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GIVING IT ALL AWAY:

WILLIAM W. COOK AND THE UNIVERSITY OF MICHIGAN LAW SCHOOL
By

Margaret A. Leary
Director and Librarian
University of Michigan Law School
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Mark: thank you for that kind introduction.

I also want to thank John Keusch, Law Class of 1933, for generously providing me with insights into what the Law School was like the last year before moving to the Quad, and for important insights into Dean Henry Bates' warm and positive side. I'll be portraying him in a different light.

And I want to thank Ann Cook, [William Cook's grand niece] who has hosted me many times and answered my endless questions about the Cook family. She served me wine in glasses that belonged to Cook; my lips touched the glass that his had touched.

Which leads to me something Mark's introduction left out about me.

I confess to being obsessed about our long-deceased benefactor, William Cook. I dream about him: his clear blue eyes slightly red from the cigar smoke that scents his stiff mustache. I catch a whiff of the horse and human sweat that hangs in the air around him after he dismounts from one of the horses he keeps in Central Park. He's about my height, slender and dressed smartly in a dotted silk cravat and a bowler hat. I know about his impatience with narrow thinking, his slowness to praise, his workaholic tendencies, and his withholding of affection from all but a few.

My obsession is rooted in a desire to know the man who gave us the Law Quad we love, and a \$40 million endowment. Today, all of Cook's gifts would be worth nearly \$300 million dollars, arguably the most any single individual has given the U of M. For half of the Law School's 150 years, we've had this magnificent Law Quad, dedicated 75 years ago in June 1934.

Today, I want to give you the highlights of Cook's life and the Law Quad.

- What kind of person Cook was
- Why he became a lawyer
- His role in developing global communications.
- His battles with Law School Dean Henry Bates, dean from 1910-1939.
- How he acquired his fortune, and why he gave it all to Michigan Law.

I want to start with Cook's death and a lawsuit that threatened to take half of Cook's estate. Could the Quad have been twice as big?

Let's go back to June 3, 1930, a day so hot that people were collapsing on the streets of New York City and dying from the heat. In a worn down house on 97 gorgeously landscaped acres in Port Chester, New York, William W. Cook lay on a metal bed that had been placed on a worn rug in his living room. He was struggling to breathe, his lungs weak from a decade of tuberculosis. Cook was deeply depressed.

Cook's only solace then was knowing that his fortune, then about 12 million dollars, acquired through hard work as a lawyer, writer, and shrewd investor, would be spent on what he most valued: the preservation of American institutions, specifically the legal system and democracy, by improving the education of lawyers. Cook was certain that his will ensured that everything would go to the Michigan Law School.

The next day, June 4, 1930, as a broiling sun brought New York to its knees on the hottest day of the year, Cook breathed his last.

The next week the *New York Times* reported on Cook's will, quoting university officials who said the gift would make the law school "the wealthiest the world has ever known."

I can well imagine the reaction to Cook's death in Ann Arbor that June: genuine grief at Cook's death, but also a huge feeling of relief. For years before his death university administrators had worried that Cook might not, as everyone hoped, give everything to Michigan. They feared that his sour relationship with Dean Bates would drive Cook away and ruin everything for Michigan. Cook's death, and the news of his will, had alleviated these concerns.

I can also imagine the scene in Ann Arbor 8 months later, early 1931, when Dean Henry Bates learned about the latest development in the much-anticipated Cook legacy: A woman who claimed to be Cook's wife was threatening to sue for half his estate. "Cook's wife?" Bates would have raged, pulling off his rimless glasses and pushing his wavy brown hair back from his face. "That man lived in abject solitude," Bates would have said with utter exasperation. "He was prickly, prejudiced, peculiar and stubborn. It's hard to imagine he had friends, let alone a wife! Where did SHE come from??? This must be a fraud."

Well, it wasn't a fraud. Ida Olmstead had married William Cook in 1889 in a Unitarian Church in Manhattan. They had divorced nine years later, in 1898. Now, thirty three years after their divorce, Ida was claiming that the North Dakota divorce was invalid, and that New York law entitled her to half his estate. Was Michigan going to lose half of what Cook had willed to the Law School? What would happen to the buildings then under construction—the John P. Cook dorm, Legal Research, and Hutchins Hall?

Before I disclose the outcome of the will contest, I want to give you some context.

William Cook was born in Hillsdale, Michigan, in 1858. His father, John P. Cook, was a founder of the town of Hillsdale and a successful businessman and banker, active in Michigan politics as a participant in the 1850 Constitutional Convention. From his father, Cook inherited his interests in corporations, business, and law. Cook attended the University of Michigan, earning a bachelors degree in 1880 and a law degree in 1882.

Cook immediately moved to New York City, where he clerked for two years with Frederic Coudert—founder of the great international law firm Coudert Brothers—and then entered into practice with two other lawyers with whom he worked for ten years.

In 1895, Cook took a big career step: he left his practice to become General Counsel to John Mackay's companies, the most important of which were the Postal Telegraph and the Commercial Cable. Each of these companies soon had its own tall building in Manhattan.

To understand the next 25 years of Cook's life and his fortune, we must know about John W. Mackay. Born in Ireland 1831, he went to California and then Nevada in the 1850's, accumulating a huge fortune as one of the Silver Kings. He "retired" to New York City in 1882—the same year Cook arrived--and went right back into business.

Mackay, whose wife lived in Europe, was greatly offended by the low quality and high cost of communication overseas. He knew that this was due to the telegraph and cable monopoly held by Jay Gould's Western Union. By 1886, Mackay had broken Western Union's monopoly.

Over the next 30 years, the Mackay Companies were the only real competition to Western Union. William Cook was crucial to the Mackay Companies' continuing success in challenging the Western Union monopoly, and maintaining competition that ensured lower rates and better service. On July 4, 1903, President Teddy Roosevelt and Mackay came together at TR's Oyster Bay retreat on Long Island, where they exchanged eastbound and westbound telegrams that circled the globe in 9 and 12 minutes, respectively. This, in a nutshell, is how Cook helped to create the first global communication network.

As important as Cook became as a corporate lawyer, he was even more influential as a scholar and leading writer on corporation law. His book "*Cook on Corporations*" was the major treatise on this core topic from the time of the first edition in 1887 (when Cook was only five years out of law school) to the last, 8th edition, in 1923. Cook moved the focus of corporation law from the rights of corporations to the rights of stockholders, thus setting the pattern of modern corporate law. Cook's writings on corporation law are probably the most authoritative source of information on its development from 1887 to 1927. My research shows that Cook's books were by far the ones most often cited by both courts and journals, and that he wrote much more about stockholders than did his competitors.

Another of his first books, *Trusts*, in 1887, (yes, he wrote two books the fifth year after his graduation from Michigan law) provided the Ohio Attorney General with crucial

information that led to the first suits against the Standard Oil Trust. Cook wrote fourteen books, many articles, and some legislation.

If we are going to understand Cook's legacy to the Law School, we need to know that he filled his personal life with fine architecture and landscaping, as he later did for Michigan. York and Sawyer, the architects of the Martha Cook Building and then the Law Quadrangle, designed his Manhattan townhouse, built in 1913 on East 71st Street, almost next to the Frick museum. Samuel Parsons, who designed the original garden east of the Martha Cook building, helped Cook create an arboretum at the Port Chester estate. Cook spent \$50,000 a year for at least 20 years on landscaping at Port Chester.

But again I've strayed from my story about the will contest.

Who was Ida Olmstead Cook?

Ida was the daughter of Dwight Olmstead, a lawyer in New York City who bought and sold land as the Manhattan population moved north, and who singlehandedly reformed New York city's land registration system. Ida was also the niece of Theodore Dwight, a stellar figure in late 19th Century legal education and founding Dean of both Columbia Law and the New York Law School. Ida was beautiful, a petite woman, with a tiny waist and delicate features, blue eyes, and curly light brown hair heaped on her head, curls escaping to frame her face.

Will and Ida married in 1889. Cook was a workaholic who couldn't spare much time for Ida. In 1894 they separated, and in 1898, Ida went to Wahpeton N.D. and filed for divorce. Why North Dakota? For a brief time in the late 1890's, it was the divorce capital of the U.S. A New York paper ran a large cartoon in 1898 titled "Divorced in a North Dakota minute." While New York's laws discouraged divorce, North Dakota laws offered everything needed for a quickie divorce. Ida claimed Cook had deserted her in February 1894. Cook said no, she had deserted him a month earlier. He cross-claimed, and the Court quickly granted a divorce to Mr. Cook. There was no alimony, no property, no children. Cook's behavior was not "gentlemanly" by the standards of the day, which called for the husband to take the blame for a failed marriage. Ida claimed in 1931 that the N.D. court had not had jurisdiction over her 33 years before. Without jurisdiction over her, Ida argued, the divorce was invalid, making her a widow rather than a divorcee. A New York statute then required that she get half of Cook's estate.

Michigan took Ida's claim seriously, hiring Davis Polk and Wardwell to defend its position.

Ida's lawsuit had caught the University at a difficult time. First, Cook's estate was primarily stocks and bonds. No one yet knew where the Depression was going to lead, but the University was scared. Second, the Legal Research Building, John Cook dorm, and Hutchins Hall were all under construction.

Before we learn the outcome of the suit, I'd like to return to the 1920's and describe more clearly the University's situation. The fear that Cook might not give everything to Michigan was rational, based in Cook's soured relationship with Dean Bates. After Cook died Bates would claim credit for the Cook gift. But I am certain that

Harry Hutchins is the true hero of the story, for his role with Cook when Hutchins was Dean of the Law School, then President of the University, and President-emeritus.

Now I'm going to tell you about the battles that occurred between Dean Bates and William Cook.

Bates and Cook held each other in mutual high regard for their professional accomplishments. Each expressed that to others. Each also expressed negative opinions about the other. Bates felt that Cook was "peculiar", even "savage." Cook said that Bates had "certain personal peculiarities which precluded him" from being a good administrator. Regent Walter Sawyer wrote to each man to urge patience with the "childishness" of the other.

Both men wanted the Law School to have better students, better faculty, and to produce more research to improve the law. But, unfortunately, they just couldn't get along. Today, we would label their problems a Control Issue. To see how it plays out, consider the timeline.

During the seven years from 1924 until 1931, law students occupied gracious new dorm rooms, while the rest of the school made do with classrooms, faculty offices, and a library in the old 1863 Law School building near the corner of South U and State Street. In fact, from 1922 when Cook committed to build the Lawyers Club, until early 1929, the University was never certain that Cook would give anything more than the Lawyers Club. During that period, Bates was becoming more and more anxious. As his anxiety built, his behavior worsened. For example, he maneuvered to get two offers from Harvard Law's Dean Roscoe Pound, trying to use those job offers to get the Regents to push Cook. They refused.

What did Cook and Bates disagree about? Perhaps almost everything. Or perhaps they only disagreed about one thing: who was in control. Here are examples:

The first issue they disagreed about was the role of dorms.

Cook's plan emphasized that dorms must come first. Cook believed the dorms would turn a handsome profit, which would support the research Cook wanted the school to carry out.

Bates didn't give a hoot about dorms. He wanted what he called a Law Building, containing faculty offices, classrooms, and a library. And he wanted the Law Building now.

When, after its first year of existence, the Lawyers Club dorm didn't show a profit, Cook blamed Bates.

The second area of disagreement between Bates and Cook was the size of the school. Cook thought the school should only have about 500 students and be very selective. Bates wanted it to have 2,000 and be very influential.

Their third area of disagreement was the quality and, hence , the cost of the buildings. Cook wanted buildings of the highest quality, that would shine as architectural statements. He wanted inspirational buildings, representative of the common law in their English style. Cook selected and controlled the architects and paid for everything himself, a process very different from what we do now.

Bates wanted the faculty and the students to have classrooms, offices and a library. Bates wanted the Lawyers Club done quickly and cheaply, and to that end he urged Cook to use brick, not stone, so that the dorm would cost less and the Law Building could be built sooner. But Cook was determined to have elegant, high quality buildings and brick would just not do.

The fourth problem between Bates and Cook was that Bates did not understand how to influence Cook. He wrote lengthy 12 page letters to Cook arguing on behalf of the Law Building while deliberately ignoring Harry Hutchins' advice that "Cook's idea of sound exposition in letters is 2/3 of a page." For example, when Cook asked Bates why the Lawyers Club made no profit, Bates wrote what Cook called "fourteen pages of explanation that did not explain."

The fifth and final problem was that Cook relied heavily on Michigan Law grad John Creighton, who he named as trustee of the estate. Bates disliked and distrusted Creighton, calling him a "toad" who is "smoother than all of us" and "not in this for his health."

So, when the Lawyers Club was done in 1924, Cook refused to divulge if he was going to be paying for anything else, or when. This drove Bates nuts. Cook often quoted Emerson: "A man of the world performs much and promiseth not at all." And Cook wrote to then-President Burton, "in regard to the Dean's reference to a Law School building...I was not aware that anyone had promised to erect such a building." Cook so disliked Bates that in May 1925 Cook refused to communicate with Bates.

So the years 1925, 1926, 1927, and most of 1928 passed slowly and painfully by. In 1927 Bates solicited yet another offer from Harvard. The relatively new UM President Clarence Cook Little took the bait, becoming terribly worried that Bates might leave. But the Regents remained unperturbed. They were used to Bates and his threats to leave the University. The Regents told Little: "This is just the first time he's threatened to leave during YOUR presidency. Bates isn't serious."

Bates decided he could take advantage of President Little, who shared Bates' trait of impatience and his tendency to take ill-conceived actions. In late 1928, Bates persuaded Little that between the Michigan legislature and Bates' private fund-raising skills (there was no evidence to support either assumption), money could be raised for the buildings the Law School needed. Bates persuaded Little to recommend that the Regents pursue the money elsewhere and inform Cook they were doing so; and that the Regents tell Cook that if he wanted to give, that would be nice but they weren't going to wait any longer for Cook's money.

Little did as Bates suggested. Little went too far. For the Regents this was just the latest on a long list of examples of Little's poor judgment. They held a secret (pre FOIA) meeting in December 1928. Afterward, they told Little his idea was terrible and they had lost all trust in him. Little's subsequent letter of resignation cites as his first reason for leaving, his inability to maintain good relations with important donors.

Then—was it a miracle? —Hutchins appeared at the January 1929 Regents meeting with a letter from Cook affirming his commitment to build the Legal Research Building. Later that year, Cook also committed to build the John Cook Dorm and Hutchins Hall. Cook selected the names for both. Then, in June 1930, Cook died.

Now we see the 1931 lawsuit in context, and better understand the anxiety in Ann Arbor. Three buildings were under construction and the value of the estate was dropping. On the bright side, Ida at 72 wasn't getting any younger and she needed money. Those who litigate can predict what happened: a settlement. Ida received \$160,000, and the University finished the buildings in the order Cook had determined: first the dorms, then a library, and, finally, the building Bates wanted most, Hutchins Hall. Cook's dream did come true.

And what became of Ida? Amazingly, she moved to Ann Arbor in the late 1930's and died in St. Joe's hospital in 1942. She lived near the completed quad where she could pass by it daily. The great irony in all this is that Cook never saw the buildings on the University of Michigan campus that he had poured his heart, soul, and fortune into. Two were even named for his parents: the Martha Cook Building, and the John Cook Dorm. Yet Cook never saw any of it. Although he regularly visited Hillsdale, Cook never once returned to Ann Arbor after he graduated from the Law School in 1882.

Cook insisted on the highest quality design and materials for his Law Quadrangle, and he controlled every detail of the construction. For example, he wrote or selected each of the inscriptions over the arches, in the dining room, and on Legal Research. He made many other critical decisions himself: he chose the type of stone, the elevation of Legal Research, and the size of its windows and towers. To use his word, he "flogged" York and Sawyer to do their best work.

Cook had great ambitions for these buildings—which he referred to as York and Sawyer's masterpiece--and for the Law School. And yet Cook was modest about himself, never coming here to be thanked, turning down an honorary degree, refusing to have buildings named after him, and keeping his name from the public for years.

Cook was not nearly so rich as the Mackays who employed him; not nearly so rich as the men who gave money to Duke, the University of Chicago, Carnegie-Mellon, or other private universities. But he single-handedly lifted Michigan Law from its place as a great state-funded school to a new level as a world-class law school with an international influence and a substantial endowment. Many others, of course--Harry Hutchins, Henry Bates, and their successors as dean, as well as dozens of outstanding faculty and thousands of graduates like all of you-- deserve credit for what this Law School is today. But Cook truly laid the foundation: a foundation of architecturally splendid buildings, and a foundation of a rich research endowment.

Cook gave everything to Michigan for two reasons: First, he wanted to secure what he called American institutions, the major elements of our democracy, by improving legal education, and, thus, improving lawyers, because, to quote him, “the future of America depends largely on that profession.” Second, he wanted to establish the importance of private giving, and encourage it by setting an example.

Cook’s gift was essential in helping us reach this day when we are celebrating 150 Years of Global Leadership in Law!

I hope you’ve enjoyed sharing my obsession with William Cook, and now I’d like you to join me in saluting him:

Here’s to William Cook!