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A wooden horse for Riri	44.20
A pair of slippers for me	3.50
An umbrella — all silk with a gold handle — for my excellent mother-in-law who has yet lost hers	45.50

So as our cash-book drama closes, one may see just a little of oneself in the pages

of Mr. Paul Feldspath. "Oh, but what of the morals of the story"? Perhaps enumeration of the morals are best left to you, but it might be noted that some things do cost more, and some days are better than others to give presents.



THE NATURE OF THE CORPORATION

by

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There has been some discussion recently of the nature of the corporation [1]. Is it, as in the European view, essentially an artificial (not fictitious) person, endowed by the state with certain rights and obligations? Or is it, as the author cited suggests, simply a bundle of contractual rights and obligations?

The origins of the corporation are obviously relevant to the resolution of these conflicting claims. I quote from Blackstone [2]:

"The honor of originally inventing these political constitutions entirely belongs to the Romans. They were introduced, as Plutarch says, by Numa; who finding, upon his accession, the city torn to pieces by the two rival factions of Sabines and Romans, thought it a prudent and political measure to subdivide these into many smaller ones, by instituting separate societies of every manual trade and profession. They were afterwards much considered by the civil law, in which they were called *universitates*, as

forming one whole out of many individuals; or *collegia*, from being gathered together . . . But our laws have considerably refined and improved up the invention, according to the usual genius of the English nation; . . ."

From this, it appears that the original function of the corporation was to provide a social mechanism for the maintenance of tribal customs, and that the ability to hold property in perpetuity can be viewed as an ancillary purpose. This observation validates both views.

REFERENCES:

- [1] Robert Hessen, "Do Business and Economic Historians Understand Corporations," in *Essays in Economic and Business History*, ed. Edwin J. Perkins, University of Southern California, 1990.
- [2] Sir William Blackstone, *Commentaries on the Laws of England*, London: T. Cadell, Twelfth Edition, 1793, Vol. 1, pp. 468-9.