

Program
of the
Thirty-second Annual Conference
on
TAXATION

PALACE HOTEL

San Francisco, California

October 16-19, 1939

General Invitation

The sessions are entirely open to the public and a cordial invitation is extended to all interested to participate in the discussions.

While the voting upon such resolutions as may be submitted to the conference, dealing with tax questions of general public interest, is confined to official delegates duly appointed, discussion of them is unlimited.



Under the Auspices of the
National Tax Association

PROGRAM

Special Request of Program Committee

The program for this conference is indeed a full one. The reports of important committees and the discussion of vital topics make it essential that the programs begin on time and as scheduled, and that there be sympathetic and spontaneous observance of the limitations upon speakers contained in the rules of order for the conference. Formal papers are limited to twenty minutes in length, discussion is limited to seven minutes, and no person will be recognized more than once so long as others who have not spoken desire the floor. The program committee desires full, free and frank discussion of every topic and will gladly arrange for adjourned meetings whenever requested to do so.

FIRST SESSION

MONDAY, OCTOBER 16, 10:00 A. M.

PALACE HOTEL — GOLD BALL ROOM

Conference Called to Order

Organization of Conference

Announcements

W. G. QUERY, Secretary

HARLEY C. STEVENS, Chairman, San Francisco Convention Committee

State Tax Legislation—1939

RAYMOND E. MANNING, Attorney at Law, District of Columbia

Recent Court Decisions

ROGER J. TRAYNOR, Professor of Law, University of California

Recent Additions to Tax Literature

ROY G. BLAKEY, Professor of Economics, University of Minnesota

Discussion

NOTE—Mimeographed copies of *Recent Court Decisions* and *State Tax Legislation* will be available for members at the registration desk.

SECOND SESSION

LUNCHEON — MONDAY, OCTOBER 16, 12:15 P. M.

PALACE HOTEL — ROSE ROOM

Greetings of San Francisco

HONORABLE ANGELO J. ROSSI, Mayor of San Francisco

Responses

THIRD SESSION

MONDAY, OCTOBER 16, 2:00 P. M.

PALACE HOTEL — GOLD BALL ROOM

Federal Tax Problems

Presiding Officer

RAYMOND D. THOMAS, Oklahoma A. & M. College

Federal Tax Problems

ARTHUR H. KENT, Former Assistant General Counsel of the Treasury

The Economics of the Capital Gains Tax

ELMER D. FAGAN, Department of Economics, Stanford University

Existing and Proposed Provisions of Law Regarding Capital Gains and Losses

ROBERT N. MILLER, Washington, D. C.

Discussion of the 1938 Report of the Committee of the National Tax Association on Capital Gains

Led by: ROY C. OSGOOD, First Union Trust and Savings Bank, Chicago

Third session will adjourn at 4:00 P. M. Delegates should leave Palace Hotel for Ferry Building (foot of Market Street) promptly in order to take 4:45 Key System boat for Treasure Island, where they will be met by special elephant trains for trip through exposition grounds, ending at California Building where fourth session will convene. It is imperative to reach Ferry Building in time for this connection.

FOURTH SESSION

MONDAY, OCTOBER 16, 6:30 P. M.

DINNER — CALIFORNIA BALL ROOM, TREASURE ISLAND

Presiding Officer

R. E. COLLINS, Chairman, California State Board of Equalization

California's Fiscal Problems

HONORABLE CULBERT L. OLSON, Governor of California

Presidential Address—The Cost of Government

A. H. STONE, President, National Tax Association

Tuesday, October 17, 9:00 A. M.

Leave Palace Hotel by Special Bus for the University of California

FIFTH SESSION

TUESDAY, OCTOBER 17, 10:00 A. M.

GREEK THEATRE, UNIVERSITY OF CALIFORNIA, BERKELEY

Intergovernmental Fiscal Relationships

Presiding Officer

CARL C. PLEHN, Flood Professor of Finance, Emeritus, University of California

State Financial Assistance to Local Governments

MALCOLM M. DAVISSON, University of California

Problems in Intergovernmental Tax Immunity

OGDEN J. ROSS, Commissioner, Department of Taxation and Finance, State of New York

Discussion

JOHN M. PIERCE, Tax Counsel, California Taxpayers Association

FLETCHER H. SWIFT, Professor of Education, University of California

HENRY EPSTEIN, Solicitor General, State of New York
ALBERT LEPAWSKY, Director, Federation of Tax Administrators, Chicago

General Discussion

Tuesday, October 17, 12:15 P. M.
Luncheon — International House, Berkeley

SIXTH SESSION

TUESDAY, OCTOBER 17, 2:00 P. M.

GREEK THEATRE, UNIVERSITY OF CALIFORNIA, BERKELEY

Presiding Officer

ROY BLOUGH, Director of Tax Research, U. S. Treasury Department

Report of the Committee of the National Tax Association on the Allocation of Income

LEO MATTERS DORF, New York City, Chairman

Discussion

FRANK M. KEESLING, Attorney-at-Law, Los Angeles
C. L. TURNER, Certified Public Accountant, Philadelphia
CHARLES W. GERSTENBERG, Prentice-Hall, Inc., New York
JOHN B. CANNING, Department of Economics, Stanford University

General Discussion

Use Tax Symposium

Leader:

S. L. NUDELMAN, Director of Finance, State of Illinois

Participants

MABEL L. WALKER, Executive Secretary, Tax Policy League, New York
ALFRED G. BUEHLER, University of Pennsylvania, Philadelphia
FRANCIS N. MARSHALL, Attorney at Law, San Francisco
HARRY H. McELROY, Attorney, Southern Pacific Company, San Francisco
L. D. MELTON, Director, Research Division, Oklahoma Tax Commission
T. M. JENNER, Tax Commissioner, State of Washington
T. H. MUGFORD, Chief, Sales Tax Division, California State Board of Equalization
J. W. HUSTON, Director, Rulings and Research Division, Department of Finance, Illinois
WALTER F. REDDY, Director, State Board of Tax Administration, Lansing

General Discussion

SEVENTH SESSION

TUESDAY, OCTOBER 17, 8:00 P. M.
PALACE HOTEL

Round Table Conferences

Three simultaneous round tables have been scheduled for this evening in the hope that the diversified interests of the members may find outlet in participating in one or more of

the discussions. To assure the success of these round tables a number of participants have been invited to start the discussion. After they finish every one is invited to take part in the discussion.

Round Table I — Gold Ball Room

Accounting Records as Related to Income Tax Returns

(The discussion will consider the necessity or desirability for adjusting past accounts or current and future accounting procedure to facilitate the preparation of amended and current and future returns in view of changes in the tax laws, rulings and decisions.)

Presiding Officer

HENRY B. FERNALD, Certified Public Accountant, New York; Former President, New Jersey Society of Certified Public Accountants

Recording Secretary

HARRY L. WHITE

Participants

ARTHUR ANDERSEN, Certified Public Accountant, Chicago
JOEL M. BOWLEY, Certified Public Accountant, Chicago
ROBERT BUCHANAN, Certified Public Accountant, San Francisco
MYRTLE CERF, Certified Public Accountant, San Francisco
JAMES E. HAMMOND, Certified Public Accountant, San Francisco; Former President of the California Society of Certified Public Accountants
ANSON HERRICK, Certified Public Accountant, San Francisco
A. R. KAISER, Sears, Roebuck & Company, Chicago
PHILIP K. SEIDMAN, Certified Public Accountant, Memphis

Round Table II — Comstock Room

The Taxation of Oil Leases and Royalty Interests

Presiding Officer

HARLEY C. STEVENS, Manager, Tax Department, Standard Oil Company of California, San Francisco

Recording Secretary

MILTON HYMAN, Los Angeles

Participants

J. W. HARTMAN, Assistant Assessor, County of Los Angeles
LLOYD L. AUBERT, General Manager, Bankline Oil Company, Los Angeles
LOUIS H. EVANS, Senior Petroleum Appraisal Engineer, California State Board of Equalization
GEORGE BOUCHARD, Attorney at Law, Los Angeles
H. G. CHASE, Pure Oil Co., Chicago
ROBERT M. SEARLS, Attorney-at-Law, San Francisco

Round Table III — California Room

Problems in State Supervision of Local Property Tax Assessments

Presiding Officer

DIXWELL L. PIERCE, Secretary, California State Board of Equalization, Sacramento

Recording Secretary

MILDRED MARRIAGE, Sacramento

Participants

JOHN R. QUINN, Assessor, County of Los Angeles
R. E. HAMMOND, Member, Utah State Tax Commission
JOHN H. KEITH, Chief, Division of Assessment Standards,
California State Board of Equalization
RUSSELL WOLDEN, Assessor, City and County of San
Francisco
M. M. STOCKWELL, Associate Professor of Economics,
University of California, Los Angeles
E. W. CUNNINGHAM, Assistant Counsel, Southern Cali-
fornia Edison Company, Ltd., Los Angeles
ROBERT C. BROWN, School of Law, University of Indiana
GEORGE G. TUNELL, Commissioner of Taxes, The Atchison,
Topeka and Santa Fe Railway System

Wednesday, October 18, 9:00 A. M.

Trip by Special Bus to Stanford University

EIGHTH SESSION

WEDNESDAY, OCTOBER 18, 10:00 A. M.

MEMORIAL THEATRE AUDITORIUM, STANFORD UNIVERSITY

Presiding Officer

SIMEON E. LELAND, Chairman, Illinois Tax Commission

Address of Welcome

RAY LYMAN WILBUR, President, Stanford University

National Tax Association Town Meeting—Taxes and Interstate Trade Barriers

(The presiding officer will act as moderator)

Participants

HERBERT L. MOUNT, Former Member, Wisconsin Tax Com-
mission, Madison
MABEL L. WALKER, Executive Secretary, Tax Policy
League, New York
ALBERT LEPAWSKY, Director, Federation of Tax Admin-
istrators, Chicago
HENRY F. LONG, Commissioner of Corporations and
Taxation, Commonwealth of Massachusetts, Boston
THOMAS C. LAVERY, Professor of Law, University of
Cincinnati
ERIC ENGLUND, Acting Chief, Bureau of Agricultural
Economics, Washington, D. C.
M. C. CONNORS, Chief, Motor Vehicle License and Mileage
Tax Divisions, Oklahoma Tax Commission
VICTOR JONES, Bureau of Public Administration, University
of California
ROBERT C. BROWN, School of Law, University of Indiana
T. M. JENNER, Tax Commissioner, State of Washington
A. H. MARTIN, Jr., Director, Marketing Laws Survey,
Washington, D. C.

General Discussion

Wednesday, October 18, 12:15 P. M.

Luncheon—Woodside

NINTH SESSION

WEDNESDAY, OCTOBER 18, 2:00 P. M.

MEMORIAL THEATRE AUDITORIUM, STANFORD UNIVERSITY

Death and Inheritance Taxes

Presiding Officer

FRANKLIN S. EDMONDS, Attorney at Law, Philadelphia

Report of the Committee of the National Tax Association on Double Domicile in Inheritance Taxation

FARWELL KNAPP, Attorney at Law, Connecticut, Chairman

The Division of Death Taxes Among Beneficiaries

THOMAS WITTER CHRYSTIE, Attorney at Law, New York

Integration of Gift and Estate Taxes

GEORGE T. ALTMAN, Attorney at Law and Certified Public
Accountant, Los Angeles

Discussion led by

JAMES W. HICKEY, Chief Inheritance Tax Attorney, State
of California

TENTH SESSION

WEDNESDAY, OCTOBER 18, 8:00 P. M.

PALACE HOTEL—CALIFORNIA ROOM

Round Table IV

Citizens' Organizations and the Problems of Government

Presiding Officer

CARL P. HERBERT, Director, St. Paul Bureau of Municipal
Research

Recording Secretary

H. J. MILLER

Participants

The Philosophy Underlying Organizations for Citizen Control of Government

NORMAN MACDONALD, Executive Director, Massachusetts
Federation of Taxpayers' Associations

How Chambers of Commerce Help Solve the Problems of Government

JAMES MUSSATTI, General Manager, California State
Chamber of Commerce

The Contribution of Private Governmental Research to Good Government

ROBERT M. GOODRICH, Executive Director, Providence
(R. I.) Governmental Research Bureau

LENT D. UPSON, Director, Detroit Bureau of Govern-
mental Research

The Commonwealth Club and Good Government

S. J. WARD, San Francisco

A Researcher Looks at Public Education and the Education of the Public

H. J. MILLER, Executive Secretary, Minnesota Resources
Commission

Round Table V

Prospects for the Railroad Industry

The discussion will be directed to a consideration of the prospects for railroad gross earnings, how affected by loss of business to competing forms of transportation, by the level of business activity. Further to the factors affecting railroad costs, net income and the prices of railroad securities. Associated with the considerations are the problems of the proper rate of capitalization a constant or variable; the most reliable evidence for forecasting earnings; the effect of railroad reorganization and abandonment of unprofitable lines.

Presiding Officer

GEORGE W. MITCHELL, Director of Research, Illinois Tax Commission

Recording Secretary

WILLIAM E. DEATON, Industrial and Tax Commissioner, Elgin, Joliet and Eastern Railroad

Participants

A. G. MOTT, Director, Valuation Division, California State Board of Equalization

GEORGE G. TUNELL, Commissioner of Taxes, The Atchison, Topeka and Santa Fe Railway System

J. R. SEAMAN, Chairman, Colorado Tax Commission

W. C. FANKHAUSER, Financial Consultant, California Railroad Commission

NEIL H. JACOBY, Assistant Professor of Finance, School of Business, University of Chicago

KARL W. FISCHER, Land and Tax Commissioner, Chicago, Burlington and Quincy Railroad

Round Table I—French Parlor (Continued)

Accounting Records as Related to Income Tax Returns

(The discussion of the seventh session will be continued and limited to the property accounts and depreciation)

Presiding Officer, Recording Secretary and Participants—
same as for first session of round table

ELEVENTH SESSION

THURSDAY, OCTOBER 19, 9:00 A. M.

PALACE HOTEL—GOLD BALL ROOM

Supporting Public Services from the Earnings of Government-Owned Utilities

Joint Session with Municipal Finance Officers' Association

Presiding Officer

CARL H. CHATTERS, Executive Director, Municipal Finance Officers' Association

What Is Service at Cost?

JAMES K. HALL, Professor of Economics, University of Washington

Experiences of Selected Cities in Supporting Government via Earnings of Utility Enterprises

J. W. PRATHER, City Auditor, Ames, Iowa

T. A. SWAYZE, City Comptroller, Tacoma, Washington

DEAN VAN NESS, Commissioner of Finance, Topeka, Kansas

E. A. COTTRELL, Palo Alto, California

Discussion led by

CHARLES J. FOX, City Auditor, Boston

TWELFTH SESSION

THURSDAY, OCTOBER 19, 2:00 P. M.

PALACE HOTEL—GOLD BALL ROOM

Presiding Officer

CHARLES W. GERSTENBERG, Prentice-Hall, Inc., New York

Report of the Committee of the National Tax Association on Federal Taxation of Corporations

ROBERT MURRAY HAIG, Columbia University, Chairman

Discussion

ROBERT C. BROWN, School of Law, University of Indiana

ROYAL B. CUSHING, Attorney at Law, Chicago

A. R. KAISER, Sears, Roebuck & Company, Chicago

STAFFORD SMITH, Socony-Vacuum Oil Company, New York

P. K. SEIDMAN, Certified Public Accountant, Memphis

General Discussion

Report of the Resolutions Committee

THIRTEENTH SESSION

THURSDAY, OCTOBER 19, 6:30 P. M.

DINNER—PALACE HOTEL, GOLD BALL ROOM

Presiding Officer

A. H. STONE, President, National Tax Association

Future Trends in Government Finance

CHESTER H. ROWELL, Editor and Publicist, San Francisco
Action on Report of Resolutions Committee

Miscellaneous Matters

Adjournment of Conference

Annual Meeting of the National Tax Association

"Trial by Jury," Gilbert and Sullivan

Sacramento Light Opera Guild, Bernard Callery, Director

COMMITTEES OF THE NATIONAL TAX ASSOCIATION

Allocation of Income

LEO MATTERS DORF, <i>Chairman</i>	New York
C. B. ALLYN	Illinois
W. R. BRADLEY	South Carolina
E. M. ELKIN	Pennsylvania
C. FRASER ELLIOTT	Ontario, Canada
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CARL S. LAMB	Pennsylvania
THOMAS C. LAVERY	Ohio
EDWARD R. LEWIS	Illinois
HENRY F. LONG	Massachusetts
JOHN J. MERRILL	New York
ARTHUR F. POTTER	Connecticut
HENRY ROTTSCHAEFER	Minnesota
CLARENCE L. TURNER	Pennsylvania

Double Domicile in Inheritance Taxation

FARWELL KNAPP, <i>Chairman</i>	Connecticut
SETH T. COLE	New York
WILLIAM D. KELLY	New Jersey
W. H. H. GENTRY	California
ZECHARIAH CHAFEE, JR.	Massachusetts
LYNN L. REIST	Pennsylvania
JAMES W. MARTIN	Kentucky
T. LUDLOW CHRYSTIE	New York
RAYMOND M. REMICK	Pennsylvania
JAMES L. SAYLER	Illinois

Federal Taxation of Corporations

ROBERT MURRAY HAIG, <i>Chairman</i>	New York
FRANKLIN S. EDMONDS	Pennsylvania
MARK GRAVES	New York
ARTHUR H. KENT	California
M. SLADE KENDRICK	New York
EDWIN D. EVANS	Illinois
THOMAS REED POWELL	Massachusetts
FRANK E. SEIDMAN	Michigan
GODFREY N. NELSON	New York
GERHARD COLM	New York
WILLIAM A. SUTHERLAND	Georgia
R. C. BECKETT	Illinois

Taxation of Capital Gains

ERIC L. KOHLER, <i>Chairman</i>	Tennessee
RANDOLPH E. PAUL	New York
GEORGE E. CLEARY	New York
ROY C. OSGOOD	Illinois
MABEL NEWCOMER	New York
CARL S. SHOUP	New York
ROGER J. TRAYNOR	California
ROBERT C. BROWN	Indiana
HERBERT D. SIMPSON	Illinois
A. H. LITTLETON	Illinois
MARTIN SAXE	New York

Program Committee, 1939

CHARLES W. GERSTENBERG
DIXWELL L. PIERCE
ROGER J. TRAYNOR
W. G. QUERY

San Francisco Convention Committee

HARLEY C. STEVENS, *Chairman*, Manager, Tax Department, Standard Oil Company of California
FRANK AGNEW, Assistant Secretary, Fireman's Fund Insurance Company
C. T. BLANCK, Assistant Vice-President, Pacific Telephone and Telegraph Company
HARRY CADDOW, Secretary-Manager, California Wine Institute
LOUIS J. GILBERT, Secretary, California Liquor Industries Association
H. B. HARDING, Assistant to Real Estate and Tax Commissioner, Southern Pacific Company
ANSON HERRICK, Certified Public Accountant
VINCENT D. KENNEDY, Managing Director, California Retailers Association
HARRIS KIRK, Vice-President, American Trust Company
M. D. LACK, Manager, Tax Department, Pacific Gas and Electric Company
H. C. LUCAS, Vice-President and General Council, Pacific Greyhound Lines
CHARLES J. MCCOLGAN, California Franchise Tax Commissioner
DIXWELL L. PIERCE, Secretary, California State Board of Equalization
GEORGE R. REILLY, Member, California State Board of Equalization
B. A. SCOTT, City Superintendent, Postal Telegraph-Cable Company
W. P. WING, Secretary-Treasurer, California Wool Growers Association

NATIONAL TAX ASSOCIATION

Incorporated 1930

OFFICERS

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Chairman, State Tax Commission of Mississippi

Vice President

CHARLES W. GERSTENBERG

Prentice-Hall, Inc., New York

Secretary

WALTER G. QUERY

Chairman, South Carolina Tax Commission

Treasurer

ROBERT J. EBY

American Telephone and Telegraph Company, New York

Executive Committee

(In addition to above officers)

Past Presidents

PHILIP ZOERCHER, Chairman, State Board of Tax Commissioners
of Indiana

OSCAR LESER, Former Member, Supreme Bench of Baltimore

SIMEON E. LELAND, Chairman, Illinois Tax Commission

Elective Members

Term Expiring 1939

J. B. JONES, Attorney at Law, Montgomery

J. R. SEAMAN, Chairman, State Tax Commission of Colorado

Term Expiring 1940

J. H. THAYER MARTIN, State Tax Commissioner of New Jersey

RAYMOND D. THOMAS, Oklahoma Agricultural & Mechanical
College

CHARLES D. ROSA, Former Member, Wisconsin Tax Commission

Term Expiring 1941

RAYMOND H. BERRY, Attorney at Law, Detroit

NORMAN MACDONALD, Massachusetts Federation of Taxpayers
Associations

ROGER J. TRAYNOR, Professor of Law, University of California

Honorary Members

L. I. McMAHON, Bell Telephone Company of Canada, Montreal

A. K. EATON, Department of Finance, Dominion Government,
Ottawa