ion as to whether the newer statutes have achieved these objectives, but certainly the Delaware profits rule, which specifically permits the payment of dividends out of net profits for the current or preceding fiscal year notwithstanding capital impairment, with a restriction only where there are preference shares, does not seek to achieve either of these purposes. The rejection of the Delaware rule can no doubt be ascribed to that failure.

Some writers on corporate distributions have maintained that dividend law will suffer from confusion until valuation of assets is abandoned as a measure of the right to pay dividends. If they are correct, then confusion is on the increase. The application of the popular balance sheet surplus test is almost exclusively a problem of valuation of assets and, as Mr. Kehl's analysis demonstrates, a problem of increasing complexity. With a decline in reliance upon historical accounting costs and a restriction upon the use of unrealized appreciation, directors are required to take into account certain changes in value downward but are prohibited from taking into account corresponding changes in value upward.

Recent developments in the law relating to valuation of assets for dividend purposes may soon be overshadowed, however, if the prospective future earnings test sponsored by the Securities and Exchange Commission in reorganization cases, and recently emphasized by the Supreme Court of the United States, finds general application in dividend cases.

Whitney Campbell†


After the present war, win or lose, one of the most important trends in our society will be governmental planning. We can guess that there will be some international order, voluntary or imposed, or at least some economic planning through quotas, agreements, cartels, or directives on a world-wide scale. There is less doubt about national planning of production in business, agriculture, labor. Regional planning, based on power resources, will no doubt remain an integral part of American government. With greater certainty still, we can anticipate an intensification in land-use planning and regulation, both rural and urban. Urban planning in particular will be used to transform our cities, a process that has already gone forward in our rapid shift from a rural to an urban people, and now to a metropolitan and suburban civilization.

Whether the law will be an effective instrument of planning depends upon the philosophy and understanding of the bar and the bench. Such an understanding will not be attained without a contemporary body of knowledge about city planning which can be absorbed by our legal profession. One of the best readable compilations for this purpose is Robert A. Walker's book. As the University of Chicago's Social Science Study Number 39, Dr. Walker's is the latest in a whole series of urban researches in the sociology, the economics, and the administration of city life, along with other well-known studies on metropolitan government, public health, education, judicial administration, water supply, governmental reporting, and legal powers.

† Member of the Illinois Bar.

* Office of Budget and Finance, Department of Agriculture.
Planning, as the lawyer now knows it, includes zoning, subdivision control, building regulation, public housing, eminent domain, excess condemnation, and, in the rural field, soil conservation and land-use control. In the offing is that phase of urban planning, already in the form of enacted statutes, under which blighted areas are to be rehabilitated by publicly controlled, privately owned corporations which will issue stock in lieu of individually owned land parcels, thus applying the lex Adickes to America. Dr. Walker's broad conception of planning includes further steps that might be taken to make the city a healthier and happier place to live, ranging from technical master-planning to social and administrative research.

That the lawyer has a stake in learning the law of planning is proven by statistics gathered by the National Resources Committee in 1939. Out of a total of about 1,000 major cases in the field of municipal corporations, which found their way into the American Digest between 1897 and 1935, half were under the category of building regulations including categories related to zoning and planning. It is interesting that the number of decisions for and against the city in this classification were about even. For the lawyer, the crucial problem in planning will be to carry out the double function of protecting private rights and furthering public needs. In doing so, he might have to learn to take seriously the obiter of the Virginia Court in a 1937 case cited by Dr. Walker: "Indeed the inalienable rights of the individual are not what they used to be."

ALBERT LEPAWSKY


This small book is in the nature of a guide to the understanding of basic political institutions of the national government of the United Kingdom. The first two chapters analyze the electoral system and the political parties through which government operates in Great Britain. These are followed by essays on both Houses of Parliament, on the Monarchy, the process of administration and the cabinet government. The last two chapters ("Government in War Time" and "British Democracy") are obvious additions to a book written in war time, "primarily in relation to existing conditions."

The author needs no introduction or commendation; his earlier treatises on Cabinet Government and on Parliament earned him recognition as one of the ablest of contemporary exponents of English public law. In this instance, he has not written primarily for scholars. Rather, his aim was to give "the ordinary citizen a readable . . . introduction to the problems of the governmental system in which he plays so large a part. . . ." At the same time, he intended to underline the essentially democratic foundations and operations of Britain's governmental processes—apparently in response to accusations voiced in certain quarters in the United States that democracy in England is fictitious.

* Preface, p. xii.


† Director of the Institute of Public Service and Lecturer in Political Science, University of Chicago.

* Principal of the Ceylon University College.

† Preface, p. xi.

† Preface, p. xii.