

1936

Handbook on the Law of Private Corporations, by Robert S. Stevens

Marquette University

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Repository Citation

Marquette University, *Handbook on the Law of Private Corporations*, by Robert S. Stevens, 21 Marq. L. Rev. 104 (1937).

Available at: <https://scholarship.law.marquette.edu/mulr/vol21/iss2/15>

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tions into legislative and judicial, that courts as well as legislatures must legislate.

The most interesting part of the book are the letters to Wu, the young Chinese law student with whom Mr. Justice Holmes began to correspond during the last years of his life. The impression one gets from these letters is that Holmes was a well informed man of the world, a pessimist and a pragmatist. The scope of his reading is astounding, and one begins to understand from all that Holmes discloses why he was not a great commercial lawyer.

The Justice's criticisms of Professor Langdell's casebooks are interesting. He approved of them but he did not believe that they could take the place entirely of a systematic presentation of principles through texts. His comments about Codes and the Roman Law show that Mr. Justice Holmes, in spite of his wide reading, was the typical Anglo-American common law lawyer. And from the time he first began to write book notices down through the days when he was writing to Wu he seems to have felt that Thomas Malthus had shown the world the only true solution for its ills.

Handbook on the Law of Private Corporations, by Robert S. Stevens. West Publishing Company, Saint Paul, 1936, pp. xvi-946.

Professor Stevens has written an excellent one volume text on the law of private corporations. It is not a treatise nor is it a digest. It is strictly a student's book. The plan of the book is comprehensive. It has chapters on "Rights and Remedies of Creditors," "Receivers and Reorganization," and "Foreign Corporations." Obviously these can be merely introductory in a text of this size and type. These chapters are not critical and the author apparently did not intend them to be critical. Commercial law is being given a bigger place in modern law school curricula and creditors' rights and corporate reorganization cannot be covered in the ordinary course in corporations.

The author's first chapter on "Corporate Personality" is excellent. He has struck down at the start the misleading fiction that a corporation is a legal entity separate from its members. In his chapter on "Ultra Vires," however, he perpetuates the old "saw" about the federal rule and the state rule and he, too, like many other writers, takes literally the dicta of the Kansas court in *Harris v. Independence Gas Co.*¹ He might have done more in his chapter on "Promoters" to tie up the problems in the promoter cases with the probability of administrative prophylaxis through blue-sky laws and security acts. The chapter on "Dividends" is inadequate except where he treats of the payments of dividends on preferred shares. Any statement of rights and duties of stockholders and directors about dividends, capital, and surplus is bound to be inadequate without some inquiry into bookkeeping practices, and it is probably too much to expect that there be included in this elementary text a discussion of that sort.

One may not like the classification of topics. It is strictly orthodox, although the author's criticisms are not always just that. The realist may feel that the criticisms and discussions should be built upon the plan, for example, of Professor Frey's casebook. He might like, too, something of an exposition about a typical corporation code. But Professor Stevens has set out to prepare a text which could be used by the greatest number of students. He has had to stick to his orthodox scheme and within its limits and the limits of an elementary book he has done a good job.

¹ 76 Kan. 750, 92 Pac. 1123, 13 L.R.A. (N.S.) 1171 (1907).