Some Members of the Class of 1908 on their Fiftieth Anniversary

The Honorable Hugo M. Friend, Judge of the Illinois Appellate Court.

Albert L. Hopkins, of Hopkins, Sutter, Owen, Mulroy and Wentz, Chicago.

Luther D. Swanstrom, Assistant United States Attorney, Chicago.
C. Arthur Bruce, of Memphis, Tennessee, Chairman of the Board of the E. L. Bruce Company of Memphis.

Thurlow G. Essington, of Essington, McKibbin, Beebe and Pratt, Chicago. Mr. Essington is a former member of the Illinois Senate.

The Honorable Robert L. Henry, of Baltimore, formerly Judge of the Mixed Court of Egypt.
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up and rearrangement of sections, but unwieldy sentence structure still predominates. The Model Act has, indeed, a new look; it is vastly easier on the eyes. (Some of my friends out here in the provinces say that it's the difference between Chicago and New York styles of corporate draftsmanship.)

IV

We have seen that a more or less unmodified "enabling act" philosophy is dominant in most of the recent corporation statutes, as it is in the Delaware statute. It is a curious fact, however, that this philosophy is seldom articulated and almost never defended with confident vigor. Its objective—responsible management in the interests of shareholders—has been under attack for over a generation. The attack has come from many sources—from social philosophers and theologians, from economists and law teachers and business executives.

This movement began with Thorstein Veblen, who caustically depicted the modern corporation, with its inactive stockholders, as a prime example of "absentee ownership." Of greater importance, perhaps, were the pronouncements of corporation executives in the twenties, heralding a new orientation of management loyalty. Henry Ford, in trying to defend his limited dividends against minority stockholder attack, disclaimed any intention to maximize profits and proposed, instead, to reduce prices for the benefit of car buyers and to create more jobs. While the Supreme Court of Michigan flatly rejected this view of corporate purposes, other leading executives espoused the same philosophy. Owen D. Young wrote that he considered himself a trustee not merely for stockholders, but for the corporate "institution"—i.e., for stockholders, employees, customers, and the general public.

In 1932, Adelf A. Berle and Gardiner C. Means, in The Modern Corporation and Private Property, gave strong support to this idea, and their work was widely hailed as a contribution of outstanding importance. Tracing the extent of the separation of ownership from control in the modern corporation, they challenged the ethical claim of the inactive investor to the residual profits of industry. They declared that it seems almost essential if the corporate system is to survive—

that the "control" of the great corporations should develop into a purely neutral technocracy, balancing a variety of claims by various groups in the community and assigning to each a portion of the income stream on the basis of public policy rather than private cupidty.

True, when Professor E. Merrick Dodd called for legal recognition of the new principle of wider respon-

Frederick R. Baird, of River Forest, Illinois. Mr. Baird was President of the Class of 1908.

Victor H. Kulp, of Norman, Oklahoma, Professor Emeritus of Law at the University of Oklahoma and national secretary of the Order of the Coif.