Principles of Corporation Law

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BOOK REVIEWS

of the Battle; VIII, Mr. Hamilton Takes the Floor; IX, Nearing the Crisis; X, the Crisis; XI, The Dawn; XII, The Convention Witnesses a Great Experiment; XIII, Nearing the End; XIV, The Curtain Falls. Many pages could be filled if a mere index of the human elements surrounding the convention, as set forth by the author, were compiled. This, of course, would expand this review into an article of tremendous length and this naturally is more than the reader expects or the writer is ready to do.

However, a short account of the crisis will probably be welcomed by the reader. When the representatives of the small states presented their ultimatum that unless representation in both houses of the proposed legislature be on a basis of equality they would forthwith leave the convention, the author, on page 125, says: "At that moment Washington, who was in the chair, gave old Doctor Franklin a significant look. Franklin arose and moved an adjournment for three days, with the understanding that the delegates should confer with those with whom they disagreed rather than with those with whom they agreed." After Franklin had spoken for some time in favor of the constitution, not such a one as any one delegate could individually and in all respects approve, yet the best which under existing circumstances could be obtained, the countenance of Washington brightened and a cheering ray seemed to break in upon the gloom which had recently covered the political horizon. It was at this juncture that Franklin made his famous proposal to appoint a chaplain to open the sessions of the convention with prayer. Curiously enough this proposal was not acted upon because the convention lacked the necessary funds to compensate a chaplain for his services.

The book will be useful to all teachers and students of constitutional law and will be excellent reading to any patriotic American, whatever his occupation may be. It should find a large circle of readers, particularly among lawyers and judges whose daily work brings them more or less in close contact with the constitution.

C. Z.


This book is by William W. Cook, the well-known writer on Corporation Law, whose eighth edition of Cook on Corporations appeared in 1923 in six volumes. A comparison of the two works shows that Principles of Corporation Law is in substance a telescoped edition of Cook on Corporations, eighth edition. The subject matter is the same. The notes in the larger work, which occupied at least two-thirds of its space, are omitted, except references to the decisions of the United States Courts, and the section numbers of the larger work, and notes on cases that have been decided since the last edition of Cook on Corporations. The text is printed in smaller type than the larger work, and therefore corresponds in volume with it. The fifty-six chapters of the eighth edition are reduced to twenty-five.

The small size and compactness of the book will make it useful as a reference work, particularly as a key to the eighth edition. The style and manner of treatment are the same as in the extended edition.

The usefulness of the book for other purposes, particularly its usefulness to students, is open to question. Mr. Cook's standing as a corporation lawyer, and his undoubted erudition in his chosen field of corporations, is unquestioned. An analysis by him of the principles underlying the whole field of associated action
would be a great service to the profession, and particularly to students. Neither in this book, nor in his larger works, do we find such an analysis.

Even a cursory examination of the present work will indicate that the title *Principles of Corporation Law*, is a misnomer.

In the preface to the eighth edition, and in 21 *Michigan Law Review*, the author stresses the enormous number of decisions in this field, and the resultant confusion, and states that in his opinion the time has arrived for a book on the general law along the lines made famous by Blackstone and Kent. This treatise will cover not merely Corporations, but the whole field of law, with a view to its simplification, and an emphasis upon principles rather than upon precedent. In his view, the references in such a book should be to the decisions of the United States Supreme Court, and also to standard treatises on the subject.

In the present work, the author, of course, is not attempting to write a general treatise, but he is attempting, as stated in his preface, to "condense, simplify and clarify the law for the use of a lawyer, law student and layman." To accomplish such a purpose, however, it will be necessary to proceed in a radically different manner from that pursued by the author. It is possible to state the principles of corporation law in a small compass, and it would seem particularly within the ability of an author of the erudition of Mr. Cook; but, as in his larger works, the principles are overlaid with citations, and the author is content to say that the courts have held thus and so, rather than attempt to dissect general principles from this multitude of precedent.

One might be inclined to question why references in such a book should be limited to decisions in the United States Supreme Court, since one cannot find in decisions of that court a complete statement of principles of corporation law.

The task which the author thinks is so desirable to undertake, a simplified statement of the principles underlying all law, is the task to which the American Law Institute has set itself. But this work represents the labor of many individuals, and will extend over a long period of time before the work can be given to the profession.

It is unfortunate that an author of Mr. Cook's standing has not succeeded in this work in doing for corporations what he hopes will ultimately be done for all law.

H. S. Richards.


Questions of valuation are incident to almost all litigation. Opinion testimony by specialists in a particular commodity or service is relied upon to prove its value, but without intelligent cross-examination of such specialists grievous injustice often is the result. To the attorney who has occasion to participate in finding the value of industrial securities, especially such as have been closely held and not traded in, this volume will be of benefit.

Numerous specific industries are considered and the value determining factors of their securities are tabulated. General theories, hardly principles or laws, of valuation are then set up.

When securities have been traded in, the market quotations, if they are the natural result of legitimate trading, are usually accepted. The author has used