

BOOK REVIEWS

THE DECLARATION OF INDEPENDENCE AND WHAT IT MEANS TODAY. By Edward Dumbauld.
Washington, D. C.: University of Oklahoma Press. 1950. Pages ix, 194. \$3.00.

Those who read this work with the purpose of receiving a modern interpretation of the *Declaration of Independence* will find the book wanting. This is not a book which propounds a principle heretofore undiscovered in the historic document, but it explains and reaffirms the old principles and makes one wonder if these ideas are not as applicable today as they were in 1776. As Mr. Dumbauld says in his preface, if the people of the whole world understood the *Declaration of Independence*, they would know that they could replace obsolete machinery of government with such a modern form of worldwide government as would seem to them most likely to effect their safety and happiness. This statement seems to be directed toward the troubled peoples of Europe and Asia, but one might believe that it would apply to any country where ultra-nationalism prevails.

In treating this important subject, the various texts of the *Declaration* are broken down and discussed briefly. Each passage is treated separately, while the historical and philosophical background for the ideas expressed is covered quite well. After reading this book one may see where the principles in the *Declaration* originated and why Jefferson used the particular words that made up the final draft of the *Declaration*, for Mr. Dumbauld has fully documented his work with frequent reference to similar ideas appearing elsewhere in Jefferson's writings or in works of the European writers and historians that probably influenced Jefferson most. After a separate discussion of each passage of the *Declaration* and a discussion of the original draft, there are included in the book other historic American writings such as "The Virginia Bill of Rights" and "Jefferson's Preamble to the Virginia Constitution."

Although *The Declaration of Independence and What It Means Today* does not propound any new theories of government, it should be useful to those who desire to understand the *Declaration* better and to grasp its full meaning and importance. This book will furnish to those interested, a historical and philosophical background with the ideas and events which were in the minds of the men who had a hand in adopting this important landmark in American and world history.

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COMMENTS, CASES AND MATERIALS ON CORPORATE FINANCE. By Hugh L. Sowards.
Buffalo: Dennis & Co., Inc. 1950. Pages xx, 952. \$.....

The course of Corporate Finance is a relatively new addition to most law school curriculums. This course was found to be necessary when it became evident that a one quarter course in Corporation Law was in sufficient to teach students the fundamentals and history of corporations and also to sufficiently indietrinate them in the specialized and technical phases of corporate finance. Many books with various approaches have been written about the corporate concept of business enterprise since William Shephard, Sergeant at Law, wrote his modestly entitled, *Of Corporations, Fraternities and Guilds*, in 1659. Some authors argue pro and con, either attempting to denunciate or to justify the corporate form of enterprise, but whatever their arguments may be the fact is that corporations are here to stay. A case book, of course, can hardly be compared with a textbook. A case book on corporations has not the object of argument either for or against corporations but should be designed to present a dissection of the corporate scheme for analysis and study by the student. Professor Soward's book does just that.

It assumes that the reader is familiar with the device known as corporations and from this point undertakes to decompose the corporation showing of what it is made, how it is originally financed, and how it is regulated. Students should not undertake the course of Corporate Finance until they have mastered the elementary course in Corporations. When they are prepared in this respect to undertake the mastery of the more technical financing problems of the corporation, Professor Soward's book is recommended as being an excellent book in this field. This is a good book for law school use. Professor Soward has tediously assembled pertinent, recent, and some of the old stand-by, cases, editorial notes and other useful miscellaneous materials into a most attractive book for law students.

Teachers who have found it necessary to skip around, to and fro, in other books in order to make an orderly and logically connected presentation of material to students, will not have that difficulty in using Professor Soward's book on Corporate Finance. Probably the most striking attribute of this book is its fine arrangement and development of material.

The first two chapters of this book are appropriately concerned with the finer points of corporate capital structure and the cases contained in these chapters develop fully the status and operation of stocks, bonds and indentures in the corporate structure. These items are generally touched upon very superficially in elementary courses in corporation law and are the next natural step for the student moving into advanced study. Of particular interest in Chapter Two is a discussion of some aspects of high financing, including the setting out in full of an indenture and excerpts from the Douglas report on *Trustees Under Indentures*. Set out also is the Trust Indenture Act of 1939, followed by finding of the securities and Exchange Commission in a most interesting proceeding under this act.

Chapter Three presents an exhaustive study of the promotion of a corporation, and discloses the many pitfalls into which the unwary promoter has fallen and may fall. Of particular interest in this chapter is the inclusion of an underwriting agreement from the beginning of negotiations until the closing of the agreement. The problems of the promoter as a finder and as a financier are set out lucidly along with a picture of the protection afforded at common law and by statute. These sections, along with a section on investment banking, presents a clear summary of the methods of the founding and original financing of a corporation.

Chapter Four deals with the payment for shares, covering payment in "money or labor done" and the valuation of property exchanged, along with the theories of liability on watered stock and the actual valuation process. There is a most enlightening section on the reluctance of corporations to use no par stock due to the present tax disadvantages on this form of security.

Chapter Five deals with the payment of dividends. This chapter discusses the funds out of which dividends may be distributed, how distribution may be compelled, or revoked, a discussion of the liability arising out of illegally declared dividends, cumulative and non-cumulative features, and to whom dividends are payable, concluding with a discussion of the preemptive rights of stockholders.

Chapters Six, Seven and Eight deal with federal controls on issuance and trading of shares and the constitutionality of these regulations. Chapter Nine, the last chapter, rounds out the book with a discussion of civil liability under the regulations.

By the time the chapter on Dividends is finished, the student should have a complete and clear understanding of the financial makeup of the corporation; therefore the last four chapters of the book, which are essentially weighty and technical, will probably get little attention in most law schools. But for those students who plan to enter the field of corporate practice, these four chapters contain information that is invaluable for those who wish to give their clients the fullest protection possible.

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MAX D. STEUR, TRIAL LAWYER. By Aaron Steuer. New York: Random House. 1950. Pages 301. \$3.50.

Mr. Steuer's purpose is not to write about personal life of his father, Max D. Steuer. The biography portion of the book is limited to the first and shortest chapter. In the words of the author, he feels that, "when the life of one who was but recently a contemporary is attempted, the closeness of the background prevents such an approach." Although he does present a picture of the man, it emerges as a short, informal and rather timid step into a life which undoubtedly contained rich material for further treatment.

The main chapters concern five of the most important cases handled by Max D. Steuer during his lifetime. They are not necessarily the largest nor the most notorious over a long and varied trial room practice. The author has chosen them in an effort to show the reasons for his father's recognition as one of the greatest trial court lawyers of this era.

At best, a review can contain only the names of these cases and a few words of explanation of their most important feature:

People v. Harris and Blanck—effective technique in exposing the rehearsed story.

People v. Rickard—logic and relentless power when used in cross-examination.

Oppenheim v. Metropolitan Street Railways—detail assimilation by a man with a prodigious memory.

Sherman v. International Publications—deft handling of the expert witness.

People v. Gardner—impeachment of an attorney, star witness for the state.¹

1. The cases cited are all trial court cases, and are not found in any reports.

Sections of these cases are copied from the actual court records of the trials. As the trial unfolds, according to these abstracted portions, the author interposes comment and suggestion which explain the reasons and methods used by his father. Also, when necessary, the color background of the courtroom and the events leading to the actual trial are supplied.

This is both a pleasant and a useful book. Attorneys who have practiced for years, as well as the beginning lawyer, would do well to read this work as a check-list on those courtroom mistakes so often committed. Particular attention is devoted to the relation between the jury and the attorney. The fine line when the attorney should stop his examination and allow the jury to complete the picture is but one point in which Max D. Steuer excelled. His son brings out this and many other techniques utilized by the subject to their best advantage. For those who question a witness without the remotest idea as to the forthcoming answer, this book is a must.

However, in addition to possible benefit, the book contains interesting reading material for many people. The layman will find it enjoyable as a glimpse into the supposed glamour of the courtroom. In other words, a book for all who have the slightest interest in everyday drama—be he attorney, juror, businessman or other.

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