

October 25, 1928.

Professor E. Merrick Dodd,  
Langdell Hall,  
Harvard Law School,  
Cambridge, Mass.

Dear Professor Dodd:

Your courteous letter of the 18th reached me today, apparently delayed in transmission. Before accepting your kind invitation, I should like to know when the meeting you speak of takes place, and how long one must stay in Chicago. I suppose the Law School Association pays the expenses of its guests.

Time is not altogether easy for me to find; since the basis of life here is a very vigorous practice; besides which I am trying to organize a department of Corporation Finance at the Columbia Law School, giving one main course and a seminar; and there is also the research project on the financial and economic background of Corporation Law which also has to be carried forward. Also we are overhauling a couple of Corporation Acts in the office here; and I rather jealously guard a certain amount of time for independent original study which will, I hope, ultimately result in some Law Review articles. Consequently, I am hesitant about making commitments.

Obviously, the method of teaching Corporation Finance ought to be discussed rather than content. But I have no title to speak as a teacher; and my career, if any, probably lies outside universities. As a matter of fact, I hardly see how that can be effectively taught except by some one who leads a double life – one in a law school, another, in rather close connection with the financial machinery. Relationships change almost daily; each new instrument has a new bearing;

the rules applicable to old instruments (par value, for instance) cease to be applicable when the instrument is put to a new use (e.g. shares with par value of a nominal amount though the stock is issued for one hundred times that amount, the balance being paid-in surplus). Nor can the subject ever become set like Contracts or Negotiable Instruments. I doubt if there will ever be a permanent casebook of value; the laboratory method which requires continuous refreshment of old material with new will always be more effective. At least half my teaching materials are the loot of my own desk or of current financial transactions as to which, through connections or otherwise, I can obtain full data; and the men take this material and are forthwith chivvied to the digests to see what rules, direct or analogous, may affect the result. Also, financial transactions do not go by judicial precedent. Most disputes are settled in commercial course: the interests are too large for anyone to abide the issue of the legal battle. Practice thus becomes a contest in logic and in forecasting; precedents thus become what other lawyers and bankers did in a similar situation.

I am very much interested to find any consideration of the subject of Corporation Finance at Harvard. I had thought the Faculty there rather definitely rules this out as a field of legal study.

Very truly yours,

B/O