary which exercises its political function in a more equitable manner?

It is clear that an analogous study of the New Zealand judiciary would find the same pattern, and that Griffith's thesis is certainly applicable. New Zealand judges too, are called upon to decide cases and reside over tribunals where issues are of political import. One only need look at several recent cases to see this, for instance Chilwell J.'s decision in *Harder v. N.Z. Tramways Employees Union* [1977] 2 N.Z.L.R. 162, and the recent case relating to Bastion Point. A similar study would undoubtedly be of value to the legal profession, and to the public of New Zealand.

For anyone interested in the function of the judiciary within our legal and governmental systems, *The Politics of the Judiciary* should be compulsory reading.

AMANDA J. VOSPER