

editorial

A Disappointing Summit

In our November editorial we underlined the importance of the issues being discussed at the Mexico summit meeting on North-South economic relations but noted that many viewed the likely practical outcome of the summit with scepticism. In the event, the sceptics were proved correct – as *The Times* observed, 22 world leaders meeting over two days in a Mexican holiday resort were scarcely likely to resolve the complex and wide-ranging issues involved. However, even viewed in this light, the outcome of the summit was most disappointing. The blame is being laid mainly on President Reagan and the United States for their almost exclusive concentration on private enterprise and the market economy as the solution to the problems under discussion. There is some justification for criticising the United States' approach since, although the Brandt Report also emphasises the importance of trade and private enterprise, it also makes the point that at present international trade is not free but is in many respects restricted or loaded in one side's favour. However, part of the responsibility for the summit's lack of progress lies in the South's concentration on greater representation of third world countries on international economic organisations – an unrealistic opening aim and one bound to lead to inaction on the part of the North.

Encouragingly the summit did produce agreement that "global negotiations" should proceed and progress is possible if the early stages of the negotiations could concentrate on concrete problem areas such as food supplies on which a consensus has already emerged.

A Company Law Moratorium?

Legal advisors now have the daunting task of familiarising themselves with the

provisions of the Companies Act 1981, much of which will be brought into force before Christmas with the remaining provisions coming into force by end-February 1982 (see p 377 post). They will however be relieved to hear that the Minister indicated during the Commons Third Reading debate on the Bill that "the immediate future does not hold the prospects of further primary legislation". There may however be further amendments to the existing legislation by statutory instrument under the new wider powers in this behalf contained in the 1981 Act. Such amendments would be to correct technical defects in the existing legislation (such as s 54(1)(c) and (2)(c) of the 1980 Companies Act which is now the subject of consultation) or to prepare the way for consolidation of the companies legislation.

The "Herculean labour" of consolidation is under way – the largest statutory consolidation ever undertaken. The Department of Trade is now consulting on the form of the consolidation – one "mammoth Act" or several Acts dealing with different aspects such as: winding-up and receivership; company accounts and audit; registration of charges; and overseas companies. Later there will be more detailed consultation on the contents of the legislation. The Minister is concerned that consolidation should be achieved as soon as possible and this is regarded as a major priority for the future.

The Minister also announced during the Third Reading debate that a conviction has now been secured under the insider dealing provisions of the 1980 Companies Act which suggests that the provisions are being found enforceable in practice.

The 1981 Act contains a mass of new provisions and amendments to existing provisions and the professions and commercial undertakings will need some time to digest these and make necessary changes of administrative practice. A moratorium on further new company law provisions would thus be highly desirable.