

AN INTRODUCTION TO COMPANY LAW by R. Baxt, Second Edition, Law Book Company Ltd., Sydney, 1982, xxii + 356 pp. (including index and table of cases). Price A\$11.50. Reviewed by P. D. McKenzie.*

This is a short introductory book on company law which is described by Professor Baxt in his preface to the First Edition as having been produced "basically as an introductory work for students, practitioners, accountants and others who are interested in getting a very broad sweep of the area of company law. It is not intended to be a guide to what steps should be taken at all stages in the incorporation or management of a company, although from time to time the author has perhaps gone beyond the very strict bounds of an introductory work and elaborated on an area or two which appears to be of greater importance. It is hoped that this work will be read as an introductory work, and that the reader will refer to the more advanced company law works which are referred to from time to time in the text".

In those sentences Professor Baxt has succinctly and accurately described the nature of his short company law text. In a 350-page publication of hand-book size Professor Baxt has provided a broad coverage of all the major areas of company law. He outlines the major statutory provisions in the uniform Australian legislation and summarizes the effect of the leading decisions in Australia, England and New Zealand. He fulfils the expectation which he gives in the preface by referring in footnotes to the leading academic articles and text book discussion of the various principles outlined in the text. In this way the book provides a useful and up-to-date short reference tool to the current Australian cases and to text book and academic discussion of the principal areas where there is a difference of opinion as to the law.

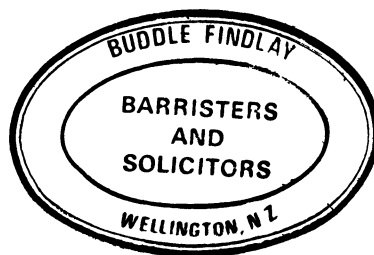
This handbook is not designed for the New Zealand practitioner or student and deals only with the Australian legislation. It does, however, provide a useful overview for the New Zealand lawyer of the principal statutory provisions in Australia. It is not easy to discern in the major Australian texts, or even in Ford, *Principles of Company Law*, the relationship between the various Australian statutory provisions. Professor Baxt, however, provides us in pages 1-15 of his work with a useful overview of the relationship between the Federal and State legislation, the way the National Companies and Securities Scheme was adopted and has found expression in the National Companies and Securities Commission Act 1979, the Companies (Acquisition of Shares) Act 1980, the Securities Industry Act 1980 and the Companies Act 1981. Professor Baxt's Second Edition of this work has largely been prompted by the new Companies Act 1981.

As Professor Baxt confesses in his preface, an introductory work on company law is one of the most difficult to produce. The subject is a highly technical one, where to summarise the principles is apt to be misleading unless the summary is qualified by exceptions and the noting of differing lines of authority. Professor Baxt for the most part avoids the danger of over-simplification but the result is a text which would be of value to those who have had some basic training in the law. It is not, in this reviewer's view, a book for the beginner.

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As one would expect Professor Baxt has a sound grasp of his subject and his exposition is clear and succinct. This is not to say, however, that every exponent of company law will agree with Professor Baxt at all points. This reviewer for example takes issue with the discussion of directors' negligence at pages 240-245 where the difference between misfeasance and Common Law negligence is not explained and the limiting effect of (in New Zealand) section 321 prior to its amendment (in New Zealand in 1980) on cases brought under this section is not explained. *Re Tropic Isle Limited*¹ was a case brought under this section and the court in examining the conduct of the directors was concerned only with the nature of misfeasance and not with whether their conduct constituted negligence at Common Law.

It is unfortunate that the timing of publication meant that Professor Baxt was not able to include a discussion of the important recent Court of Appeal decision in England in *Prudential Assurance Co. Ltd. v. Newman Industries Limited (No. 2)*² where the existence of the "justice of the case" exception to the rule in *Foss v. Harbottle* is a proper exception to the rule. It would also have been interesting to have had Professor Baxt's views on the recent judgment of Megarry V-C. in *Estmanco (Kilner House) Ltd. v. G.L.C.*³



1 [1967] Qd. R. 193.

2 [1982] 1 All E.R. 354.

3 [1982] 1 All E.R. 437.

Research of legal interest deposited in the Victoria University Library between 1 April 1982 and 31 March 1983 *

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* L = Legal Writing LL.B.(Hons.).

R = Research paper prepared in the LL.M. programme.

T = LL.M. thesis.

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- McArley, S. J. Contempt of a defamation action: *Wilson v. Waikato and King Country Press Ltd.* L