

most of the articles seems to be in pointing out obstacles preventing effective compliance with the norms of international law of armed conflict, rather than in providing suggestions on how to overcome them. Yet, in as much as understanding the problem is a substantial step towards its solution, the book moves us in the right direction.

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Theodor Baums, Richard M. Buxbaum, and Klaus J. Hopt (eds), *Institutional Investors and Corporate Governance*, Berlin, New York: Walter de Gruyter & Co. (1993) 696 + xxviii pages, DM 248.

This book contains the finalized versions of twenty three contributions to a colloquium held on July 9-11, 1992, at the University of Osnabrück, Germany. The volume is the work of non-American scholars and illustrates the links between corporate governance and the emergence of new types of stockholders. The book is divided into four parts. The first is a comparative analysis of international aspects. Parts two to four are country analyses beginning with the United States, followed by Europe and concluding with Australia and Japan.

The authors often explicitly cite as a point of reference the somewhat paradigmatic Anglo-Saxon vision of 'shareholder democracy' with its principal-agent relationship as a central cornerstone of a market economy. 'Institutional investors' fit in this scheme as strengthening democracy and hence efficiency. The authors state as a starting point that 'corporate governance' is a notion specific to each system and is characterized by legal, contractual and unspoken but fundamental values. 'Corporate governance' is not just the duty to the shareholder-consumer that his shares should yield a maximum at the stock exchange.

The main interest of this book is that it gives the reader an insight into the value-related patterns of relations between ownership and governance, specific to different societies. The book illustrates that 'institutional investors' is just a term that covers different realities. The governance rules, objectives and behaviour patterns of 'institutional investors' themselves vary according to their mission and to the national context.

This book is recommended particularly to those readers interested in the following issues: Can the shareholder-consumer dominated corporate governance system prevail? Can this system mitigate other systems? To what extent will other systems pollute the US shareholder-consumer system already streamlined and demonstrated by SEC accounting and reporting rules? These rules focus on ethic-related corporate governance. Is it possible without any direct link that the money will remain in the pocket of the shareholder?

As is always the case with books grouping contributions to a conference, this volume contains a unique in-depth insight into specific situations. It does not give a systematic view, but raises questions and opens doors for further research, even on specifically addressed issues. One of these issues, focusing on UK institutional investors, does not mention the fact that these investors organized an interest group of their own representing the shareholders in the Cadbury group of corporate investors. They did not intervene in favour of strengthening the rights of individual investors. Instead, they appeared to be part of the general cultural environment chaining directors of companies and financial investors. Institutional investors claimed that the Cadbury report favoured special relations between institutional investors and the board of directors. This conflicts directly with US law and philosophy of shareholder democracy. It also illustrates that the highly praised 'Anglo-Saxon model' is just a label covering fundamentally different models.

This book is timely for Europeans who have to make up their minds as to the type of corporate governance they want. Are Europeans willing to part ways on corporate governance? If so, they must keep in mind that the US without a federal law of corporations has achieved a common pattern of corporate governance through joint action of the SEC and the national stock exchanges. In tribute to the subsidiarity principle, the European Commission has withdrawn its proposal in a thirteenth proposal on the take-over of companies and on pension funds. The discussion of the 17 year-old proposal for a fifth directive on company law framing the basic rules for corporate governance has been put on ice.

The content of this book is recommended to US readers who should be aware of the resistance with which the export of the American and, to some extent, British models is met. European and Japanese readers should be aware of the force behind the US model and the determination with which its accounting standards are pursued. Does the acceptance by Mercedes Benz of SEC accounting and disclosure rules in order to be listed with the New York Stock Exchange mean the end of German-type financing of business and bank-related corporate governance? These readers should consider the findings of the Fordham Symposium on 'Entering the US Securities Markets and Opportunities and Risk for Foreign Companies.' (*Fordham Int'l L.J.* Vol. 17, 1994).

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Book Notes*

Ben Terra and Peter Wattel, *European Tax Law*, Deventer, Boston: Kluwer Law and Taxation Publishers (1993) 445 pages, Index.

This is a long awaited textbook of European tax law for students. It will serve also as a reference book for practitioners of European Law. The book, the coauthors of which are professors of law, puts tax issues in the perspective of EC Law in general. Thus it is an excellent initiation into the rather specific developments of EC fiscal law for tax practitioners. The book gives great importance to the implications of the general rules of the Treaty on national direct taxation rules. These developments are an excellent preparation for the follow-up of the developing jurisprudence of the Court in this field which preoccupies national administrations – as Article 73c introduced by the Maastricht indicates. The book assesses the current state of EC statutes and of proposed legislation in the fields of indirect and direct taxation. The relevant texts are added in a coordinated way. The book – rightly – does not enter into the extensive jurisprudence on Article 95 EC for which an abundant literature already exists. But it contains a useful chapter on the Community Customs Code which is a matter not commonly treated by legal scholars.

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* Review in the Book Notes section does not preclude a future more extensive review.