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BOOKS REVIEWED

Regulating International Business through Codes of Conduct. By Raymond J. Waldmann. Washington: American Enterprise Institute for Public Policy Research, 1980. Pp. 139.

Recognizing that there is a continuing American interest in the development of effective international regulatory regimes, Mr. Waldmann discusses the creation of Codes of Conduct to regulate multinational enterprises and international business transactions. The book begins with Aldous Huxley's observation that: "Asians and Africans do not forget [imperialists] and are so far from forgiving that, if they can thereby do some harm to the ex-imperialists, they will blithely damage themselves, even commit suicide."

Codes of Conduct, regulating the activities of capital that is primarily from the industrialized nations, have become a focal point in the North-South dialogue. Will the Third World nations blithely damage themselves in the process of creating these new Codes of international regulation? Mr. Waldmann points to the possibility, but not the inevitability, of this result.

Two existing international agreements are examined: the Andean Investment Code and the Organization for Economic Cooperation and Development (OECD) code for multinational enterprises. Of particular importance is the discussion of the impact of the Andean Code and the responses it has elicited from investors and potential investors. While apprehension has been expressed and the fear voiced that future direct investment will be drastically reduced, no major shift in investment behavior has, in fact, occurred.

Mr. Waldmann then examines three new codes: the UNCTAD Code of Conduct for Liner Conferences, adopted in 1974 but not

yet in effect; the UNCTAD Code of Conduct for Transfer of Technology, in the stage of negotiation; and the Code of Conduct for Transnational Corporations, under discussion at the United Nations. These documents propose sweeping changes and are based on principles alien to the legal systems of the industrialized nations.

The outcome is in doubt. In his concluding remarks, the author recognizes the "real possibility . . . that the codes could be discriminatory, nationalistic, and mandatory . . ." leading to increased tension between North and South and a slowing of the growth of the international economy. Mr. Waldmann suggests that the United States must work constructively in the negotiating process to ensure that American interests are accommodated and worldwide growth fostered.

Transnational Mergers and Acquisitions in the United States. By Sarkis J. Khoury. Lexington, Mass.: Lexington Books, 1980. Pp. 293.

The author discusses in detail numerous issues relating to the massive inflow of foreign capital and resultant acquisitions of American firms. Approximately one-half of foreign investment ventures are now accomplished by means of acquisition of existing American firms. Although the book is primarily an economic and business analysis there is a well-documented section on the legal issues involved. The subjects treated include: statutory restrictions or prohibitions to foreign ownership in key industries; antitrust policy; disclosure requirements under the Williams Act; state tender offer regulations; and state and federal tax statutes.

Policy and Politics in Britain: The Limits of Consensus. By Douglas E. Ashford. Philadelphia: Temple University Press, 1981. Pp. 330.

There is little doubt that the advanced form of the welfare state has greatly changed the relation of politics to policymaking in every society. Britain is by no means alone in finding government and administration severely strained as the scope and complexity of the welfare state increase. In this comprehensive and contextual study, Mr. Ashford examines how particular historical, institutional and political constraints affect British effectiveness in planning and implementing Government programs.

In the British system, parliamentary supremacy rests on the

widely accepted elite consensus that took shape a century or more before the British democracy took over the broad responsibilities associated with the modern welfare state. Modern political parties, mass democracy, even a modern administration were grafted onto a working system but the essential principles of cabinet and ministry responsibilities have survived with relatively little modification. According to Ashford, a scholar in the field of comparative public policy, the result has been a concentration of power at the top, while demands on Government have proliferated.

The analysis offers a strong point of view, unusual in a textbook, that is sure to invite scholarly debate. For example, it argues that although power is quite concentrated in the British system, it is exercised most often in the direction of avoiding decisions. More often than not, the grand adversarial politics played out in Parliament are ineffective in dealing with the complexities of the modern welfare state. In practice, when major changes in policy are at issue, Labor and Conservatives may act less like true antagonists and more like two groups sharing a consensus.

This book is the first in a series that will compare and discuss the governments of the United States, Japan, West Germany, France, and Sweden as well as Britain from a policymaking perspective.

Essential to its comparative approach, the books in the series have selected common policy cases. In turn, each of the policy analyses follows a common format. First the *context* of the problem is discussed: its historical roots, competing perceptions of the problem by major political and social groups, and its interdependence with other problems facing the country. The second section deals with the *agenda* set out for the problem: the pressures generating action and the explicit and implicit motives of important political actors. The third section deals with *process*: the formulation of the issue, its attempted resolution and the instruments involved in policy implementation. The fourth and final section of analysis traces the *consequences* of policy for official objectives, for the power distribution in the issue area, for other policies, and for the country's capacity to make policy choices in the future.

The Quality of Mercy: Amnesties and Traditional Chinese Justice.
By Brian E. McKnight. Honolulu: University Press of Hawaii,
1981. Pp. 172. (\$15).

This work focuses on a striking aspect of traditional Chinese justice, the "great act of grace," an empirewide amnesty that emp-

ted the prisons and erased the legal record.

While the concept of amnesty is not unknown in other legal systems, the author points out the unique application of it in the Chinese system. In medieval China, every two years on average, the state opened its prison doors, the docket was cleared, the jails were emptied and the open cases were closed.

The reasons why governments in the early empire let their prisoners out and why later governments gradually abandoned this policy are key questions that the author poses in this thorough examination of the amnesty system.

The answers to these questions, McKnight suggests, are to be found in the size and shape of the Chinese bureaucracy and in its efforts to relieve pressures on its criminal justice system.

Although primarily addressed to those interested in the history of China, this well researched and thoughtful study holds much of value for students of legal history. Few works have been written on the role of law in Chinese life. This study makes an important contribution to what will surely be a growing area of research and study.