

lies in the fact that it is a good specimen of the peculiar craftsmanship of Italian scholars of the old tradition, which finds its explanation in the sociological status of the Italian law schools and the legal literature produced by its members.

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Cases on Public Utility Regulation. By Irston R. Barnes. New York: F. S. Crofts & Co., 1938. Pp. xx, 984. \$7.00.

Professor Barnes has prepared an excellent case book on public utility regulation which would be equally useful for a law school course as for the teaching of this subject to undergraduates majoring in economics. He has a good selection of the principal decisions of the United States Supreme Court, lower court opinions and illustrative commission orders. These cases have been classified and cross-referenced by subject matter in nineteen chapters which cover all the significant problems of utility regulation, such as, federal and state jurisdiction, the courts and commissions, accounting methods, rates, service, security issues and holding company regulation. In addition to the general aspects of rate regulation the author has included chapters devoted to a consideration of utility price policies, the fair value doctrine, valuation methods, prudent investment, rate of return, operating expenses, practices of state commissions, as well as a critical approval of rate regulation.

An introductory note is to be found at the beginning of each chapter, intended to present the nature of the regulatory problems under consideration and their relation to other phases of utility regulation. The volume also contains a summary of the Public Utility Holding Company Act of 1935, as well as a few illustrative decisions of the Securities and Exchange Commission and the Federal Power Commission. A final chapter deals with legal and economic problems of public ownership.

The author has, however, omitted a few leading cases. For example, in dealing with the question of depreciation expense, two important decisions of the Supreme Court of the United States have been overlooked, *Lindheimer v. Illinois Bell Telephone Company*¹ and *St. Joseph Stockyards Co. v. United States*,² although both cases have been included in other sections of the book. On the question of rate of return Professor Barnes has also failed to include decisions emphasizing the effect of the depression and changes in the level of interest rates as affecting the rate of return. Among the cases omitted here is *Central Kentucky Natural Gas Co. v. Railroad Commission*.³ In his discussion of the question of operating expenses he has underestimated the difficulties of regulating this phase of the operations of independent utilities. Here he might well have pointed out, as Chief Justice Hughes did in the *Lindheimer* case⁴ that "charges to operating expenses may be as important as valuations of property." This ruling applies equally when the commissions are dealing with independent operating companies as well as where the operating company is part of a holding company system.

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¹ 292 U.S. 151 (1934).

³ 290 U.S. 264 (1933).

² 298 U.S. 38 (1936).

⁴ 292 U.S. 151, 163 (1934).