Social Meaning of Legal Concepts - The Powers and Duties of Corporate Management

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The book is written in four parts, each written by an authority on the particular subject covered. This review shall take them in the order they appear in the book.

Part I is entitled Historical Inheritance of American Corporations. The author is Adolf A. Berle, Jr. He covers the growth of the corporate structure from the time of the Industrial Revolution to the present, and shows the effect of big business on the political state. His explanation of the political reasons for the regulation of corporations and lack of the same in the various states is very thorough and enlightening. He also shows the trend of courts from strict compliance of ultra vires to extension of the doctrine to fit business needs. The reasons for government regulation of the great corporation are pointed out along with the results of said regulation. Comments about Part I are made by Lloyd K. Garrison and Emanuel Stein.

Part II is entitled Corporate Management as a Locus of Power. The author is Beardsley Ruml. The author likens business to a private government, and attempts to show that everyone is affected by big business in at least one of the four following capacities: 1. Stockholder, 2. Supplier, 3. Customer, 4. Employee. After tracing the operation of the large corporation, he raises the problem as to whether all four of the interests mentioned above should be represented on the board of directors of the corporation. He also states reasons for considering such a change in business management along with his suggestion as to how it could be accomplished. Miguel A. de Capriles, Chester Rohrlich, and Blackwell Smith commented on Part II.

Part III is entitled The Economic Responsibilities of Corporate Management. The author is Peter F. Drucker. There is a problem facing the corporation concerning its basic organization, and there is a dire need for organizational changes according to Mr. Drucker. The basic reasons for the needed changes are the lack of any definite training program to select and train those capable of management responsibilities; also the lack of and the need for promotion of the present employees of the corporation. The author also cites a definite need for management to produce a solution to absorb the older worker in production for a longer time due to the lengthened life span; along with the problem of using technical changes in production without the resulting loss of employment of those employees affected by such changes. He claims that labor, although not demanding definite security as such, will
soon be demanding a prediction by management, of employment for the ensuing year. The employee would then, according to the author, be able to budget and plan the economic aspect of his existence. There are comments about Part III by Lloyd K. Garrison and John Gerdes.

Part IV is entitled Management and Government: The Balancing Sovereignties. The author is Saul K. Padover. The conclusion of this article is stated before the arguments set forth to prove it, and the conclusion briefly stated is: big business and government can exist side by side without one gaining domination over the other. In proving his contention the author traces the history of the government of the United States from James Madison through the New Deal, and offers suggestions as to how to accomplish what he calls the "Balancing Sovereignties." Comments to Part IV are submitted by Chester T. Lane and Miguel A. de Capriles.

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In this work, the authors have undertaken to explain the judicial purpose, the legal rationalization, and the sociological consequences of the war crime trials following the second world war. In effect, the authors have attempted to state the position of the United States and have done this by a recounting, together with an historical analysis, of the arguments used by the prosecution and the defense in the Tokyo war crime trial. In the final analysis the Prosecution contended for a moral notion of law while the defense chose the position that law is the command of some political sovereign and exists apart from the moral and social orders. Around this fundamental cleavage centers most of the arguments used. Out of this has come a body of rules which can serve as precedence for future crimes against international law. The writers point out, at least impliedly, why the Nurenburg and Tokyo war crime trials cannot be relied upon to justify the actions of any nation which does not espouse the Christian-Judaic absolutes of good and evil which served as the basis for the decisions in the last war crime trials. The import seems to be that Russia, with its own theory of semantics, could not rely on these trials, whether they be the prosecution or the defendant.

The authors of this book were both present at the Tokyo war crime trial. Mr. Keenan served as Chief Counsel for the United States and Mr. Brown served as the Juridical Consultant at the trial. Mr. Brown is also the Dean of the Law School of the Catholic University of America.