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Book Reviews

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BOOK REVIEWS

ACCOUNTING FOR LAWYERS. By A. L. Shugerman. Indianapolis: The Bobbs-Merrill Company, Inc., 1952. Pp. viii, 592. \$15.00.

In the foreword of this book recognition is given to the fact that practically all fields of law touch some phase of accounting, especially those dealing with taxation and finance. Therefore since the author is a member of three state bars and is a certified public accountant of still a fourth state, it appears that he is eminently qualified to write an accounting text for lawyers. In writing this book the author presupposes that the reader has no accounting training or background. As a result the first twelve chapters are devoted to the basic principles and procedures of accounting. Thus the book is written so that it can be used as a text for teaching accounting to law students or during their pre-law training as well as a reference text for practicing lawyers.

The author states that there are three functions of accounting. The first step is recording the various transactions in the proper journal and then posting the entries to the ledger accounts. Through the preparation of accounting statements, summarization, which is the second step, presents the results of the recording process in such a manner that they can be comprehended. The third step, analysis, involves the use of the statements for the purposes at hand. Following this idea Part I of the book is concerned with the basic concepts and procedures in the first twelve chapters where the recording process is thoroughly considered. In Part II on financial statements the next nine chapters deal with the common statements such as the profit and loss statement, balance sheet, surplus statement, as well as some of the specialized statements. The last chapter in Part II is devoted to the analysis of financial statements. Part III on business associations and legal relationship consists of six chapters which delve into partnerships, corporations, consignments, branches, installment sales, and estates and trusts.

Through the use of a diverse vocabulary and a profuse number of illustrations, the book is written in an interesting and scholarly manner. In addition the reader who is not mathematically inclined will be overjoyed to find that all amounts and calculations of a mathematical nature are reduced to the simplest form. Where appropriate, quotations are taken from court decisions and statutes. The position of the Securities and Exchange Commission

as well as the Internal Revenue Bureau is given by liberally quoting from the regulations and rules of these governmental bodies.

As practicing attorneys journey through the book they will find portions of the road familiar to them because of the rich use of legal terminology and phrases. This class of readers will be interested in learning that accounting has its doctrine of precedent, its *stare decisis* in the form of tradition and custom. He will be relieved to find that there is another similarity between the two professions since both have a procedural and a substantive aspect. It would seem that the reading of a book of this nature by members of the legal profession should help to bring about a closer relationship between lawyers and accountants. The study of business law gives the accountant an elementary grasp of legal language, and the lawyer might do well to reciprocate by studying the principles of accounting.

Law schools might very well require a nominal amount of accounting such as six semester hours either as a prerequisite to entrance or graduation. In three year law schools where time is of the essence, accounting could be a part of the pre-law college training. On the other hand in four-year law schools, accounting might be taught as a part of the law curriculum. In any event this book should be given consideration as a text.

In schools where the law course is four years this book would be an excellent text to use during the third or fourth year so that the student could fully savor the legal language in the text. However, in a law course of three years duration that aspect would not be so important. In such a law school it is the opinion of the writer that the pre-law student should take the regular three semester hour elementary accounting course in the business or commerce school, since without any knowledge of law he is not in a position to fully enjoy the legal phraseology of this text. Also, the student would have the advantage of a different outlook and viewpoint gained from the author of the regular accounting text. For the next three semester hours of accounting the writer believes this book could be used to advantage for the pre-law student. Those portions of this text which are adequately covered in the first course could be rapidly reviewed and the major portion of the time devoted to new material. By using this book as a text in the second accounting course, the student would be introduced to such topics as consignment accounting, branch accounting, installment sales accounting, and accounting for estates

and trusts which ordinarily are not covered in the average elementary accounting text. The law student should have a rudimentary knowledge of these aspects of accounting should the question arise in his practice.

In the summer of 1952 the publisher of this text plans to publish a problem manual. It is the belief of the writer that such a manual would be of tremendous value in teaching accounting from this text regardless of whether it is done in the law school or the commerce school.

In conclusion the writer would enthusiastically endorse this book as a textbook or reference book for the purposes for which it was intended.

VELOYCE G. WINSLOW

ADMINISTRATIVE LAW. By Reginald Parker. Indianapolis: The Bobbs-Merrill Company, Inc., 1952. Pp. x, 344. \$7.00.

One has to read but a few issues of any daily paper to realize the important effect that administrative law has on our daily lives. A casual survey of this field demonstrates that the range of substantive problems coming before the various administrative bodies involve every human value in a wide variety of institutional contexts. This ever widening jurisdiction of administrative bodies has demanded that a greater portion of the lawyer's time be concerned with practice before administrative tribunals. This text on administrative law by Professor Parker of the University of Arkansas has made a timely appearance.

Any student of the administrative process knows that one of the chief advantages of the flexible nonjudicial process is the individualized procedure fashioned to fit the particular problems before a particular administrative tribunal. Obviously a text of this size could not give a detailed treatment to any single agency, board or commission or be exhaustive in the analysis of the procedural differences between various agencies. Rather the work is aimed at a general treatment of the broad area of administrative process using first one agency and then another to suggest the norm.

The book is conveniently divided into six parts representing rational general phases of the administrative process. Chapters within these six parts serve to break down the subject matter into more specific areas. Part One entitled "Fundament of Ad-

ministrative Law" is subdivided into four chapters including material on the historical development of the administrative process noting the impact of the constitutional doctrines of separation of powers on such growth and ending with a presentation of the modern doctrine by a survey of the Federal Administrative Procedure Act. Part Two is concerned with the establishment and organization of the administrative agency in terms of its internal organization as well as its relationship to other agencies and branches of government. One of the notable problems in the internal organizations of many agencies is the separation of the prosecuting function from the decisional or judging function. On the other hand, in the field of external relationships, one of the most delicate problems of an administrative agency is the exercise of concurrent jurisdiction with a court over an area of regulation. The author presents the material on these and other problems in this part of the book. Part Three deals with the actual administrative process including the problems of notice, hearing, compulsory process, evidence and proof. Materials are included on the issuance of regulations and the formulation of decisional orders, the binding effect of regulations and the applications of judicial doctrines to the decisional process. The author discusses in Part Four supervision of the administrative process through the intervention by judicial remedies. Part Five presents the final formal phase of the cycle with material on the execution of the administrative decision. The legal problems of bringing effective community coercion to bear is subdivided into judicial enforcement and self executing orders. The area of collateral attack against the administrative action in the form of claims against the administrative official is treated in Part Six.

Thus it can be seen that the author's treatment of the subject is an orthodox functional approach. There are adequate footnotes containing well selected leading cases including many late court decisions. The cases are valuably supplemented by a large sprinkling of citations to the standard leading articles in each phase of the work. This book will be a worthwhile addition to the library of the practicing lawyer who needs an introduction to the growing field of administrative law.

KEITH W. BLINN

AMERICAN PIPE LINES, Their Industrial Structure, Economic Status and Legal Implications. By George S. Wolbert, Jr.* University of Oklahoma Press, Norman, Oklahoma. First Edition, 1951. Pp. 164. \$3.50.

In a short 164 page volume the author does a remarkable job of familiarizing the reader with this highly important phase of the oil industry, from its beginnings in the Pennsylvania fields in the 1860's down to the "Big Inch" and "Little Big Inch" lines which contributed so much toward solving the oil transportation problem during World War II.

As the title indicates the book deals with economic and legal questions rather than the mechanical aspects of pipe line operations. For purposes of discussion the author has divided it into two main sections; the first dealing with the problems and controversies which have arisen in the present system of pipe line ownership; and the second, with remedial devices. While transportation of oil via pipe line is considerably cheaper than other methods of transportation, the cost of constructing such a line is so great, that, when coupled with the great risk involved in the venture, only the major oil companies have invested in them. Smaller companies found the operation of the pipe lines by the majors objectionable in numerous respects which the author has divided into three main categories: (1) Alleged denial of independent company access to pipe lines; (2) Inequalities of competition engendered by major company pipe line ownership; and (3) Alleged creation of monopoly in the oil industry through the instrumentality of pipe line control. The remedial section deals with the legislation which has been passed to correct these abuses and, more particularly, with the efforts of the Interstate Commerce Commission in this field. In addition to a thorough discussion in the body of the volume, the complete text of the Elkins Act Consent Decree of 1941 is set out in the appendix.

While the author states in the preface that it is his purpose to frame the issues rather than to solve them, it is his opinion that divorcement of pipe line ownership from the companies engaged in the refining processes will not serve to cure whatever ills may exist in the industry and that in most cases the prices charged for pipe line transportation are not in excess of what is necessary to render a fair return upon the investment which has been made.

In addition to the book's value in familiarizing the reader with

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the phase of the oil industry with which he is least likely to be familiar, the fact that it contains a complete index, a table of cases, and a plentiful supply of footnotes, will make it a valuable reference volume.

FRANCIS JOHN SMITH

AUTOBIOGRAPHY OF GEORGE A. BANGS. By George A. Bangs. Privately Printed, 1949. Pp. viii, 226.

It is the custom and tradition of the profession for Barristers, Solicitors, and Judges in Great Britain to write their autobiographies. The motives for writing these books are rather mixed. Love of the legal profession, pride in their family heritage, and satisfaction in their professional careers as lawyers, judges and members of Parliament may be enumerated among them. Such autobiographies have historic value for writers on English legal history.

The *Autobiography of George A. Bangs* even now has value for those persons who are interested in the history, growth and development of the state of North Dakota. The early chapters sketch out a brief record of Mr. Bangs' ancestors and his boyhood days in LeSueur, Minnesota, and Grand Forks, before giving way to a description of the author's professional career.

George Bangs secured his professional and business training by working in the United States Land Office, as an abstractor employed by E. J. Lander & Company, a Grand Forks investment firm, and as deputy sheriff of Grand Forks county. He studied law in the office of his brother, Tracy R. Bangs, and in the office of his father, A. W. Bangs. In 1893 he was admitted to the practice of law. He became a member of the firm of Bangs, Fisk, and Bangs. This firm continued until C. J. Fisk was elected District Judge and Tracy R. Bangs was appointed Federal District Attorney.

For over thirty years, Mr. Bangs' practice involved the analysis and evaluation of the periodic statements of banks, insurance companies, corporations and business firms. This was one of the reasons why he became a leading expert in the fields of corporate reorganization, bankruptcy and related matters and an advisor to leading insurance companies in the United States. Besides his exceptional law practice, he served as City Attorney for sixteen years, States Attorney of Grand Forks County for two years, and

for six years was Special Assistant Attorney General. He made an excellent record as a trial attorney, not only in his own county but throughout the State of North Dakota. One of his important public services in this state was when he served as Chairman of the State Capitol Commission, which had the problem of planning the construction of the present State Capitol Building.

Chapter 4 of the book has special value, as the author gives a concise history of the acquisition and organization of the North Dakota Territory and a detailed history of the "Destruction by Fire of the 1883 Capitol." A commendable report is given as to the activities of the Capitol Commission with comments as to the new capitol by men of affairs and by the newspapers.

Chapter 5 gives an account of the financial readjustment which took place in this state from 1920 to 1926, when approximately forty per cent of the North Dakota state banks closed their doors. A remarkable survey is given of the activities of the Depositors Guaranty Fund Commission, which saved millions of dollars for bank depositors.

An interesting, though brief, comment is presented on the impeachment proceedings against Judge Cowan in Chapter 6. It makes interesting reading when one realizes that Tracy R. Bangs represented Judge Cowan and the author represented the State of North Dakota.

In Chapter 7, the author reports on the famous "Mouse River Drain Case," while in Chapter 8 the history of the partition in 1908 of Ward County into the present four counties of Burke, Renville, Mountrail and Ward was described. Mr. Bangs was involved in other county seat litigations not only in North Dakota but also in Montana. In Chapter 9 the author gives a brief summary of many of the leading cases in which he served as counsel. In Chapter 10, the writer comments on his service in the Judge Advocate General's Office during World War I.

The record of George A. Bangs as a counsellor and as a lawyer is, in itself, worthy of praise. However, equally successful he was in the field of life insurance. In Chapter 11, Mr. Bangs gives a brief history of the Order of Knights of Pythias and his appointment in 1900 by his brother, Tracy R. Bangs, to make a study of the Insurance Department of the Order. This study and report won George Bangs international recognition among all fraternal insurance companies. In 1930 the Insurance Department of the Knights of Pythias was, under an act of congress,

separated from the purely fraternal activities and assumed the corporate name of the United Mutual Life Insurance Company. George A. Bangs was elected president of this company on October 16, 1932. In 1936, the American Central Insurance Company was merged into the United Mutual Life Insurance Company, the new company being named the American United Life Insurance Company. Mr. Bangs served as managing director until 1940 and president of the company till December 31, 1947, when he retired. The financial assets of the insurance company had tremendous growth under President Bangs' leadership and management.

The reading of the autobiography of George A. Bangs will be an inspiration to the young men of the prairies of North Dakota, for here is the true story of a North Dakotan who found real success as a lawyer as well as an insurance expert and counsellor. His success was due to his willingness to work and his devotion to duty.

More of the pioneer lawyers and judges should have written their autobiographies. The history of North Dakota has been enriched by this worthwhile autobiography by one of its early and distinguished lawyers.

O. H. THORMODSGARD*

BOOKS RECEIVED

HANDBOOK OF THE LAW OF EVIDENCE. By John Evarts Tracy.
Prentice-Hall, New York. Pp. xviii, 382. \$5.35.

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