

Stephen, Frank H.: *The Economics of the Law*, Brighton: Wheatsheaf Books 1988. 224 pp, \$ 66.50.

This book provides an introductory survey of the rapidly growing field of law and economics. The author wants "to synthesise this growing literature in a way which makes it accessible to students and academics in both disciplines without overselling the significance of the economic approach to the law". Accordingly, the book is divided into two sections. Part I introduces the economic concepts and Part II applies these tools to a discussion of legal problems.

The author starts his discussion of the economic concepts with property rights. He argues that efficiency will be enhanced by universality, exclusivity, and transferability of property rights, and also clarifies the limitations of this approach. The next chapter is devoted to the Coase Theorem. The author provides a remarkable effort to discuss the implicit assumptions underlying the validity of the Coase Theorem. The last chapter of Part I introduces various concepts of efficiency and discusses their distributional consequences.

Part II on law begins with a brief description of entitlements and their defence. The next rather lengthy chapter analyzes the law relating to property. The author discusses the areas of nuisance, the public regulation of land use, and the public acquisition of land other than by market transactions. The next chapter turns to tort law. The rules of strict liability, negligence, contributory negligence, and comparative negligence are examined both in terms of efficiency and from the perspective of distributive justice. The economics of contract law is subject of the next chapter. Damage measures for breach of contract, standardized contracts, and the transaction cost approach to contract are analyzed. In the final chapter the author critically discusses Posner's claim that value maximization is the only ethically justified basis for common law. Moreover, Rubin's evolutionary theory of the common law is briefly dealt with.

The book provides a well written survey of the area of law and economics. The incor-

poration of examples from British case law as well as the critical discussion of the various issues distinguishes this book from its North American counterparts. The author succeeds in providing a balanced approach to law and economics for academics of both disciplines. Nevertheless, I am reluctant to recommend the book as a text for an introductory law and economics class. The author deals with too many issues without really explaining the underlying economic reasoning. A text like Polinsky's "An Introduction to Law and Economics" (1983) is more to the point for this purpose.

The most serious shortcoming of the book is the publisher's quoted price. Perhaps, it is not a coincidence that according to the introduction "the book is not about ... anti-trust and competition law". Therefore, the reader has to look elsewhere to understand the quoted price.

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