

THE BIG SHOPS OF THE LAW

BY JOHN WALKER HARRINGTON

THE big law shop of Pryde, Doer, Learned, Young, Mixer and Robotson, in the great city of New York, occupies quarters for which it pays a rental of \$30,000 a year. Even so, it is a bit crowded, for it does a business of nearly \$750,000 annually, and its budget of expenses runs to \$244,000. All its members are men of great skill and large reputation. Pryde, of course, is the most eminent of them: he is heard of whenever grave public affairs are discussed, and makes at least twenty set public addresses a year. His name on the firm's letter-head thus stands for prestige. Doer, the next in seniority, is the strategist and daring planner of the combination—what, on a lower plane of human endeavor, would be called the go-getter. Learned is the specialist in legal profundity: he knows the books. Young is the trainer of young cubs from the law-schools—the father of the working staff. Mixer is the publicity expert and trial-lawyer: he knows how to handle newspapers, legislatures, and judges and juries. Robotson, finally, is the business man: it is his job to run the works, and hold down the overhead.

There are plenty of big law shops in New York which occupy quarters even more expansive and expensive than those of Pryde, Doer, Learned, Young, Mixer and Robotson. Some pay rentals of \$40,000, or even \$50,000 a year, and occupy suites of fifteen or even twenty rooms. Although it is no longer necessary for eminent jurisconsults, at least in the large cities, to have offices near the courts (for taxicabs are now cheap and such whales of the law, as everyone knows, sue only as a last resort) it is

still essential that they should be close to their principal clients. To maintain their locations, therefore, the big shops are sometimes forced to cut holes in floors and ceilings and connect their original suites, aloof and aloft, by circular staircases. Wandering around some of these establishments one feels as if one had stumbled into a bombarded rabbit-warren. Very often a law firm is housed in the same office building with the trust corporation or international banking house or insurance company from which it derives the main part of its income. Naturally it wants to stay there, for there are its basic fees, so needful in meeting the cruel overhead.

One noted firm which specializes in real estate and corporation law bought a five-story building in the heart of the Wall Street section for its exclusive occupancy. The structure has a frontage of fifty feet and a depth of one hundred, and it is none too large. Every spare foot is now in use, and the basement serves as a catacomb for dead files. At the entrance sits a clerk who is also the telephone operator. When a visitor arrives, she sends him down the corridor on the first floor to see the firm's Mr. Robotson, if he is a stranger, or directs him to the elevator, if she knows him. The lift is in charge of a highly discreet operator, who sees that all clients get off at the right divisions. As business increases, he will be able to call the stops something like this: "Second floor—mortgages, leases and liens! Third floor—wills and real estate!" And so on—to the injunction bureau under the roof.

A lady barrister from England, who was lately taken through several of the metro-

politan abodes of big law, said that she had never seen such luxurious appointments. She certainly never had at home, for the Temple is dingy enough, and the quarters of the typical English lawyer are as shabby as the den of Mr. Tulkinghorn described by Dickens, in which that eminent family solicitor followed out whatever "trains of indecision" happened to engage his mind. Many of the show places of the big law in New York are inexpressively ornate. In some there are Fourteenth Century tapestries, refectory tables, and rare paintings and engravings. One of the leading advocates of the town, who specializes in bankruptcy and is an artist and an art amateur as well, has in his consultation-room a precious collection of Japanese prints. Another has fitted his audience chamber with wooden paneling of a creamy tone, and priceless Jacobean furniture. Most of these reception rooms in the big shops are furnished by interior decorators instructed to spare no expense. The period tables are solid mahogany or walnut, there are throne chairs enough to seat a dynasty, and on the walls are prints of all the big-wigs of the bench: chancellors, constitution makers and Supreme Court justices. Even the telephone booths, installed for the convenience of waiting clients, are especially designed to harmonize with the surroundings. It is not hard for a firm to spend \$100,000 on such adornments.

But the sheepskin-bound books on the shelves, rather than the fine furniture, are really the costliest physical symbols of metropolitan law. In several first-rate shops the library is carried on the books as worth \$30,000, although its actual first cost was nearer \$50,000. An insurance company in Kansas City, which provided a reference library for lawyer tenants of its office building, spent \$100,000 for that purpose. Law books depreciate rapidly and are soon out of date, and every well-equipped office must spend at least \$5,000 a year for new ones, and charge off as large a sum for depreciation.

The principal items of expense to a big law firm, however, are brains—legal, executive and clerical. When the salaried lawyers on the staff number thirty or forty the intellectual overhead is terrific. Here is the budget of a big law shop which gives an idea of the problem confronting "Our Mr. Robotson":

Rent of offices	\$ 30,000
5 lawyers—Grade A @ \$10,000	50,000
10 lawyers—Grade B @ \$ 6,000	60,000
10 lawyers—Grade C @ \$ 2,000	20,000
1 managing clerk	5,000
1 cashier or head bookkeeper	4,000
5 secretaries @ \$3,000	15,000
1 file executive	3,000
1 librarian	2,000
10 stenographers @ \$1,500	15,000
10 clerks, assistants, etc. @ \$1,200	12,000
8 office boys @ \$1,000	8,000
Supplies, stationery, law books, printing	20,000
	<u>\$244,000</u>

It is the custom in the larger law establishments to figure the cost of doing business at 30% of the fees received. That is, a firm taking in from \$900,000 to \$1,000,000 a year will spend about \$300,000. A considerable reserve fund must be maintained in order to meet disbursements and to provide against a dull year, or the sudden withdrawal of important basic accounts. Partners have monthly drawing accounts which vary in accordance with their seniority, ability and influence. At the end of the year a division of profits is made among them.

Every day Robotson is face to face with his problem of keeping the firm a going concern, so that it may feed all the waiting mouths and purses. He must see backward and forward and be ready to sound the alarm whenever the outgo begins to exceed the intake. He must operate, too, under numerous limitations, for go-getting devices that are entirely legitimate in commercial circles are taboo in the practice of the law, even in New York. He cannot advertise his firm as a commercial concern might do, and keep within the legal code of ethics. He may keep an approving eye on the young attorneys of the house who play polo down on Long Island, but they

cannot go to even their best friends and say, "Want any lawing done?" Ambulance chasing is beyond the pale, whether applied to hurt persons or crippled railroads. Again, his is a firm, not a corporation, for corporations cannot practice law, and many professional handicaps arise out of that fact. There can be no "prospects" as business knows them; no runners, no drummers, no outside men. Moreover, it is against all the statutes made and provided to incite litigation, and every attorney is supposed to prevent his clients from going into the courts, if it is possible. Thus, though the big shop always needs business, those who are likely to give must be considered as applicants, not as prospects.

II

Whatever its source, offered business first goes to the managing attorney of the big law shop. Many a case is never accepted. It may interfere with the interests of a client already on the books, or it may be brought in by an undesirable person. The head of the firm, or a committee constituted for the purpose, must O. K. it before it is undertaken. Once a case is accepted, however, the whole machinery of the shop is at its service. "Central Desk," that is Mr. Robotson, first classifies it, so it will get the attention of the proper department. The office specializing in financial and corporation law is organized into such divisions as these:

- Litigation and Briefing
- Wills and Real Estate
- Corporation and Securities
- Corporate Trusts
- Taxes
- Miscellaneous or General
- Managing Clerk
- Business Management

A partner is usually in charge of each department and takes responsibility for every case assigned to him. It gets a file number and its yellow jacket and then things begin to happen. Every client, of course, thinks that his own case is the only one in the office of his counsel. The big shop acts ac-

cordingly. For instance, an enormous automobile concern changed hands not long ago, and the brokers who had charge of the \$146,000,000 deal sent in a hurry call to their attorneys. The Corporations and Securities branch was on the job at once, and remained there night and day. Some of the staff went to Detroit, where the manufactory was, and kept the main office informed of every step by long-distance telephone and lengthy telegrams. Papers were feverishly drawn up and filed. The gallant boys of the division in charge never slept until the complicated details were adjusted and all was ready for the transfer of the largest check ever drawn on an American bank.

This speed urge usually comes from the clients themselves, but inside the big law shop there is also an internal drive. From Robotson go out constant reminders and instructions. If the matter is in the courts, the managing clerk and his assistants give due notice to all concerned as to when to appear and what to prepare. Every two months a progress report is made on every case, whether the client is quiescent or not. On his desk every operator in the plant finds a slip, ruled off into spaces, on which he accounts for his time in periods of ten minutes during his working hours. From such a slip it will appear, for instance, that young Coke worked two hours writing the draft of a brief, that he was away for one and three-sixths hours at the office of an up-town contractor, and that for one-sixth of an hour he talked to somebody on the telephone, say, to Mr. Smithers about his income tax.

Essential as these records are for the smoothly running practice of big law, they are even more so for the guidance of the accountancy division. There comes a day when bills must be rendered for services. The first step is to study the time entries to find out how many hours or days have been spent on the matter, and by whom. The value of every man's hour is appraised. But these time-sheets are only general guides, for other factors must be con-

sidered in determining the charges, such as the importance of the case itself and the amount of money involved. Bills are finally passed upon either by the head of the firm, or by a committee of the principal partners, who meet at luncheon once a week for a business conference. It sometimes happens that a big law shop will bill certain services at less than the production costs. For example, a wealthy client, who turns in a large volume of business in the course of a year, may want some minor personal matter adjusted. His regular lawyers cannot tell him that their time and overhead do not permit such activities, so they do the work and send him a nominal bill.

Just what service is worth to a client is a point on which every big law shop has its private rules. It could not do like a certain attorney, who, after having collected a claim for a client, slapped him on the back and said, "My good man, do you realize what I have done for you? It was a wonderful victory! And now I am going to do the right thing by you. I won't charge you a cent more than the amount we have collected. Not a cent, my dear fellow, not a cent! I couldn't think of accepting more!" Although this is not generally known, a lawyer may be sued for malpractice, just as physicians occasionally are. When something has gone wrong the big shop usually not only charges no fee, but holds itself liable for any damage its client may have sustained, and sends its check to make good.

Before up-to-date bookkeeping methods were introduced, even the ablest lawyers had little realization of the work they did and how long it took them to do it. An eminent Jewish advisor of corporations, consulting with representatives of other firms associated with him as to what their bills for their several services should be, shrugged his shoulders when one of the conferees named his probable fee. "Paul, Paul," was his now classic remark, "almost thou persuadest me to be a Christian!" And yet, brilliant as that lawyer was, he

never had a proper grasp of his own value, nor did he take into the account his expenses and the firm overhead. He seldom charged enough.

Although a case may be in charge of one partner and his assistants, it often requires the attention of several other divisions of the big shop before it reaches the assembly floor, inspected and tested and ready for delivery as a finished product. "Our Mr. Doer" gives an hour, or perhaps a day to organize it; an abstruse question of law comes up on which Mr. Learned has to pass, and something in the way of negotiation by the affable Mr. Mixer may be required. All that means time and money. To put such things down on even the best devised time sheets is really impossible, for two or three partners, putting their heads together in the corridor, may have added an immense value to the firm's services.

There is often a prodigious amount of work done, in order to cover all points and meet every emergency, that is not used at all. For example, a lawyer from one of the big firms appeared in court recently to defend a company against which many suits had been brought following a fire in its premises. The principal witness, a young girl, told a story intended to fix carelessness upon the concern.

"Won't you please tell us that again?" asked the lawyer. "I'm not quite sure that I got all the points."

The witness complied. But instead of cross-examining her, the counsel for the defense simply got her to relate her story for a third time.

"That will be all; thank you very much indeed. And now, Your Honor," he said, addressing Court, "I move that this case be dismissed on the ground that this witness was coached to tell this remarkable yarn. As you and the jury have observed, it was exactly repeated all three times, and in fact began with the same word and ended with the same word."

He won the case, but all the same he had prepared an enormous amount of testimony,

and his assistants were at hand with a great mass of legal ammunition—all of which, of course, had to be paid for, although not required.

In rendering its bills, the big law firm must look well to all kinds of leaks. This especially applies to the expenses it pays out in the preparation of a case. It has to meet, for example, very considerable telephone charges; they often include long-distance conversations with places hundreds of miles away. The expenses of those who look up witnesses and conduct investigations; the incidentals of bright young assistants into whose hands bunches of money and a railroad ticket are placed as they are sent across the continent—all these things must be remembered. It is against the traditions of the law for attorneys to advance any considerable sums for clients, for such a procedure might be considered as tending to incite or encourage litigation. But since the bulk of the business of the big shops is not litigation, considerable sums are often advanced. To cover these sums bills are sent out at the first of every month, irrespective of whether the matters in hand are finished or not. But it is not until a case has been completed that the charge for the professional services is made. The principal regular clients, however, receive statements twice a year—usually on the first days of January and July, or as near those dates as the cashier can send them.

III

How much do the owners of the big shops receive for their own services? It is hard to differentiate between their personal earnings and those of their firms, because, as we have seen, every large fee includes the labor of many others besides that of the man in charge. When seemingly fabulous fees are paid, it should be remembered that they probably represent several years of activity by the head of the firm and many assistants. A charge of \$100,000 for reconstructing an ailing corporation is not un-

usual. For putting a well-known Western cereal concern on its feet, a distinguished corporation lawyer got \$260,000 for two years' work, and he was practically the manager of the plant. Such was likewise the case in a celebrated copper merger, in which a \$775,000 fee was given for activities running through six or seven years.

One of the most profitable branches of large-scale jurisprudence is the settlement of estates. The fees of the lawyers who closed up the \$100,000,000 estate of a Chicago millionaire department-store owner ran to \$1,041,000. Lately there was an acrimonious dispute among the heirs of a Wall Street capitalist long since dead over a certain \$80,000,000 trust fund, and the proceedings before a referee are costing \$10,000 a day in fees to the attorneys that gather about the long table. All of them have a high standing in the profession and are getting a *per diem* rate. The referee himself gets \$500 for his eight hours' work, a little more than a dollar a minute. A widely known New York lawyer, who practices mostly in the criminal courts, receives \$2,000 for his work from sun to sun.

"That's my lowest price," says he. "Why, I couldn't afford to work for less than \$2,000 a day for anybody. Suppose I get to court, and find an adjournment? There is a whole day gone. If the public is willing to pay \$2,000 or \$3,000 a night to a man just to hear him sing, should lawyers not have \$2,000 a day for helping people out of a hole, and maybe from getting into an electric chair? Besides, look at the years I worked hard, and yet would have considered myself lucky to be getting 2,000 cents a day!"

Once a group of coal-mining and carrying railroads got into a jam with the government, which prosecuted them for restraining trade. They went with their troubles to a brilliant corporation counselor, head of a big shop. The delicate matter of "How much?" was broached.

"Well," he told them, "suppose we make it on the basis of your output. Prorate it among yourselves at so many cents

a ton on the coal you produce in the average year. That will be quite all right."

He adjusted their difficulties and got a fee running into the hundreds of thousands for his firm and himself.

There was once a notable controversy over the \$750,000 fee charged jointly by two of the largest law firms in this country for the re-organization of an important railroad. It seemed, at the time, like tapping a gold mine, but when the items are analyzed one sees at once that it was not nearly so large as it sounded. For eight years the two legal plants worked on the job, using from 250 to 300 persons in all—and never a cent was paid in that time—not even for disbursements. In general charge of the mighty task was one of the ablest railroad lawyers in the United States, and back of him was an array of counsel of all sorts and conditions. Young and hustling members of the staffs of the two big shops were sent to every State in the Union to get depositions, adjust claims and conciliate warring elements. Thousands and thousands of pages of typewriting accumulated; cords of records filled the bins of the two big mills of the law. The indexing of the material collected alone made the two cashiers howl. The services of the principal expert in charge were put in at \$500 a day, an amount which many eminent counsel, summoned before the Interstate Commerce Commission when the bill was challenged, said was very moderate. The majority of the stockholders and the officials of the company seemed entirely satisfied with the charge. The entire bill of the re-organization committee, including the lawyers' fees, was a trifle over two millions of dollars, but inasmuch as the railroad had been lifted out of the total-loss class and converted into a profitable property, and the handling of \$365,000,000 worth of securities was involved, perhaps the lawyers' honorarium was not nearly so big as it seemed.

The Blackstones of the big shops do not care so very much for large fees like that, they say. Such fees usually represent the

work of years, and the multitudinous details of the cases they cover swarm all over the office and absorb cons of time. A nice, quick re-organization, or the rapid stroke that goes with the flotation of a bond issue, is much to the liking of the profession. Such bond jobs bring fees both from the corporation and the bankers who are parties to the project, and the pay is prompt, sure and moderately monumental.

Just how much the individual members of a large law firm get for themselves is usually a deep secret. What a lawyer may return as income tax is not a safe guide, for he may have large revenues from investments. The head of one widely-known law organization paid \$767,924 to Uncle Sam two years ago. Another guide and friend of Big Business, a brother of a former President of the United States, paid \$87,524. A whilom Governor of New York, now busy at the law and the flag officer of a brand new firm, turned in \$22,000. The second in command in another large law house contributed \$87,000; a tried counselor of the very rich paid \$61,000; and another lawyer, now dead, yielded in the last year of his life more than \$141,000. The attorney paying \$750,000 in income tax must have made about \$1,750,000 during the preceding twelve months. There are many lawyers in New York whose shares from the profits of their firms enable them to spend from \$200,000 to \$300,000 a year.

IV

But what of the lesser Blackstones of the big shop? How do the young lawyers make out? What becomes of them? Many and many is the youthful barrister I have known and still do know. I have seen hundreds come out of the law-schools and plunge into the hoppers of the mills of *Lex*. There is Van Bibber, once a reporter, then a clerk in the District Attorney's office, then a junior in a big firm, and now second on the flag of one of the largest firms in Wall Street. The other day he showed me, in a little frame near his desk, a cancelled

check for a million dollars, one of those souvenirs which lawyers like to keep of cases won against heavy odds.

Then there is Caleb Young himself, of the eminent firm of Pryde, Doer, Learned, Young, Mixer and Robotson, a real person here disguised. Out of Harvard a few years ago, debating with himself whether or not he should hang out his shingle and display his sheepskin in his own home town, he decided to try his luck in New York. Without friends and without brief or scrip or purse, he got a start in a big firm—and that was all he needed.

Who of us does not remember Day No. 1 on his first job? That day had a brilliant red letter on the calendar of Caleb Young. He had expected to breathe an atmosphere of Senatorial calm and fruitful contemplation. Even as you and I might have done, he gleaned his ideas of what a law-office should be from the pages of Thackeray and Dickens. He envisioned musty nooks and parchment books. But instead of being slipped into a restful niche, he was hurled bodily into the hurly-burly. His sextuple employer had twenty rooms at the top of a skyscraper, scattered over several floors. Caleb saw doors and doors, and long corridors, veritable Brain Alleys through which

men hurried all day long, saying they would be back, or would not be, or they didn't know whether they would or not.

Caleb was sent to the Litigation Department, the least important, but it must be maintained, as some clients still like to sue and be sued. For weeks thereafter, he made the rounds of the courts, saying to black-robed and miserable judges that Mr. Pryde or Mr. Doer was out of town and requesting that the case be postponed. Then he was sent to the Corporation Department, where he read copies of copper-plate bonds, oblivious to the fact that twenty times before he had ever seen them they had passed the cynosure of twenty other pairs of searching eyes.

Thus it was that he was case-hardened. He grew deaf to the drone of dictation, to the tattle of telautographs, to the eternal cheep-cheeping of typing, the shuffling of the files, and the ceaseless click of conversational cams. He became a unit in a bright company of affidavit drafters, charter creators, tort twisters, brief builders and petition polishers, a desk-holder in the tabernacles of the statutes, a junior partner in the mighty firm of Pryde, Doer, Learned, Young, Mixer and Robotson.

DANCE OF MASKS

BY RUTH LECHLITNER

WHAT is your mask, O dancer?
Bark-cloth and mud,
Or blackened buffalo-skin,
Grave-skull and bone,
Or fluted plumes of gold,
Or dragon's head, or turquoise silver-bound,—
It is all one:
Put on your mask, and dance!
Swing out mad arms,
Shake hard your evil head;
Shout at the stars,
Defy the demon's grip;
Make pale death fear you,
Dance the sick child well.
Hide in your mask, O savage, hide and dance!
Your soul is hunger,
And your feet are dust.

Justice shall render justice, eye for eye:
Tigers shall drive out devils,
Red leather bring down rain.
The sterile shall bear, touched with the phallic staff,
And the totem rise a god.

Go then, weak soul,
Naked and fearful thing,—
Go make yourself a mask of bulbous leather,
Make it of gnarled and thick gorilla skin;
A tuft of hair, a third wild eye for wisdom;
Let it have teeth:
Fangs over ragged lips, and on the chin
Three monstrous, horny ulcers. . .

Dance out your bluff:
What spirit now can find you?
Where is your fear of men?
Take this man's meat,
Take that man's wife, and let your painted mouth
Smile over sin.
License and life are one—