

In some places when citing cases in the lower federal courts the particular court is referred to. This is not followed throughout though the convenience of practitioners would thereby have been facilitated. The author speaks of Porto Rico instead of Puerto Rico.

Miss Gettys' book is well worth reading. It considers every important phase of the law of citizenship. It does this clearly and concisely. The historical background presented clarifies many a problem. One can hardly refrain from lingering doubts, however, as to whether so large a subject can be adequately treated within the limits of a two-hundred-page book. Miss Gettys' book is a good summary of what the cases have said and what leading students have thought about citizenship. There is very little of originality, however, in any of her ideas. The analysis of judicial decisions does not strike the writer as particularly profound. Often she states what the courts have held without offering criticism that might well be made. The large number of topics covered in so short a space results in occasional sketchiness of treatment. The book ought, however, to prove very useful to practitioners, and furnishes, at least, an excellent starting point for scholars.

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Plans of Corporate Reorganization. By Philip M. Payne. Chicago: The Foundation Press, Inc., 1934. Pp. vii, 652. \$10.00.

This volume may perhaps be useful to practitioners and students of reorganization for three reasons. (1) It furnishes in convenient form a reprint of certain important Congressional reports¹ bearing upon section 77B of the Bankruptcy Act.² (2) Over two-thirds of the book consists of actual plans of reorganization and other documents used in various real estate, railway, utility and industrial reorganizations, including four petitions³ and a plan⁴ and final decrees⁵ used in proceedings under section 77B. (3) The footnotes contain generous references to what the author in his foreword rightly refers to as the most helpful material on the subject, that is, law review articles.

In other respects, however, the volume is definitely disappointing. Besides the material referred to above, it contains about ninety pages of text under the chapter headings "Development of the Law," "Economic Principles of Corporate Reorganizations," "Methods of Effecting Reorganizations," "Deposit Agreements and the Securities Act," "Fair and Equitable Plans," and "Important Statutory Provisions Affecting Corporate Reorganizations." This text material is superficial in its treatment of every problem, haphazard in organization, and grossly inaccurate—even in its statement of vital statutory provisions. A word may be added in specification of each of these charges, although extended review of the book seems unwarranted.

On each topic treated, the author's discussion is vastly inferior to that available in law review articles and notes to which reference is usually made. Instead of presenting in condensed form a thoughtful analysis of the problem, Mr. Payne has preferred to echo and re-echo the familiar ambiguous and question-begging generalities. The chapter on "Deposit Agreements and the Securities Act" is particularly inadequate. Mr. Payne's nine pages on this subject cannot even be compared with the nine-page stu-

¹ Part IV, chapters IV, V and VI.

² Pp. 555 *et seq.*

³ P. L. No. 296, 73d Cong., 2d Sess. (1934).

⁴ P. 486.

⁵ P. 569.

dent note recently published in the Columbia Law Review.⁶ Instead of even suggesting some of the fascinating questions which are puzzling lawyers in connection with the application of the Securities Act to reorganizations, Mr. Payne is content to quote a number of statutory provisions, most of them appearing also in other parts of the book, and a fragment from the rules of the Securities and Exchange Commission.

Little thought seems to have been given to the organization of the text material. When only ninety pages are allowed for a discussion of such important problems, it would seem that some economy should be practiced in the use of the limited space. Instead, however, the book is redundant *ad nauseam*: sentences of the foreword reappear in the introduction to part III, which also repeats some of the obvious generalities already dignified as "Economic Principles of Reorganizations" in chapter II of part II.

The most serious defect, however, in this book is in the misstatement of crucial statutory provisions. The one feature of sections 77⁷ and 77B of the Bankruptcy Act which is more familiar than any other to lawyers and business men alike is the feature which permits reorganizations to be effected with the assent of two-thirds of each class of creditors or security-holders without making any cash distribution to dissenters. It is therefore nothing short of astounding to find the statement made five times⁸ in Mr. Payne's text, in one form or another, that provision must be made to assure to minority security holders adequate protection for the realization by them (in cash or the equivalent) of the value of their claims. After the fifth statement to this effect, Mr. Payne adds "Thus, the doctrine of the Phipps case has been disapproved by Congress and made inapplicable to the reorganization of corporations."⁹ In that case,¹⁰ it was attempted, without the aid of statute, to force a minority of less than five per cent to take new securities rather than permitting them to insist upon a sale and a right to receive in cash their share of the proceeds of a sale. This is exactly the doctrine which Congress has adopted in sections 77 and 77B whenever the plan is approved by two-thirds of each class. What Mr. Payne has done is to confuse two provisions. In the event that two thirds of any class of creditors fail to approve a plan, then it may not be confirmed unless adequate provision is made for members of this class to secure, either by the conventional sale or by equivalent methods, the value of their claims.¹¹ This provision Mr. Payne has without the slightest warrant taken to be applicable to all classes, whether or not two-thirds of their members have approved the plan. A year ago he made the same misstatement as to section 77.¹² It is true that the original House Bill 14359 introduced in the Seventy-second Congress did provide for payments in cash to dissenting secured creditors, but it remains difficult to see how Mr. Payne can have remained ignorant of the change. In fact he seems to have been momentarily aware of it when he quotes arguments designed to answer constitutional objections to depriving dissenters of their traditional right to a distribution in cash.¹³

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⁶ 34 Col. L. Rev. 1348 (1934).

⁸ Pp. 10-11, 32, 37-38, 51, 104.

⁷ 47 Stat. 1474, 11 U.S.C.A. § 205 (1933).

⁹ P. 104.

¹⁰ Phipps v. C., R. I. & P. Ry. Co., 284 Fed. 945 (C.C.A. 8th 1922).

¹¹ Section 77(g)(6); 77B(b)(5), (e)(1).

¹² Payne, Fair and Equitable Plans of Corporate Reorganization, 20 Va. L. Rev. 37, 41, 85-87 (1933).

¹³ P. 108.