BOOK REVIEWS


Lawyers, it may be presumed, are more than ordinarily interested in preserving the rule of law. Yet, as a group, they seem only slightly concerned to study the problems of government which, if long unsolved, might destroy that regime. To be sure, lawyers en masse have often sought to give the appearance of thinking about governmental development; they have, for example, firmly proclaimed themselves to be opposed to any "-ism" except Americanism. Their proclamations, however, have too frequently been merely a prelude to energetic protest against any change in the pattern or activities of our government, without real examination into the question whether the change might not strengthen rather than weaken the American institutions they profess to cherish.

Mr. Hessler's discussion of "Our Ineffective State" pursues a different course. He bluntly states that "We risk the serious breakdown of general reliance in popular self-government because the state is not armed for its task"—the task of restating and reconquering liberty through law, in terms of an industrial society. His book is concerned with demonstrating the accuracy of the observation and with suggesting the nature of the weapons that would furnish the needed armament. It is the author's belief that self-government and the rule of law are imperilled in our country "chiefly by our unthinking fidelity to the forms of an outmoded conception of democracy, and our consequent disregard for the essence of government. That essence is the possession of an amplitude of power commensurate with its functions." Those functions have the "size and scope and character determined by the economic milieu and by the expectations commonly shared by the people." The effective state, says Mr. Hessler, is one that is able to translate those expectations into public action. Yet, "when frustrated public officers, unable to work with their eighteenth-century tools, venture to propose the partial reconstruction of government, they are quickly silenced by angry charges that they are 'destroying the Constitution'."

The "centrifugal tendencies of mass opinion, lashed by the persuasive illogic of radio demagogues", are viewed as a repercussion from the incoherence of public policy and from "the manifest inefficacy of legislative effort". Much of this incoherence and inefficacy Mr. Hessler ascribes to the "lost motion, indecision, and intramural conflict" that go with a regime of checks and balances.

The legislature—slow-moving, composed of non-experts—is asserted to be unable to cope with the technical problems of the public services in our present complex industrial society. The courts—by which is meant largely the Supreme Court—are said to have concerned themselves in the main with the rights of property, and only rarely with the power to govern.¹ Our institutions and procedures must be re-shaped, says the author, so that challenging problems of national and international scope may be met effectively. Our success in finding a middle course "between parliamentary

¹. Cf. Brant, Storm Over the Constitution (1936) 254: "A judiciary out of sympathy with the striving of the people for well-being does not constitute a restraint upon the turbulence and follies of democracy. It is a frustration of government; the negation of democracy; a stimulus to fascist or communist revolt."
chaos and bureaucratic tyranny" will be, in the author's judgment, the measure of our permanence as a democratic state, while failure will be "a standing invitation to the chaos of inaction and then to the decline of liberty in authoritarian reaction."

Mr. Hessler's success in describing the problem, which he does with a wealth of reference to recorded events, surpasses, however, his success in finding the middle course he hopefully seeks.

The task, as stated by the author, is to arm the state to cope with the emergent problems of a highly complex industrial society. This arming, it is suggested, may come about by a variety of steps. Among them may be found the elimination of the "deadlock and immobilization inherent in the division of authority over foreign relations" through the vesting of authority in the executive; improvement of budgetary machinery; the seating in Congress of cabinet members (Mr. Hessler likes the responsible cabinet system, but thinks it chimerical to advocate it), which he believes would "go far to reestablish parliamentary debate" on a plane of usefulness; a constitutional amendment permitting the President to dissolve the House of Representatives once during his term of office; amendment of the due process clause of the Fifth Amendment, so that it will operate only as a limitation upon arbitrary procedure (Mr. Hessler is not much worried by the Fourteenth Amendment; the restrictions upon the Federal Government's power to act in national economic affairs are his chief concern); facilitation of the process of constitutional amendment.

All this sounds, as stated here, suspiciously like political fetishism; but Mr. Hessler makes it sound otherwise. He is no thorough-going dogmatist. He recognizes that his suggestions are at best tentative solutions and not certain remedies. He is no blind believer in mere forms and he is not an idolater of executive power. Yet, at times, he does manage to give the impression that changes in the outward habiliments of state somehow would change its inner nature.

"The State" is not a mystical entity standing alone, but is an instrument used for serving a purpose: the furtherance of the interests of groups of people. So long as relatively small groups of people can, through various pressures and potencies, put their interests in a preferred category, the external forms of government may merely affect the nature of the tools for serving those interests, without producing more significant results. For example, the author illustrates "the impractical character of our machinery for the control of foreign affairs" by referring to the Isle of Pines, whose cession to Cuba, its proper owner, was blocked for a time by a handful of senators seeking thus to benefit those whose sugar interests there made them desirous of continuing under our sovereignty. The remedy? More executive power. But it was the executive, and not the Senate, that effectuated American imperialist policies through the use of marines in Central America; and the reason for the executive action was no different from that of the obstructionist legislators whom Mr. Hessler castigates.

No matter what the ultimate goals of government may be, it is no doubt true that changes in its internal structure may make it a more efficient machine. If "efficiency" means only elimination of wasteful habits and a tightening of internal administrative controls, probably none would be inclined to oppose it. The point to be made is that mere efficiency is but a means to an end, and that the forms of government do not necessarily affect the determination of what that end shall be, though they may make its achievement more ready.²

² Cf. Friedrich, Separation of Powers (1934) 13 Encyc. Soc. Sc. 663, 664: "Many who today belittle the doctrine [of separation of powers] in their clamor for govern-
The safeguards of tradition may produce "deadlock and immobilization". That is not to say that they should be discarded. Before advocating that course, one should be satisfied that those who are likely to control the mechanism of the state will want to exercise power to achieve goals one wishes to see attained; for, otherwise, deadlock and immobilization may be very desirable. No doubt it would be pleasanter to consider this matter upon a high plane of principle; but as one looks about the world at despicable deeds of allegedly efficient states, one may be pardoned for thinking that the use to which it is put determines whether efficiency is something to be applauded.

In this country we have perhaps gone too far in building inefficiency through safeguards against the exercise of legislative or executive power, and have taken too literally the outmoded slogan that that government is best which governs least.

Perhaps we ought now to realize that liberty no longer means freedom from governmental restraints, but means rather the freedom to seek fairly to influence the nature and the incidence of restraints. But some of our inefficiencies are worth preserving. One of the "inefficient" aspects of democracy is the delay between realization of the existence of a public problem and the application of a legislative remedy. Yet this inefficiency also constitutes one of democracy's prime virtues, a customarily effective safeguard (perhaps we ought to allow it to become the chief safeguard) against abusive action: the dilatoriness of democracy ordinarily allows for adequate discussion prior to adoption of a course of action, and for continued discussion of the decision after it has been reached.

Many lawyers, however, seem not content with the opportunity to discuss the merits. They seek instead, by utilizing their special skills, to nullify the democratic decisions by induction. If illustration be needed, let me cite the recent attempt to write into the Constitution of New York a provision which would weaken, if not completely emasculate, the administrative agencies created to effectuate admittedly lawful purposes by lawful means. The lawyers who initiated and directed this effort made no frontal attack upon the popular desire for regulation of public utilities, or of unfair labor practices, or of wages and working conditions. Rather, by a skillful campaign of distortion, they sought to induce the people to hamper the attainment of their own aspirations without knowing they were doing so. Whether or not we choose to accept Mr. Hessler's specific suggestions, we may nonetheless deplore steps which, like this one, can lead only to confusion and frustration, and ultimately to the "chaos of inaction". Those who take or urge the taking of those steps may profitably remind themselves that by what was almost its first sweeping act, the present German government, a child of such chaos, destroyed the independence and integrity of the law courts and formally abrogated the cherished rule of law.

Walter Gellhorn.


Professor Chafee has long been recognized as one of the leaders in the struggle to preserve the course on equity as a part of the curricula of mental and administrative efficiency seem scarcely aware of the fact that the fusion of powers, which is the alternative, leads easily to a one-party dictatorship and therefore threatens constitutional government."

† Associate Professor of Law, Columbia University.
our law schools, and his case books and writings in the field have largely contributed to the success of many equity teachers in preventing the abolition of the course in their schools. But in the introduction to this volume, which completes the series of case books edited by him, either alone or with the collaboration of Professor Simpson, there is language which amounts almost to a confession that defeat in that struggle is inevitable, even though it has not yet arrived. To the reviewer it has seemed that, in recent years, the tide had begun to change, and that equity was again becoming taught by name in places in which a few years ago it was commonly said that a course in equity had no place in a modern law school curriculum. It is disconcerting to find evidence of weakening on the part of one whose resistance to the proposed outlawry of equity had been such a large factor in the defense up to now. Perhaps Professor Chafee's pessimism is attributable to his understandable mental weariness as he finally reaches the end of a task which has absorbed his energies for so many years, a weariness which he confesses in giving his reasons for some omissions of material we would ordinarily expect to find in such a case book.

The subject matter of the present book is largely that covered by the second volume of Ames' *Cases on Equity Jurisdiction*. In fact it is stated in the introduction to have been based on that and to have used, with the permission of the heirs of Dean Ames, many of the cases he used and also much of his footnote material. Of the ninety-three principal cases set out in this case book, thirty-eight were also used by Ames. In addition to these principal cases, and to the footnotes giving additional references or explaining statements in those cases, this volume, like the others in the series, contains a large number of short extracts from the opinions of other cases, extended text notes by the author and numerous problem cases to be decided by the student. The inclusion of the first two classes of material marks a decided departure from the case book theory of instruction in the direction of text book instruction. Whether it is a wise step to take depends on the success of the case method in achieving its objective of training the student to make his own generalizations from the decisions of specific cases, a success which has been vigorously denied in recent years. In a case book such as this, which will be used mainly by advanced students, there is less need for training in the method of studying cases, and the inclusion of material which can be quickly and easily assimilated by those familiar with legal processes is more easily justified than it would be in a case book intended for first year law students.

The material in this book is divided into five chapters dealing with Interpleader, Bills of Peace, Bills Quia Timet for the Cancellation and Surrender of Contracts, Removal of Cloud on Title and Declaratory Judgments. An appendix contains the Federal Interpleader Act of 1936 and the new federal rules of procedure.

The chapter on Interpleader differs but little from the similar chapter in Ames case book, though there is naturally more emphasis on the statutes which have attempted to liberalize the strict rules with which equity restricted this remedy. It is rather surprising to find the New Jersey case of *First National Bank v. Bininger*² still used as a principal case on the requirement of privity, while the recent case of *Camden Safe Deposit & Trust Co. v. Barbour*,³ which rejected the entire doctrine, is represented only by

1. CHAFEE AND SIMPSON, CASES ON EQUITY: JURISDICTION AND SPECIFIC PERFORMANCE (1934) 2 vols.; CHAFEE, CASES ON EQUITABLE RELIEF AGAINST TORTS (1924), both, like the present volume, published by the editors or editor.
2. 26 N. J. Eq. 345 (Ch. 1875).
3. 117 N. J. Eq. 401, 176 Atl. 313 (Ct. Errors and App. 1935).
the quotation of one sentence in the note on privity, with a footnote statement to the effect that the opinion in that case questions the Bininger case. It hardly seems probable that a student will get from that statement any adequate conception of the scope of the Camden case.

The chapter on Bills of Peace begins with cases and other material dealing with joinder of parties and multifariousness in suits in equity. That material should properly be placed with other procedural problems. To place it here is apt to cause the confusion of the bill of peace, where equity takes jurisdiction solely to protect against a multiplicity of suits, with cases where jurisdiction exists on other grounds, and the only question is one of equity procedure, a confusion to which the opinion in the Tribette case properly objected, though it was not correct to say that all of the cases cited by Pomeroy in his discussion of the problem belonged to the latter class. This chapter also includes cases on injunctions against enforcement of unconstitutional statutes and ordinances. Probably many of such suits are not strictly bills of peace, but since that term has no technical significance in equity practice, there can be no valid objection to grouping with such bills others of a similar character.

The chapter on Bills Quia Timet concludes with cases and notes on the pleading of equitable defenses in actions at law or under the codes. There seems to be no more reason for including this material in this chapter than in some of the others, for the right to cancel an instrument on which an action at law is brought is no more commonly pleaded under those statutes than are other equitable "defenses". But if there is no more appropriate place to include this material, it is better to have it here than to omit it altogether.

The introduction explains the omission of all cases dealing with mistake on three grounds: limitation of time; nature of the cases, which ordinarily depend more on the character of the conduct of the parties than on the form of relief; and the fact that these cases are generally treated in the same manner at law and in equity and are more and more so treated in law school curricula. The last two reasons apply to rescission for mistake, but not to reformation which is of exclusively equitable cognizance. If treated at all in a combined course, it is ordinarily not separated from cancellation, so that the tendency of the courts to restrict the remedy of reformation unnecessarily, by applying to it the doctrines applicable to other relief for different kinds of mistake, is increased rather than counteracted. In the mind of the reviewer the omission of all reformation cases is the most serious defect of this series of case books.

Professor Chafee has included no topical index for the stated reason that he thinks its utility does not justify the labor required to prepare it, but he promises to furnish such an index if the demand for it convinces him he is wrong. This reviewer is not going to make such a demand. As one who has prepared indices he appreciates the drudgery they involve; as a user of case books his experience has been that material on a given question may be more quickly found from the table of contents or table of cases, both of which are combined in one table in this volume.

Taken as a whole, this case book is another example of the scholarly work which has made Professor Chafee one of the leaders in the field of equity. Differences of view as to the proper pedagogical approach and method may lead to the use of other case books in the classroom, but nowhere outside of this series of case books can the teacher of equity or the practicing lawyer find tools better adapted to direct him to the fundamental principles underlying any problem he intends to study. The mate-

rial in the books is more accurate and up-to-date than can be found in most reference books, and sufficiently comprehensive to meet the need for anything but an exhaustive review of the cases on a given subject. Professor Chafee is to be congratulated on the successful completion of a difficult and worthwhile task.

H. L. McClintock.†


This book is the fifth in a series on the subject of small loans published by the Russell Sage Foundation. It contains much valuable information, but beyond that it records a progress in efforts to cope with the problem of consumer-credit relations. The first and second stages of that progress were marked by fact gathering and legislative experimentation. Here in the third stage is judicial interpretation of an established system. Credit is due to the cooperative interest of many groups and individuals and to the leadership of the Russell Sage Foundation for bringing the problem to a stage where it may be studied.

The author is peculiarly fitted for the task. Since 1922 he has been counsel for a small loan company; has participated in the planning of the legislation and interpretive litigation which has marked the past twenty-five years; has for ten years been chairman of the Law Committee of the American Association of Personal Finance Companies.

The book is essentially a legal reference book. It is intended primarily for the use of persons concerned with small loan legislation of the modern period. It is directed to "... the courts which are being called upon more and more frequently to resolve questions of small loan law; lawyers and laymen concerned with drafting new legislation, to whom judicial interpretations of language are of primary importance; officials charged with the supervision of the small loan business; prosecutors engaged in enforcing small loan laws; legal aid societies; professional and lay students of the small loan field; and lawyers representing lenders and borrowers. . . ."

It is divided into three parts. Part One, entitled "General Annotations", deals with such cases as the purpose and interpretation of small loan laws, and who may question their constitutionality. There is a collection of cases upholding the constitutionality of such laws classified by states and also by constitutional provisions.

Part Two, entitled "Sectional Annotations", is based upon the sixth draft of the Uniform Small Loan Law as revised January 1, 1935. Taking up the title, the enacting clause, and each of the twenty-seven sections of the Act, the book contains: the text of the section of the Act under discussion; comment upon the meaning of the phrases employed; cases on the constitutionality of the particular section; and cases on interpretation of the particular section.

Part Three, entitled "Evasion of Statutory Interest Limitations", discusses such important topics as: interest; proof of evasion; devices used for evasion; and relevant provisions of the Uniform Small Loans Law.

The age-old struggle between the loan shark and the small borrower has been told in various other publications. Here is the last word on the modern formula for its solution organized on the basis of "the best common denominator upon which to organize the cases relating to this divergent statutory material". The citations include "all the decisions of American Courts of last resort, reported prior to January 1, 1938, which directly involve small loan laws".

† Professor of Law, University of Minnesota.
The reader who is not familiar with the field will be impressed with the variety of clever devices employed to evade the law. In clarifying the manner of approach to a solution of such evasions, the following material indicates the care and insight on the part of the author. The word "interest" is defined as: "... Whatever thing of benefit comes to lender as compensation for the use of money is interest, no matter what name may be given or what expedience may be adopted to conceal the fact that the benefit is, in essence, a compensation for the use of the money. . . ."

"The term 'interest' is a device of language by which a formula is expressed in a word . . . There are three elements in the formula . . . the amount charged, the amount lent, and the time involved. . . ."

"The amount lent means the exact sum of which the borrower obtains the actual use. . . ."

"The time involved means the exact period for which the borrower has the free use of the amount lent. . . ."

Difficulty arises because in the computation of interest, "... many current business practices are countenanced which increase the rate of interest beyond that stated in loan contracts. . . ." For example, "... the charging of fines for delinquency in the payment of installments. . . . the requirement of commercial banks that borrowers of substantial sums must maintain supporting balances as a condition precedent to the granting of loans. . . . the deduction in advance of interest at the maximum rate. . . . the deduction in advance of interest computed on the initial amount of a loan which is repayable in brief periodic installments of principal, in spite of the fact that the amount of which the borrower originally has the use diminishes constantly during the life of the indebtedness. . . . the lender frequently deducts other amounts in addition to the sum labeled 'interest'. These deductions are called such names as 'service charges', 'examination fees', or 'loss reserves', but they are often merely additional compensation for the use of the money lent. . . ."

The book is concise, well organized, adequately indexed and consequently a useful reference, even if not a textbook. The appendices include the following interesting material: the first, fourth and sixth drafts of the Uniform Small Loans Law; citations of small loan laws classified by states as of December 31, 1937; a chronological classification of small loan laws and their relation to the Uniform Small Loans Law as of December 31, 1936; a classified bibliography.

This is an important and useful addition to the existing material on the subject. One is impressed with the amount of time and attention the author has undoubtedly given to the material to bring it into such usable shape.

The legal aid organizations of the country are deeply interested in the small loans field. More than any other existing agency they are counsel for borrowers of small sums of money. They know the tragedy that still exists in those states which still lack proper regulatory legislation. Naturally they welcome an authoritative study such as the present volume. Their interest is well expressed by the standard adopted by the National Association of Legal Aid Organizations which says: "Every legal aid organization should cooperate, wherever possible, with the Russell Sage Foundation and other appropriate organizations with respect to the securing or maintaining of the Uniform Small Loans Law, laws relating to wage assignments and other laws and activities covering the entire field of consumer credit relations."

John S. Bradway.†

† Professor of Law, Duke University.
AMERICAN FAMILY LAWS (Vol. V). INCOMPETENTS AND DEPENDENTS.


The first of these two books is the fifth and final volume on American
family laws. Previous volumes have dealt with other divisions of the
subject. The present volume deals with Infants (Parent and Child hav-
ing been the subject of Volume IV), Aliens, Drunkards, and Insane Per-
sons, and contains a combined general index for the five volumes.

The term "family laws" in its literal meaning would seem to include
some matter not usually included and also to exclude some topics usually
included in the traditional classification "persons and domestic relations".
The law of Aliens, Drunkards, and Insane Persons has little if any neces-
sary connection with family laws. Professor Vernier alludes to this pos-
sible objection in the preface to this book where he explains that the title
"family law" has been used in a broad sense to include all material covered
in the traditional law course given under such varied names as Domestic
Relations, Persons, or Family Law." Since topics treated in this volume
are properly included in the classification "persons" and are usually grouped
together with the topics Married Women, Husband and Wife, and Parent
and Child, Professor Vernier is to be commended for not adhering strictly
to the apparent literal meaning of the general title.

There are eighteen sections in the part on Infants, eight in the part
on Aliens, five in that on Drunkards, and eleven in that on Insane Persons.
In addition there are twenty-one tables of legislation: eleven on Infants,
one on Aliens, one on Drunkards, and eight on Insane Persons. In gen-
eral, each section contains a brief summary of the common law, a state-
ment (both in summary form and in detail) of statutory law, criticism and
comment, and a selected list of references of bibliographical material: texts,
case books, annotations, reports, articles and law periodical case notes.
Topics dealt with include (in addition to some introductory and miscellane-
ous matters in each part) in the part on Infants: period of infancy, suits
by and against infants, contracts, conveyances to and by infants, torts by
infants, statute of limitations, crimes of and injuries to infants, wills by
infants, infants as witnesses, domicile, emancipation, and apprenticeship,
child labor laws, service of process on infants, and bank deposits by infants;
in the part on Aliens: right to take, hold, and transfer real and personal
property, inheritance by and from aliens, rights of husband and wife, and
rights of employment and labor; in the part on Drunkards: contracts, torts,
and crimes; in the part on Insane Persons: definitions and classifications
of insane persons, suits by and against insane persons, contracts and con-
voyances, torts by insane persons, statute of limitations, crimes by insane
persons, judicial determination of insanity, insane persons as witnesses, and
serving process on insane persons.

The emphasis is on legislation. Non-statutory law is dealt with, in
addition to the brief common law summaries, by the references at the end

1. The subtitle is "A Comparative Study of the Family Law of the Forty-eight
American States, Alaska, the District of Columbia, and Hawaii (to Jan. 1, 1937)."
2. Vol. I—INTRODUCTORY SURVEY AND MARRIAGE (1931); Vol. II—DIVORCE AND
SEPARATION (1932); Vol. III—HUSBAND AND WIFE (1935); Vol. IV—PARENT AND
CHILD (1938).
4. And it might be added some parts of the law of Infancy.
of the sections. The table of cases for the present volume contains 626 cases, some of which are referred to more than once. Of an approximate total of 719 case citations contained in the table, about 243 are referred to in or in connection with the text, 156 in connection with the statutory tables, and 320 appear in the reference material as the subject of law periodical case notes. Of the book's 689 pages, exclusive of the index for the entire work, approximately one-half of the space is devoted to the legislative tables with their notes and about 58 pages are given to lists of reference or bibliography. For all persons interested in the subjects treated in this volume, particularly for those interested in legislation, the volume is most useful. It is deserving of high praise.

The second of these two books brings the five main volumes up to the date of January 1, 1938. It uses the same section numbers and titles and has an index that follows the same plan as the combined index in Volume V.

William E. McCurdy.

BOOK NOTE


This little book deals for the most part with proposals for reform of the present tax system. There are also three chapters on theories of taxation and definitions of income. The author frankly admits a conviction that all taxation should have as an objective the equal distribution of wealth. After a brief analysis, benefit, ability to pay, and other time-worn theories of taxation are dismissed as being unworthy of more serious discussion. *Ad rem* levies are deplored because they encourage unequal distribution of wealth. However, Mr. Simons concedes that a few such levies, at least for administrative purposes, have "an important (though subordinate) place in a good tax system".

Income he defines as "the algebraic sum of the individual's consumption and the change in the value of his property rights during a [given] period". By logical as well as equitable considerations, therefore, gratuitous receipts (gifts) and capital gains are also included in the income classification. Tax exempt securities, as might be expected, he vigorously condemns; and the all-but-dead undistributed profits tax for corporations is said to be "superior perhaps to any other scheme which might have been sponsored at the time, [though] it cannot be regarded as a solution of the problem with which it deals."

In the introductory chapters which analyze theories of the leading economists of the past century, one who has only an average background in economics and an insufficient knowledge of the German language will find much that is unintelligible as well as dull. On the whole, however, the work shows a keen insight into the basic inequities of our present system, and offers a studied and practical plan for tax reforms. It is scarcely to be hoped, however, that the tax legislation of the next decade will indicate familiarity on the part of the legislators with the worthwhile suggestions contained in the author's proposals.

David Cohen.

5. See statement in Section 273, Infants Contracts, at p. 44, and also the explanation of the plan of the general work and of the particular volume as explained in the preface.


† Professor of Law, Harvard University.

‡ Assistant Counsel, Rural Electrification Administration.