

## INDEX

- Adams, Thomas S. 80, 131, 207  
 Addington, Lord Henry 22, 23–5  
 Advance Corporation Tax (ACT)  
     69, 225  
 agency, shareholders 147  
 aggregate perspective  
     United Kingdom 146–53  
     United States 153–9  
 American Civil War (1861–5) 11, 30, 31–8  
 American theory, finance 11  
 Asquith, Herbert Henry 49, 152  
 Avi-Yonah, Reuven 239
- Bache, Jules 207  
 Baldwin, Stanley 149  
 Barber, Anthony 68, 205  
 Barnes, George 99  
 Baskin, Jonathan Barron 143  
 Berle, Adolf 162, 167, 172, 186  
 Blank, Stephen 202, 204  
 blockholders  
     ownership 145, 166–75  
     power 166–71  
     *see also* shareholders  
 Blum, John Morton 97  
 Borah, William 158  
 Boutwell, George S. 33  
 Breyer, R. A. 119  
 Bristow, Joseph 155  
 British East India Company 117  
 Broderick, John 179  
 Brown, Gordon 224–5  
 Buchanan, Norman 177  
 Buckingham, J. S. 27  
 Burns, Arthur 138  
 Bush, George Herbert Walker  
     (41st president) 232
- Bush, George W. (43rd president) 12, 232,  
     234, 236, 238  
 Butcher, John 133  
 Byrd Rule 235  
 Byrnes, John 136
- Cabot Lodge, Henry 43  
 Callaghan, James 66–7, 141, 225  
 Campbell, Edward 114  
 Carter, James Earl (39th president) 228  
 Carver, Thomas Nixon 209  
 Casey, William 100, 137  
 Cave, Lord 147  
 Chamberlain, Arthur Neville 58  
 Chamberlain, Joseph Austen  
     149, 150  
 Chambers, Paul 197  
 Chandler, Alfred 171  
 charities 30, 147  
 Chase, Salmon 31  
 Cheffins, Brian 163, 168, 169–70, 174  
 Clapp, Moses 156  
 classical system, United States 1  
 Clausen, Fred 93  
 Clemens, W. R. 198  
 co-operative societies 148–9  
 Colwyn, Lord 57  
 Committee on National Debt and  
     Taxation (1927) 16, 57  
 common law, comparative law 2  
 comparative law  
     common law 2  
     taxation 2–3  
 confidential information, financial  
     reporting 114–15  
 Connolly, John 15–16  
 Conservative Party 200, 205–6

- convergence
  - present era 223–49
  - prospects 238–49
  - United Kingdom 223–7
  - United States 227–38
- Cooke, Gresham 139
- Cooley, Thomas 177
- corporate governance
  - disclosure 179
  - insider/control-oriented 144–5
  - meetings 178–81
  - outsider/arm's length 144–5, 167
  - power *see* power
  - separation 175–81
  - shareholders 175–81
  - United Kingdom 175–6
  - United States 180
- corporate profits
  - distributions *see* dividends
  - divergent systems 107–41
  - excess tax *see* excess profits tax
  - historical perspective 10–11
  - retention 73–4, 139–41
  - undistributed profit tax 80–3, 85–6, 88–99, 211–14
  - undivided profits 34–5, 72
  - see also* corporation profits tax
- corporate taxation
  - Advance Corporation Tax (ACT) 69, 225
  - background 1–18
  - brief history 19–45
  - classical corporate income tax 66–7, 139–41, 200–5
  - design 181–7
  - distributions *see* dividends
  - divergent systems 128–41
  - entities *see* entity-based taxation
  - excess profits tax 54, 55–6, 59–60
  - Harris's theories 7–8
  - historical perspective 10–11
  - Hornsey's theories 7
  - liability 20–2
  - Magill's theories 5
  - May's theories 5–7
  - policy-making 14–15
  - politics/ideology 14–17
  - post-war reform 99–104
  - power 181–7
  - profits tax (1947) 134–5
  - Seligman's theories 3
  - Spaulding's theories 3–5, 142, 143
  - Thuronyi's theories 2
  - twentieth century 49
  - UK *see* United Kingdom
  - USA *see* United States
- corporate veil, judicial decisions 147
- corporation profits tax
  - imputation system 55, 57
  - United Kingdom 54, 149–53
- corporations
  - charities 30, 147
  - co-operative societies 148–9
  - family corporations 166–9
  - governance *see* corporate governance
  - liability 20–2
  - location of power 145–6
  - municipal corporations 147
  - ownership dispersion 159–66
  - railways *see* railway companies
  - tax fraud 72–3
- Cottrell, P. L. 119, 168
- Crawford, Michael 199
- Cummins, Albert 155, 156
- Currie, William 122
- Dalton, Edward Hugh 61–3, 184, 191, 192, 195–6, 201
- Daunton, Martin 56, 141, 143, 189, 192, 196, 200, 205
- Desai, Mihir 239
- Dewing, Arthur 109
- Diamond, John 140–1
- Dilke, Charles 50
- disclosure
  - corporate governance 179
  - dividends 115–17
  - objection 23–4, 114–15
  - reports *see* financial reporting
  - United Kingdom 23–4, 114–15, 179
- divergent systems
  - corporate profits 107–41
  - corporate tax design 181–7
  - corporate taxation 128–41

- divergent systems (cont.)
  - dividend policy 120–8
  - explanation 107
  - meetings 178–81
  - politics 188–220
  - power 142–87
  - twentieth century 49
  - United Kingdom 49–69
  - United States 70–104
- dividends
  - bonus shares 151
  - corporate income tax 128–41
  - deduction method 21–2, 24–5
  - disclosure 115–17
  - distributed profits 58, 61–3
  - free of tax 54
  - high levels 61–3
  - inadequate financial reporting 108–17
  - policies
    - divergent policy 120–8
    - liberal policies 107–20
    - shareholders 175–8
  - regular dividends 124–6
  - United Kingdom 126–8, 132–4
  - United States 120–6, 129–32, 135–9
- Dodd, David 115, 122, 128, 178
- Dolliver, Jonathan 156
- double taxation
  - United Kingdom 67, 184–5
  - United States 1, 32–3, 36–7, 70, 97, 100–1, 135–6, 137–8
- Douglas, George 215
- Dowell, Stephen 26
- Dunlavy, Colleen 176
- Dutch East India Company 117
- Edwards, Thomas 32
- Eisenhower, Dwight David
  - (34th president) 101, 103, 138, 190, 218–19
- Elliott, R. G. 81
- Emery, James 80
- entity-based taxation
  - critique of theory 146–59
  - legislative counter-examples 146
  - over-determined theory 144
  - United Kingdom 146–53
  - United States 4, 35, 36, 41, 143–4
- European Economic Community (EEC) 204–5
- European Union (EU) 241–5
- excess profits tax
  - United Kingdom 54, 55–6, 59–60
  - United States 78–80
- excise taxes, United States 11, 43, 70, 154
- family corporations 166–9
- Farnsworth, Albert 25
- Federal Trade Commission 110
- Federation of British Industries 56
- Fell, Arthur 152
- finance, American theory 11
- financial reporting
  - confidential information 114–15
  - fraud 113–14
  - inadequacy 108–17
  - price earnings ratio 116
  - United Kingdom 112–15
  - United States 108–12
- Florence, Phillip Sargent 174
- Ford, Gerald Rudolph (38th president) 228
- Franks, Julian 174
- fraud
  - corporate tax 72–3
  - financial reporting 113–14
- Friend, Irwin 135
- Funston, G. Keith 100, 137
- Gaitskell, Hugh 199
- Ginling, Charles H. 122
- Gladstone, William Ewart 29, 30
- Glassman, James 233
- Gompers, Samuel 208, 234
- Gordon, Robert 172
- graduated rates
  - United Kingdom 49–51
  - United States 37
- Graetz, Michael 241
- Graham, Benjamin 115, 122, 128, 178
- Grant, Wyn 204
- Green, William 211
- Grimond, Joseph 139
- Grinling, Charles H. 177

- gross receipts tax, United States 33–4  
 Grover Cleveland, Stephen  
   (24th president) 38
- Hall, A. R. 168  
 Hall, Robert 200  
 Hannah, Leslie 167, 169–70  
 Harberger, Arnold 16  
 Harding, Warren Gamaliel  
   (29th president) 80  
 Harris, Peter 7–8, 242  
 Harrison, Pat 96  
 Healey, Denis 206  
 Higgins, Terrence 139–40, 200  
 Hill, James J. 179  
 Hobson, J. A. 192  
 holding companies 158  
 Holman, Walter 128  
 Hoover, Herbert Clark  
   (31st president) 162  
 Hope-Jones, Arthur 20, 25  
 Hornsey, Geoffrey 7  
 Houston, David F. 79, 80  
 Hubbard, John G. 29–30  
 Hubbard, R. Glenn 232  
 Hughes, Charles Evan 131  
 Hume, Joseph 28–9  
 Humphrey, George M. 102
- imputation system  
   1803 Act 25  
   1842 Act 53  
   corporation profits tax 55, 57  
   dividend deduction compared 25  
   flat rate 52  
   politics 205–6
- income tax  
   brief history 19–30  
   classical corporate income tax  
     66–7, 139–41, 200–5  
   collection *see* tax collection  
   corporations *see* corporate taxation  
   repeal (1815) 26  
   Royal Commission on the Income  
     Tax (1920) 54  
   Triple Assessment 19–22  
   United States 70–3  
   war income tax 20
- see also* corporate taxation  
 Insull, Samuel 162  
 investment, profit retention 139–41
- Jefferys, James 115, 163  
 Joint Committee on Taxation 5  
 Jones, Andrieus 74, 76, 81, 85–6,  
   92, 186  
 Jones, Stewart 115
- Kahn, Otto 207  
 Kaldor, Nicholas 64, 66, 139, 141,  
   201, 225  
 Keen, Michael 188  
 Kennedy, John Fitzgerald  
   (35th president) 103, 220  
 Keynes, John Maynard 134  
 King, William 96  
 Kipling, Norman 203  
 Kitchen, Claude 77  
 Knoop, Douglas 147
- La Follette, Robert 213  
 Labour Party 191, 201–2, 206, 224–6  
 Larnier, Robert 173  
 Leff, Mark 213  
 Leonard, Robert 230  
 Lever, William 167  
 liberal policies  
   dividends 107–20  
   inadequate financial reporting  
     108–17  
   liquidity 117–20  
 Liberty Bonds 162  
 Likhovski, Assaf 9  
 liquidity, liberal policies 117–20  
 Little, Ian 139  
 Lloyd George, David 52  
 London Stock Exchange  
   trading volumes 118–19, 164–5  
   two-thirds rule 169–70  
 Lord, Charles E. 207  
 Lough, William 120, 122, 124  
 Lubick, Donald 229  
 Lynch, Walter 136
- McCaffery, Edward 234  
 MacDermot, Niall 140

- McFadden, Rep. 90  
 McGrady, Edward F. 211  
 Magill, Roswell 5  
 Mainwaring, William 22, 24  
 Malby, Josephine 113  
 managers  
   power 171–5  
   United Kingdom 173–5  
   United States 185–7  
 Marriott, John 133, 152  
 Marsh, David 204  
 Martin, Thomas E. 102  
 Matsui, Robert 238  
 May, George 5–7, 134  
 Mayer, Colin 174  
 Means, Gardiner 162, 167, 172  
 meetings, divergent systems 178–81  
 Mellon, Andrew 80, 84, 87, 130  
 Mercantile Law Commission 113  
 Metrick, Andrew 234  
 Micklethwait, John 121, 173  
 Mills, Ogden 210  
 Mitchell, Lawrence 161  
 Morgan, Kimberly 8  
 Morgenthau, Henry 213  
 Morrill, Justin 32  
 municipal corporations 147  
 Murray, Phillip 215  
 mutual trading 152
- National Association of Credit Men 81  
 National Defence Contribution 58–60  
 National Tax Association 87  
 Nelson, Godfrey 100, 136  
 New Deal 88–99, 186, 190  
 New York Stock Exchange, trading  
   volumes 118, 137, 160–2  
 Nickles, Don 235  
 Nolan, Richard 181  
 Norquist, Grover 238  
 Nützenadel, Alexander 8
- Obama, Barack Hussein  
   (44th president) 249  
 Oliver, David 242  
 ownership dispersion  
   corporations 159–66  
   individuals 125–6, 161–3, 206
- two-thirds rule 169–70  
 United Kingdom 163–6, 206  
 United States 125–6, 159–63  
*see also* shareholders
- Patman, Wright 136  
 Peel, Robert 27–8, 30  
 Perring, William 151  
 philanthropic corporations 147  
 Pigou, Arthur 148  
 Pitt, William (Pitt the Younger) 19, 20  
 Plehn, Carl 80  
 Pleydall, A. C. 154  
 politics  
   divergent systems 188–220  
   imputation system 205–6  
   United Kingdom 191–206  
   United States 206–20
- power  
   blockholders 166–71  
   corporate tax design 181–7  
   divergent systems 142–87  
   family corporations 166–9  
   locus 145–6  
   managers 171–5  
   shareholders 12, 175–81
- Prasad, Monica 8  
 Prentiss, John W. 163  
 Prescott, Henry 113  
 profit *see* corporate profits
- railway companies  
   United Kingdom 122, 170  
   United States 109, 127  
 Reconstruction, United States  
   31–8, 157  
 Reed, Daniel 219  
 Reichard, Gary 219  
 Richberg, Donald 209  
 Ripley, William Z. 122, 171, 172  
 Roosevelt, Franklin Delano  
   (32nd president) 12, 89, 91–3,  
   186, 211, 213, 216  
 Rose, Mary 168  
 Rossi, Stefano 174  
 Royal Commissions  
   Income Tax (1920) 54, 132, 147, 148,  
   149, 151

- Taxation of Profits and Income  
 (1955) 63–5, 139, 140, 182, 197,  
 198, 200  
 Ruml, Beardsley 217  
 Rutterford, Janette 113, 115, 116, 178
- Sayer, Benjamin 26  
 scheduler system  
 privacy 7, 24  
 Schedule E 24  
 stoppage at source 51  
 Schram, Emil 135  
 Sears, John 180, 208, 209  
 Seidman, M. L. 94  
 Seidman, J. S. 136  
 Seligman, Edwin R. A. 3, 29, 37, 49, 51,  
 52, 161  
 shareholders  
 agency 147  
 blockholders 145, 166–75  
 bonus shares 151  
 corporate governance 175–81  
 corporate tax design 182–5  
 dividends *see* dividends  
 ownership *see* ownership dispersion  
 power 12, 175–81  
 tax credits 53, 69, 136  
 taxation focus 142–3  
 UK stock ownership 118–19,  
 164–5, 206  
 US stock ownership 125–6, 161–3  
 Sherman, John 37  
 Shoup, Carl 103, 138  
 Siegel, Jeremy 233, 234  
 Simmons, Furnifold 74, 76, 82, 130  
 Simon, William 228  
 Smoot, Reed 83, 86, 131, 209  
 Sobel, Robert 107  
 social clubs 152  
 Spaulding, Harrison 3–5, 142, 143  
 special interest groups  
 United Kingdom 189–90  
 United States 189, 190  
 Spooner, John 43  
 Stamp, Josiah 55, 132  
 Steinmo, Sven 8–9  
 stock ownership *see* shareholders  
 Sullivan, Martin 236  
 super tax, United Kingdom 51, 52, 53,  
 55, 151, 152  
 surtax  
 United Kingdom 52, 53–4  
 United States 11, 71, 73–4
- Taft, Robert 219  
 Taft, William Howard  
 (27th president) 45  
 Talbot, Lorraine 175  
 Taussig, Frank 77  
 tax collection  
 dividend deduction method 21–2,  
 24–5  
 imputation *see* imputation system  
 schedules *see* scheduler system  
 withholding *see* withholding systems  
 tax credits, shareholders 53, 69, 136  
 taxation  
 comparative law 2–3  
 corporate *see* corporate taxation  
 income *see* income tax  
 UK *see* United Kingdom  
 USA *see* United States  
 Taylor, William 26  
 Thuronyi, Victor 2  
 Tiley, John 188, 225  
 Touche, George 151  
 trade unions, tax reform 14  
 trading volumes  
 London Stock Exchange 118–19,  
 164–5  
 New York Stock Exchange 118, 137,  
 160–2  
 Triple Assessment 19–22  
 Truman, Harry S. (33rd president) 219  
 Tugwell, Rex 186  
 Turner, Adair 225
- United Kingdom  
 1799–1802 19–22  
 1803–15 22–6  
 1842–61 26–9  
 1861–1900 29–30  
 1900–18 49–54  
 1920–24 54–6  
 1924–37 57–8  
 1937–58 58–65

- United Kingdom (cont.)
  - 1960–79 200–6
  - 1965–73 65–9
  - abatements 50
  - Advance Corporation Tax (ACT)
    - 69, 225
  - aggregate perspective 146–53
  - brief history 19–30
  - classical corporate income tax 66–7,
    - 139–41, 200–5
  - co-operative societies 148–9
  - Commissions *see* Royal Commissions
  - complex businesses 51–2
  - Conservative Party 200, 205–6
  - convergence 223–7
  - corporate governance 175–6
  - corporate liability 20–2
  - corporate tax design 182–5
  - corporation profits tax 54, 149–53
  - differentiation 50, 51–2
  - disclosure 23–4, 114–15, 179
  - divergent systems 49–69
  - dividends
    - deduction method 21–2, 24–5
    - policies 126–8
    - taxation 132–4
  - double taxation 67, 184–5
  - entity-based taxation 146–53
  - evasion 22, 24, 151
  - excess profits tax 54, 55–6, 59–60
  - graduated rates 49–51
  - Green Paper (1971) 68
  - hybrid approach 1
  - imputation *see* imputation system
  - inadequate financial reporting 112–15
  - industry trade groups 14
  - integrated approach 1
  - Labour Party 191, 201–2, 206, 224–6
  - lump sum approach 51
  - managers 173–5
  - municipal corporations 147
  - mutual trading 152
  - National Defence Contribution
    - 58–60
  - ownership dispersion 163–6, 206
  - Panic (1837) 27
  - philanthropic corporations 147
  - politics 191–206
  - post-war era 193–200
  - profits tax (1947) 134–5
  - railway companies 122, 170
  - schedules *see* scheduler system
  - Select Committee (1906) 50–2
  - Select Committee (1971) 68
  - social clubs 152
  - special interest groups 189–90
  - stock ownership 118–19, 164–5
  - stoppage at source 22, 24, 50
  - super tax 51, 52, 53, 55, 151, 152
  - surtax 52, 53–4
  - tax avoidance 151
  - Triple Assessment 19–22
  - war income tax 20
  - withholding systems 7, 24–5, 58
- United States
  - XVI Amendment 70, 156
  - 1894 38–42
  - 1898 42–5
  - 1920–9 207–11
  - accumulated earnings 73–4
  - accumulated earnings tax 73
  - accumulated wealth 154
  - aggregate perspective 153–9
  - brief history 30–45
  - Byrd Rule 235
  - Chamber of Commerce 92, 93, 95
  - Civil War (1861–5) 11, 30, 31–8
  - classical system 1
  - conduit basis 35, 87
  - convergence 227–38
  - corporate governance 180
  - corporate income tax 70–3
  - divergent systems 70–104
  - dividends
    - policies 120–6
    - tax reform (1954) 135–9
    - taxation 129–32, 135–9
  - double taxation 1, 32–3, 36–7, 70, 97,
    - 100–1, 135–6, 137–8
  - entity-based taxation 4, 35, 36, 41,
    - 143–4
  - excess profits tax 78–80
  - excise taxes 11, 43, 70, 154
  - family corporations 167
  - graduated rates 37

- gross receipts tax 33–4
- holding companies 158
- inadequate financial reporting 108–12
- Industrial Commission on Trusts and Industrial Combinations (1899) 111
- Joint Committee on Internal Revenue Taxation 20, 87–8
- Liberty Bonds 162
- McKinley tariff 38
- managers 185–7
- New Deal 88–99, 186, 190
- normal tax 71, 75
- ownership dispersion 159–63
- Panic (1893) 38
- pass-through approach 157–8
- Payne–Aldrich Tariff Act (1909) 70
- politics 206–20
- post-war era 99–104, 214–20
- railway companies 109, 127
- Reconstruction 31–8, 157
- Revenue Acts
  - 1913 70–3
  - 1916 75
  - 1917 73–7, 78
  - 1918 77–9, 82
  - 1921 79–84, 208, 210
  - 1924 84–7
  - 1926 87–8
  - 1932 90
  - 1936 96, 97
  - 1938 98
- special interest groups 189, 190
- stock ownership 125–6, 161–3
- sugar/petroleum taxation 43–5
- surtax 11, 71, 74–5
- undistributed profit tax 80–3, 85–6, 88–99, 211–14
- undivided profits 34–5, 72
- unlisted securities 160–1
- Wilson tariff 38
- withholding systems 31, 33, 36, 71
- Vansittart, Nicholas 26
- Vaughn Williams, Lord 146
- Veblen, Thorstein 171
- Walters, G. L. 93
- war
  - American Civil War (1861–5) 11, 30, 31–8
  - excess profits *see* excess profits tax
  - Korean War 100, 136
  - National Defence Contribution 58–60
  - UK income tax 20
- Warren, Alwin 241
- Wedgwood, Josiah 55, 133, 150, 152
- Wells, David 37
- White, F. Edson 171
- Whiting, Richard 184, 185, 201, 204
- Williams, John Sharp 71, 73
- Williams, Parham 158
- Wills, Henry William 166
- Wilson, William L. 11
- withholding systems
  - United Kingdom 7, 24–5, 58
  - United States 31, 33, 36, 71
- Woll, Matthew 214, 216
- Woodrow Wilson, Thomas (28th president) 75, 80
- Wooldridge, Adrian 121, 173
- Wright, Lord 53