

The American Law Institute

REPORT

of

HERBERT F. GOODRICH, Director.

For Submission to the Twenty-fifth Annual Meeting
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REPORT OF THE DIRECTOR.

To the Members of the American Law Institute:

For the purpose of advising the membership about the work of the Institute, the Director has ingeniously devised the highly original classification of "Past", "Present", and "Future".

I. THE PAST.

The Restatement and Its Authority.

The Restatement naturally comes first for upon it we spent the bulk of our time and money over a great many years. We no longer need to discuss whether the Restatement was worth doing and whether we did it well. Both questions have been answered in the affirmative by such an overwhelming majority of those who have spoken that the question may be considered as nearly settled as any question of that kind can ever be. Again, the best proof of this pudding is the eating. Our appellate Court citations number, on April 1, 1948, 15,197. In this report is the table showing them by State and by subject. As a matter of interest there is added, also, cumulative totals for the last ten years. They run as follows:

April 1, 1939	3,904
April 1, 1940	5,215
April 1, 1941	6,779
April 1, 1942	7,920
April 1, 1943	9,051
April 1, 1944	10,432
October 1, 1945	12,356
April 1, 1946	12,837
April 1, 1947	13,924
April 1, 1948	15,197

Annotations.

Published Annotations now number 137. We finally determined that it was time to bring the Annotations program to a close and set December 31, 1950 as the time for completion. All the Committees and Annotators were notified. They were told, however, at the same time that if anybody had an Annotation program which was really under way we would try to make arrangements to receive and pub-

lish the material even if it did not quite meet the deadline. We have reason to hope and expect that some additional Annotations will be completed within the time set. Especially do we hope for:

AGENCY—Oregon, Tennessee

CONFLICT OF LAWS—Ohio

CONTRACTS—Oregon, Utah

JUDGMENTS—Kentucky, Maryland, Pennsylvania

PROPERTY—Arkansas, Illinois (Vols. 4 and 5), Maryland (Vols. 4 and 5), Minnesota, Rhode Island (Vols. 2, 3, and 4)

RESTITUTION—Arkansas, Maryland

SECURITY—Maryland

TORTS—Kansas (Vols. 1 and 2), Pennsylvania (Vols. 4 and 5)

TRUSTS—Indiana, Vermont

The Annotations program has been a highly successful project. Of course, we would like to have had complete Annotations in every subject for every State, but the most optimistic of us never expected that. They have given a great lift to the use of the Restatement and they constitute a highly useful working tool. A very interesting correlation has developed between the law as stated in the Restatement and the law of the individual States as shown in the Annotations. It has been proved that there is definitely a common law throughout the United States and that we have succeeded in almost all instances in stating it the way the courts have decided it. Annotations are still a highly useful supplement to the Restatement, but they are no longer needed to establish the authority of that work.

Amendments.

Last year there were submitted to the meeting some amendments to the Restatement which we thought had been made necessary by the course of decision since the appearance of the various volumes. These amendments met with vigorous discussion and some of them were changed as a result of that discussion. As approved the amendments will soon be available to anyone who owns a set of the Restatement. We are bringing them out in a volume which will also include supplemental material to our big volume of "The Restatement in the Courts." The new volume will carry the amendments and it will carry, also, the citation list down to April 1, 1948.

CITATION PARAGRAPHS UP TO APRIL 1, 1948.

	Agency	Conflict of Laws	Contracts	Judg- ments	Prop- erty	Resti- tution	Secu- rity	Torts	Trusts	Total
Alabama	14	2	12	—	4	2	—	19	10	63
Arizona	20	11	24	2	—	12	—	34	13	116
Arkansas	4	4	11	1	2	8	—	5	9	44
California	121	66	199	32	65	40	4	365	131	1023
Colorado	7	2	22	3	7	6	—	22	9	78
Connecticut	23	24	95	—	6	9	—	85	46	288
Delaware	16	42	35	1	16	6	1	11	33	161
District of Columbia	8	—	9	—	—	—	—	4	—	21
Florida	4	1	30	—	—	1	—	23	9	68
Georgia	33	17	22	—	2	3	—	40	7	124
Idaho	6	—	2	—	—	3	—	7	—	18
Illinois	15	18	50	1	2	—	—	25	38	149
Indiana	26	6	26	—	4	1	7	35	28	133
Iowa	24	20	42	1	8	7	—	28	42	172
Kansas	55	14	116	—	48	26	2	64	69	394
Kentucky	32	15	49	7	20	10	1	40	42	216
Louisiana	16	16	11	—	—	1	—	22	1	67
Maine	1	11	3	—	1	—	—	2	6	24
Maryland	47	35	77	2	14	10	—	85	61	331
Massachusetts	128	113	203	7	58	47	3	200	147	906
Michigan	9	27	25	3	1	8	—	21	23	117
Minnesota	33	48	120	8	19	23	2	122	41	416
Mississippi	60	14	53	—	5	6	—	107	27	272
Missouri	68	60	55	12	34	12	3	155	56	453
Montana	17	5	12	—	1	—	—	20	15	70
Nebraska	47	8	55	2	18	8	—	26	70	234
Nevada	2	—	5	1	—	—	—	10	3	21
New Hampshire	12	25	22	2	7	11	—	57	41	177
New Jersey	20	47	74	10	17	5	—	34	100	307
New Mexico	26	2	37	1	—	9	—	27	4	106
New York	112	197	291	24	35	36	9	325	342	1371
North Carolina	17	3	12	—	—	4	—	14	7	57
North Dakota	5	11	10	—	—	—	—	9	4	39
Ohio	42	40	72	11	12	15	3	131	74	400
Oklahoma	26	2	20	1	8	4	—	35	26	122
Oregon	34	42	79	9	3	39	6	68	50	330
Pennsylvania	173	146	435	3	47	78	10	488	388	1768
Rhode Island	2	2	14	—	2	3	—	7	11	41
South Carolina	6	9	7	1	4	1	—	20	2	50
South Dakota	9	5	10	—	3	5	—	26	4	62
Tennessee	29	21	20	—	1	2	—	19	24	116
Texas	28	25	63	1	10	8	—	94	54	283
Utah	4	7	14	—	5	5	2	23	—	60
Vermont	2	5	15	—	6	1	1	22	14	66
Virginia	7	4	11	—	—	3	—	8	13	46
Washington	48	17	88	1	4	10	—	52	35	255
West Virginia	6	4	33	—	2	—	—	19	8	72
Wisconsin	79	27	77	—	20	17	9	80	98	407
Wyoming	13	11	25	4	5	—	—	20	10	88
Federal	387	490	715	110	90	132	19	628	319	2890
United States,	7	22	20	—	—	—	—	10	46	105
Totals	1930	1743	3525	261	616	637	82	3793	2610	15197

For the convenience and information of the members of the Institute we expect to have for distribution at the registration desk pamphlets which will show the way in which the amendments to one subject (Conflict of Laws) will appear in the new volume. In addition, Mr. Ames, Chairman of the Board of the American Law Institute Publishers, will be at the meeting and will, as he always has, be able, ready, and willing to discuss with members anything which will help them use more effectively the Restatement together with its amendments and citations.

Distribution.

The distribution of the Restatement continues to be satisfactory. We have had a phenomenal demand for the student edition, especially in the fundamental courses of Torts and Contracts. That student edition has made available to law students the material in the Restatement and has proved to be a helpful teaching instrument. It is not a well made piece of work from a publishing point of view and we never claimed that it was. But as the war years came on there was nothing we could do about it; indeed it was very difficult to get enough material on hand to meet the demand. We now have plans for a somewhat better book to supply in the student edition and in due course of time we hope that the students can have access to the wisdom of the Restatement through a volume which will not so easily go to pieces in their hands.

Restatement Abroad.

The Restatement abroad as a definitive source of American Law is no less noteworthy. The volume on Conflict of Laws was translated into French in 1938 under the direction of Professor M. J. P. Niboyet, of the Faculty of the University of Paris. It has been widely used ever since then as a standard reference in civil law countries and has evoked much comment and many articles on the continent. Leading treatises in the main continental countries now all refer to the Restatement. A graduate course on American Conflict of Laws, based on the Restatement, was offered in the winter of 1938-1939 at the University of Paris. More recently the widely read Bulletin of the Society of Comparative Legislation in Paris has

undertaken to publish an article on the work of the American Law Institute by Dr. William Draper Lewis. This Journal will also publish an article by Dr. Kurt Nadelmann, of the University of Pennsylvania, on the amendments made last year to the Restatement. And Professor Niboyet has just written to the Director that he has secured a grant from the Carnegie Corporation to translate into a French supplement to the French edition of the Restatement of Conflict of Laws, the amendments made to that volume of the Restatement.

Our efforts towards translating the Restatement into Spanish continue. Interest is constantly being voiced on this project. At the Fifth Conference of the Inter-American Bar Association, held last year in Lima, Peru, a resolution was adopted in favor of such a translation, the suggestion being made that the work be done by the Bar of Puerto Rico. But the fruition of this project must await the securing of sufficient means to make it possible.

The Code of Criminal Procedure.

This spring we checked over the statute books and have brought down to date the list of uses which Legislatures have made of the Code of Criminal Procedure which we completed back in 1930. It is a highly interesting list. Twenty-three States have adopted some of the Code, the adoptions running from a few sections to a complete taking over of its provisions, as in Arizona. All this seemed interesting and important enough to list, both for the satisfaction of the members of the Institute who worked so hard over it and for the benefit of Bar and Legislative Committees in the States where the subject of Criminal Procedure is being considered. So we have a pamphlet listing these adoptions section by section and that pamphlet is available at the registration desk at this meeting for anyone who wants it.

Youth Correction Authority Act.

This Act continues to be the subject of attention. Mr. Ellingston, who is in charge of the work concerning it, will not be present at the meeting. At our request, he has prepared a summary of progress under the Act and that summary is available at the registration desk. It is earnestly commended to the attention of all of those who are interested in what is going on in this very important field.

Model Code of Evidence.

We finished this Code in 1942. It is being widely used as teaching material in law schools as well as for guidance by many administrative officials in their hearings. Bar Associations and other lawyers' groups have tended to think that it goes too far in the changes it has made. The reason for a successful trial lawyer being reluctant to give up working tools with which he has become proficient is too easily understood to require comment.

The work on the Evidence Code was a very good thing for us to do. We are not a lobbying body, even for good causes. If we see a place in the law where work needs to be done and go ahead and do that work well we have performed our function. If the work appeals to others it will be taken up and eventually be made effective. The work is not the less valuable because it does not find immediate acceptance, especially in highly controversial fields. It is a safe prediction that our Code will set the pattern of legal thinking about Evidence for a good many years to come. Perhaps much of it will find its place in the law even without formal adoption by anybody. The persistent citation of the Code in judicial opinions tends to confirm this prediction.

II. THE PRESENT.

The Code of Commercial Law.

This meeting will see submission to the membership of Proposed Final Drafts of the Commercial Code for Article III, dealing with Commercial Paper, Article V, on Investment Instruments, and the Chapter on Letters of Credit of Article IV. It will see the submission, also, of Tentative Drafts of the Chapter on Foreign Remittances of Article IV, Article VI on Documents of Title, and Article VII on Secured Commercial Transactions.

The text submissions of the first group are final in the sense that if you approve of them there will be no further work to be done or discussion of the propositions embodied in the text. Before the statute is complete it must have its accompanying comments. But these comments are not material which has to be adopted by the general meeting once the policy is set by a discussion of the propositions which appear in the text.

From questions which have been asked from time to time about the Code we have concluded that perhaps it has not been made clear just what the overall plan is. Accordingly, we drew up a synopsis of the material including that which has been completed and that which is under way. That synopsis went out with the program announcing this meeting. But in view of the ephemeral character of that communication it seems worthwhile to include it here so that it will be available for future reference.

The Code of Commercial Law being drafted by The American Law Institute and the National Conference of Commissioners on Uniform State Laws will, upon its completion in 1949, contain eight Articles. The first Article will be of general effect, applicable to the Code as a whole. The seven other Articles will deal with different phases of important and common commercial transactions. . .

ARTICLE I: The first Article is entitled "General Provisions, Including Definitions." It will apply to the Code as a whole and will, as the title indicates, contain definitions of terms common to all the Articles, irrespective of their subject matter, as well as other provisions of general applicability.

ARTICLE II: This is the Sales Article of the Code, constituting essentially an up-to-date revision and expansion of the old Uniform Sales Act, generally in terms of modern commercial case law. The work on this Article is now completed.

The Article is sub-divided in six major parts:

Part I deals with matters of General Construction, Application and Subject Matter of the Act.

Part II covers Form, Formation and Construction of The Contract.

Part III is entitled Title and Documents of Title, Creditors and Good Faith Purchasers.

Part IV is concerned with Performance.

Part V covers Breach and Repudiation.

Part VI provides for Remedies of the buyer and seller.

All in all this Article contains 133 sections.

ARTICLE III: This Article is entitled "Commercial Paper." It generally covers matters provided for by the Uniform Negotiable Instruments Law with some important departures, however. Thus, sections from the N. I. L. dealing with Acceptance for Honor and Payment for Honor

have been eliminated because they are now obsolete practices. N. I. L. sections concerning solely matters of foreign trade, such as Bills in a Set, have been deleted and are covered by the Article dealing with Foreign Banking. Provisions dealing with secured paper and matters relating to corporate securities have also been omitted, they being provided for respectively by the Articles of the Code concerned with Secured Commercial Transactions and Investment instruments. It is also presently planned to include in this Article matters dealing with Bank Collections.

While Article III deals with negotiability, other Articles, particularly Articles IV, V and VI, also deal with negotiability and one of the advantages of the Code approach, heretofore lacking, will be the uniformity of treatment accorded to this important phase of commercial transactions.

ARTICLE IV: This Article is concerned with Bank Operations and Foreign Banking. Chapter I deals with Letters of Credit. Chapter II covers Foreign Remittances. Other parts of this Article will cover transfers of large "clean" credits and the regulation of certain bookkeeping practices in international banking which vary from domestic practices.

ARTICLE V: This Article deals with Investment Instruments. It takes out of the present N. I. L. bearer or registered bonds and includes certificates of stock now provided for by the Uniform Stock Transfer Act. It will cover additional types of investment paper, other than paper falling within the scope of Article VII on Secured Commercial Transactions.

ARTICLE VI: Intended originally to cover only bills of lading and warehouse receipts, this Article has been somewhat expanded in scope and is now entitled "Documents of Title." It represents primarily a consolidation of the Uniform Warehouse Receipts Act and the Uniform Bills of Lading Act, excluding the Negotiation and Transfer sections, which are covered by the Sales Article, and the Criminal Offenses provisions of those Acts. The Article is primarily concerned with the definition of the contract-bailment obligation of the possessor of goods to the person to whom he has undertaken to deliver.

ARTICLE VII: "Secured Commercial Transactions." This Article will embrace the complex security transactions now dealt with as chattel mortgages, conditional sales, trust

receipts, assignments of accounts receivable and field warehousing and pledge. It will deal with security taken in goods and account.

Six major categories of financing, as follows, are contemplated to be provided for :

1. Consumer credit transactions
2. Agricultural financing
3. Inventory financing
4. Pledge and field warehousing
5. Industrial equipment credit financing
6. Single venture financing.

The question of whether the closely related field of Bulk Sales should be included in this Article is still under consideration, but the general filing machinery developed in regard to inventory liens may well prove to be an improvement on the present machinery for controlling sales in bulk by retailers.

ARTICLE VIII: Work on this Article, entitled "Commercial Agency," is just beginning.

In one respect the research work back of this Code is an even more formidable job than was the research job back of the Restatement of the Law. We are used to having presented to us the results of thorough and understanding work in law books. These Code Reporters have done that as did the Reporters who wrote the Restatement. But these Reporters have had to do more; they have had to become acquainted not only with legal precedents, but with the business problems of banks, wholesale houses, manufacturers, factors, everyone in fact who operates in the commercial world. It has been an amazing experience to listen to the discussion of our Reportorial staff. It covers judicial decision and statutory precedents. But it also covers the custom of banks, the operation of a stock exchange, the problems of creditmen and warehousemen; indeed, all the operative facts in the commercial field. Our Code will not, of course, represent what all these people would like to have as rules governing their transactions. There is always another party on the other side of one of their transactions and in many places the public is interested too. But their problems are known about in the finishing of this Code. It is not built out of legal concepts, although its writers have knowledge of them. It is built in the hope of providing a fair

rule for the business problems in today's world. If it is successfully done, as we expect it to be done, perhaps we shall have a law so clearly stated that the volume of commercial litigation will be less.

It is self apparent that all this has taken a tremendous amount of work from our Reporters and their advisory groups. There is no need to recount the conference hours spent; there is no need to record one by one the long sessions among members of the drafting staff. That they have taken place is obvious when this material is looked at. It is worth recording, however, that the joint operation of Commissioners and Institute has proceeded with complete friendliness on each side. We have no doubt of our ability to cooperate effectively on a venture and to bring it out with a result which has gained strength from the participation of each body.

The Code work will speak for itself over the period of this meeting. Nothing more from the Director is called for in connection with its presentation except to urge upon the meeting the necessity of close and careful attention to a good sized body of rather difficult material which must be considered and acted upon this year.

One interesting development which should be noted as an addendum, however, is the prospective use of the Code material as a teaching tool. There is already announced for the Harvard Law School for next year a course in Commercial Law, one section of which is to be given by Mr. Llewellyn, another by Miss Mentschikoff, a third by Mr. Prosser and a fourth by Mr. Braucher. If this works (and in the hands of such experts how could it fail to work) we may have developed as a by-product of our Code drafting a solution of one piece of the problem which constantly besets Law School faculties. That problem is how to get attention to all the material which the law student must cover in the limited amount of time to cover it.

Membership:

At the Annual Meeting last year there was adopted an amendment permitting an increase in the number of elected members of the Institute. As a result of that you will see from the Membership Committee's report a list of new names to be added to our rolls. But this list will not bring the membership up to that authorized. We could have got the members through a campaign to fill up our number. We did not and do not want to do that. You will agree, we are sure, that the mere number of members does not add to

our strength. We want to be able to add lawyers to our membership only when they are sufficiently interested in the kind of work we do to make their membership a source of satisfaction to themselves and a source of strength to us.

III. THE FUTURE.

The Council submitted to the meeting last year its report on possible future work for the Institute. A list of useful projects was discussed at our Annual Meeting and questions asked concerning them. The meeting approved the general program. It was understood by everyone that however desirable any of the projects might be, no commitment could be made about them until funds to do the work had been found.

During the past year two of the projects have received such support. You have already been advised of this fact, but it is worth reiterating in the report to you of a year's business.

Continuing Legal Education.

The Carnegie Corporation, whose generosity supplied the support for the Restatement, has again expressed its confidence in our body by a subvention for our work in Continuing Legal Education.

A Committee of twenty-two persons has been set up to consider the entire project and to make plans for it. Twelve of this Committee were named by the American Law Institute, eight were named by the American Bar Association and two are ex officio. Their function is so important that their names should be set out. They are as follows:

- ✓ Thomas H. Adams, Detroit, Michigan
- ✓ Arthur Ballantine, New York City
- ✓ Herbert W. Clark, San Francisco, California
- ✓ Homer D. Crotty, Los Angeles, California
- ✓ Paul B. DeWitt, New York City
- ✓ Arthur Dixon, Chicago, Illinois
- ✓ J. B. Faegre, Minneapolis, Minnesota
- ✓ James D. Fellers, Oklahoma City, Oklahoma
- ✓ Wendell B. Gibson, Des Moines, Iowa
- ✓ Herbert F. Goodrich, Philadelphia, Pa.
- ✓ William B. Gumbart, New Haven, Connecticut

- ✓ Charles W. Joiner, Ann Arbor, Michigan
- ✓ Harvey M. Johnsen, Omaha, Nebraska
- ✓ William L. Marbury, Baltimore, Maryland
- ✓ Bernard G. Segal, Philadelphia, Pa.
- ✓ Harold P. Seligson, New York City
- ✓ Sidney Post Simpson, New York City
- ✓ Robert G. Storey, Dallas, Texas
- ✓ William A. Sutherland, Washington, D. C.
- ✓ Charles E. Wyzanski, Boston, Mass.

Ex-Officio

- ✓ Tappan Gregory, Chicago, Illinois
- ✓ Harrison Tweed, New York City

It is a good Committee. At its sessions it has worked very hard and worked very intelligently. Upon its recommendation Mr. John E. Mulder, formerly a partner of the Institute's Vice-President, William A. Schnader, of Philadelphia, was selected as Director of the work. Professor James Brenner, of Stanford University, California, is Director for the western area on a temporary appointment. They are both here at this meeting and their presence makes unnecessary any further discussion of their plans and accomplishments in this report. The Director wishes, however, to add his word of appreciation for the cooperation we have received from the Practising Law Institute, the effective pioneering organization in the field.

Income Tax Project.

A proposal for intensive work in the income tax field was among the projects you discussed at last year's meeting. That project has now begun. Again, the Institute is the recipient of help from one who has aided other parts of its work. For our income tax project the support comes from the Maurice and Laura Falk Foundation of Pittsburgh, through whose subsidy the Commercial Code is being prepared.

What do we want to do in this work? At a recent meeting of a volunteer Committee which was called together to advise us, the Director requested two of its members to write down what he thought our objective was. The statements were so good that they are submitted in this report. They are marked "A" and "B", respectively, not from any desire to conceal their authors under a mask of ano-

nymity, but from desire to center attention upon the statement rather than the author of it. The statements follow herewith:

"A".

"The ultimate objective of the income tax project is to prepare, after thorough impartial study and discussion, an improved and modernized income tax statute with explanatory comments, which will be presented, in whole or from time to time in part, for such consideration as Congress may wish to give it. It is proposed, not to deal with essentially economic and political aspects of the tax law such as rates, exemptions, treatment of capital gains and the like, but to undertake what is fundamentally a stocktaking and overhauling project, it being recognized of course that policy questions on a lower level will inevitably be involved.

In drafting the statute the aims will be:

(1) to take into account and coordinate with the statute the substantial body of judicial decisions so that the statute will reflect such part of the judicial interpretation as may be desired to be retained;

(2) to incorporate, or propose in the alternative, improvements within the limits of established policy and such other improvements, believed to be generally acceptable, as may appear to be desirable, it being understood that all such changes will be pointed out and explained to facilitate legislative consideration and determination;

(3) to eliminate so far as possible inconsistencies in the present statute and the importance of methods of procedure; and

(4) to make the statute more clear and understandable, and so far as possible more simple and less likely to be subject to repeated patchwork amendment, than the present one."

"B".

"A definition of the scope of the project cannot be exact at this early stage, but certain items of inclusion and exclusion can now be tentatively stated with some degree of precision. The study will exclude problems predominantly involving the rate and exemption structure where answers depend largely upon revenue considerations or the economic condition of the country at a particular moment. Answers to questions of this character cannot have even relative permanence; they must be faced each year in the light of the conditions then confronting the country. The same considerations apply to a number of policy problems on a

lower level, such as the treatment of capital gains and losses, etc.

On the other hand, it is recognized that any proposed revision of the income tax statute, to have value, must make certain policy assumptions, and that a number of relatively minor policy decisions must be made as a basis for any intelligible reconstruction of the statute. The general rule to be followed will be to take the content of the statute as we find it, or as we think it is apt to be in the reasonably near future, and to make policy decisions in a restricted area where the revenue is not greatly affected, where economic factors need not play a prominent role, and where reasonable certainty as to the meaning of the statute is more important than economic considerations.

The next aspect of the project is essentially one of codification. This is a job of synthesizing into one organized statute a large body of tax common law which has evolved over the years from thousands of court decisions and administrative rulings, but which is now absent from the statute itself (Example—business purpose). This will require an examination of all court decisions, Treasury rulings, and other tax material, and the formulation into a coordinated aggregate of the existing statute and all outstanding judicial and administrative interpretations. Of course, no attempt will be made to freeze the process of future interpretation and adaptation to new needs and developments; the process would be one of bringing the statute up to date.

Once the objectives of the new statute are clear, attention will be devoted to the task of expressing what is intended in simple language, not necessarily language that a layman can quickly understand, but at least language that lawyers can understand with sufficient precision to make reasonable predictions as to the results of transactions placed before them by clients. This part of the work may involve a discard of present approaches to the matter of legislative draftsmanship and the development of a new drafting technique."

The temporary Committee above referred to held a long meeting the last part of April devoted to a survey of the legal and practical phases of our undertaking. The minutes of its deliberations are now in the hands of the Executive Committee. Pursuant to the recommendations of that temporary Committee, the Executive Committee, at a meeting held on May 1, elected as Chief Reporter Mr. Stanley S. Surrey, Professor of Law at the University of California, and as Assistant Chief Reporter Mr. William C. Warren, of Columbia University and at present Tax Consultant to the Secretary of the Treas-

ury. These gentlemen have been notified of their appointment and have gone to work. They will, of course, have no report at this meeting. But they will have plenty for next year's meeting and Judge Learned Hand's comment upon that fact is that the subject will develop such a degree of heat among the members of the Institute that the Director should take the precaution to have a platoon of police officers on hand to assist the Chairman in preserving order.

Our work on the Restatement was no more a technical job than are the things we are now doing. But it was somewhat different. Over and over again the statement was made that we were endeavoring to state the law as it was, not as some of us would like it to be. All the time we recognized that there were places for a give and take even within that limitation; in cases of division of opinion a choice had to be made and naturally we chose the view we thought was right. Here in this field of legislative drafting we are frankly going to state the law as we think it should be. That, in many instances, will not be what it is now, for if it were, there would be no need for our work. Undoubtedly we shall be in the field of controversy and, in some of the work, in a field of controversy where feeling sometimes runs high. We need not be afraid of that. Important questions in the world do involve differences of opinion. We come from a profession which is used to differences of opinion. Indeed, our very livelihood depends upon such differences. We can treat them with greater fairmindedness and intelligent consideration than any other people I know of. If we cannot produce a fine piece of work in the legislative field, then that objective is one which is beyond the skill of mankind. We can do a good job and we will do it.

Respectfully submitted,

HERBERT F. GOODRICH,
Director.