

DOCUMENTS NOTED

THE POSTWAR CORPORATION TAX STRUCTURE by Goode (Treas. Dept., 1947).

THE TAX TREATMENT OF FAMILY INCOME, Division of Tax Research (Treas. Dept., 1947).

FEDERAL ESTATE AND GIFT TAXES, A PROPOSAL FOR INTEGRATION AND FOR CORRELATION WITH THE INCOME TAX, Advisory Committee on Estate and Gift Taxation (Treas. Dept., 1947).

These are three of a series of reports prepared by or under the aegis of the Treasury Department to serve as guidebooks to the Eightieth Congress in its expected revision of the federal tax system. The first study sets out four possible substitutes for the current method of taxing corporate income; the second, an array of substitutes for the chaotic treatment of family income; the third, prepared jointly by the Treasury Department and a group of outside experts, proposes a single transfer tax to replace the present federal gift and estate taxes. Other studies, in progress or already published, deal with tax benefits for small businesses, business loss deductions, farm cooperatives, federal-state tax coordination, individual income tax exemptions, pensions and annuities, inter-corporate problems, earned income credit, capital gains and losses, depreciation, various excise taxes, allowances for savings, exempt corporations, averaging and income from abroad. The reports already published are of a high quality, especially notable since the dizzy stakes of tax "relief" recently have evoked so much special pleading in pietistic garb.

B. I. B.*

HISTORICAL REPORTS ON WAR ADMINISTRATION: OFFICE OF PRICE ADMINISTRATION (1947). A series: No. 1. The Beginnings of OPA. Pp. 246 \$50. No. 2. A History of Ration Banking. Pp. 150. \$.35. No. 3. Wartime Apparel Price Control. Pp. 201. \$.40. No. 4. Field Administration of Wartime Rationing. Pp. 196. \$.40. No. 5. OPA and the Public Utility Commissions. Pp. 93. \$.25. No. 6. Studies in Industrial Price Control. Pp. 181. \$.35. No. 9. Problems in Price Control: Changing Production Patterns. Pp. 441. \$.75. No. 11. Problems in Price Control: Legal Phases. Pp. 106. \$.25. No. 14. Volunteers in OPA. Pp. 166. \$.35.

These nine monographs are a substantial part of the OPA series in the Historical Reports on War Administration, an undertaking which will eventually survey the entire system of civilian war agencies.

Most of the titles sufficiently describe the contents. Number 6 is a series of case histories, all drawn from the steel industry, but reflecting a variety of pricing problems. Number 9 describes a medley of attempts to alter or preserve through price measures, production patterns in industries as diverse as apparel and feed. Number 11, of most interest to lawyers, consists of two essays. Professor Nathanson reviews the work of the Emergency Court of Appeals, and Harold Leventhal the controversial role of price lawyers. How the validity of price regulations was measured and tested is the theme common to both.

The confinement of "legal phases" to these latter essays suggests the de-

* Initials indicate authorship by members of the Law School faculty.

gree of sharp selectivity which has been imposed on the whole project by time and budgetary limitations. However, these and forthcoming volumes are valuable birds in hand; and a promised *OPA Bibliography, 1940-47*, should save much unpublished material from oblivion.

R. S. B.

HEARINGS ON PETROLEUM INVESTIGATION, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, 80th Cong., 1st Sess. (1947).

These hearings, part of the long cycle of the House Interstate Commerce Committee's Petroleum Investigation, are directed to mapping current shortages, and thus present detailed information on present reserves, production and transportation capacity, domestic and foreign demand, and the possibilities of breakdown in supply.

E. V. R.

HEARINGS ON BILLS RELATIVE TO OVERSEAS AIR TRANSPORTATION, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, 80th Cong., 1st Sess. (1947).

The record of these hearings presents perhaps the most complete and up-to-date survey of the international aviation situation which is available. Both air and surface carriers, as well as the government, have contributed to this lengthy compilation of factual economic material, dealing with the participation in world aviation. Some of the issues discussed are "chosen instrument" v. competition, the problem of competition with foreign airlines and considerations of national security in American international aviation development.

D. H.

A BILL TO ENABLE DEBTOR RAILROAD CORPORATIONS EXPEDITIOUSLY TO EFFECTUATE REORGANIZATIONS OF THEIR FINANCIAL STRUCTURES; TO ALTER OR MODIFY THEIR FINANCIAL SECURITIES; AND FOR OTHER PURPOSES, Committee on the Judiciary, U.S. House of Representatives, 80th Cong., 1st Sess. (Rept. on H.R. 3980, House Rept. No. 923, 1947).

In approving the reorganization plans of interstate railroads, the ICC has estimated the total capital structure that the reorganized carrier can support by capitalizing future earnings estimated primarily in the light of long-term past earning records. By application of the doctrine of strict priority, such plans have usually resulted in the elimination of most former equity interests in the reorganized railroad. Since swollen railroad revenues during the war years would have supported a larger capital structure and thus given former stockholders an equity in the reorganized railroad, the ICC's method of estimating earnings and the application of the strict priority rule has led to much criticism lately, particularly by stockholder groups. The report on H.R. 3980 explains the most recent proposed legislation to provide former stockholders with an equity in the reorganized railroad. The bill would permit a railroad now in reorganization or any railroad that desires to adjust its capital structure, to propose a voluntary plan of recapitalization preserving former stockholder interests. The plan becomes effective if approved by the requisite number of security holders of each class affected and by the ICC.