

Studies in Federal Taxation (Third Edition) (Book Review)

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As is unfortunately true of what is still a majority of workbooks for law students, this book leaves the impression that the traditional requirements of law publishers have detracted from the influence of an editor whose free hand would have resulted in a more significant contribution.

DAVID S. EDGAR, JR.*

STUDIES IN FEDERAL TAXATION. Third Edition. By Randolph E. Paul. Cambridge: Harvard University Press, 1940, pp. 539.

It is always refreshing to come upon a technical work which is not out of date when it reaches the reading public. This tribute can be paid to the book which is now the subject of review. The criticism hurled at so many books, that they are merely a "rehash" of what has been written by others, can never be addressed to this stimulating volume.

There are five studies undertaken and this matter is supported by Lists of Cases and Authors, together with an excellent Index. It is well known that a carefully prepared Index enhances the usefulness of any book; the present effort in this respect is commendable.

The five studies pursued concern themselves with the following subjects:

1. Reorganizations;
2. Revocable Trusts and the Income Tax;
3. Federal Income Tax Problems of Mortgages and Mortgagees;
4. Life Insurance and the Income Tax;
5. The Use and Abuse of Tax Regulations in Statutory Construction.

One glance at the subjects treated recalls, to student and practitioner alike, the fact that this collection embraces the most difficult problems encountered in tax practice. Only those with great courage, unusual ability and unlimited patience could engage the weighty problems which are everywhere resident in the five studies. The right man accepted the challenge.

Throughout the discussions the reader is impressed with the efforts of the author to point out the many weaknesses in our existing tax laws which make for tax avoidance. The author deplors the fact that such a condition should exist, and observes that the problem "for the legislator is one of drawing an intelligently discriminating line which will result in maximum relief with a minimum of tax avoidance. It is a hard line to draw, but despair and defeatism are hardly in order."

Every reader of this volume, though unacquainted with the previous works of the author, will very early realize that here is a profound work—from the hand of a master. When it is appreciated that approximately two thousand

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cases and authorities are cited, in support of the author's declarations, it is to be expected that the pages reek with learning and authority. It is true that the words and guidance of "able men, and masters of the subject" are not lightly to be scouted.

The propositions considered are so fundamental and are of such far-reaching influence that changes are all too slow. The need for change in present laws does exist, but it is almost wishful thinking to expect too much in this respect until the public has been educated to appreciate the vastness of tax avoidance and all that it means. Accordingly, since this book was written such changes as have taken place have had little effect on the basic objectives of the work.

It is to be hoped that future legislation addressed to these subjects will simplify matters and make the life of the tax practitioner more enjoyable, because he has grown old too early. Might it not be observed that "one can go too far toward delusive simplicity,—as Congress has done in connection with life insurance and the estate tax,—as well as in the direction of confusing multiplicity, which is the present trend"? If a more classic example of confusing multiplicity can be found than our present Excess Profits Tax Law this writer would like to hear about it.

So thoroughly has the author done his job that the writer bids bold to predict that this work will become one of authority. Practitioners everywhere will profit much by a careful study of this interesting and informative volume. If you have a "Five Foot Shelf" in your office, this book is commended to you by the writer.

ANDREW NELSON.*

A JUDGE COMES OF AGE. By John C. Knox. New York: Charles Scribner's Sons, 1940, pp. 353.

It is not often that a judge writes a book, especially a book like this. It is kindly and very human, often humorous. It is, moreover, thoroughly honest, frank, forthright and sincere. It is just the kind of book its author would write. It is in part biographical, but is mostly a record of a long, eminently useful and honorable career as a judge of the United States District Court for the Southern District of New York, of which court the author is now, and has been for many years, the distinguished senior judge. For twenty-one years he has served on the federal bench. For five years previous to his appointment to this court by President Wilson, the author served the public as Assistant United States Attorney for the Southern District of New York.

In this book the author traces his professional career from the time he was a young man and Justice of the Peace in a little town in Pennsylvania to and into his life on the federal bench up to the present. He presided at many famous trials, among which are the trials of Harry M. Daugherty, formerly

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