DOCUMENTS NOTED

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.*


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
(1947).

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

E. V. R.

HEARINGS ON BILLS RELATIVE TO OVERSEAS AIR TRANSPORTATION, Com-
mittee on Interstate and Foreign Commerce, U.S. House of Representa-

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 Pur-
POSES, Committee on the Judiciary, U.S. House of Representa-

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 prior-
ity 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 recapitaliza-
tion 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.