

May 10, 1938

Honorable Roswell Magill,  
Under Secretary of the Treasury  
Washington, D.C.

My dear Mr. Magill:

In a recent letter to me you suggested that if the proposed amendments to the income tax law regarding nonrecognition of gain or loss in certain transactions effected in obedience to orders of the Securities and Exchange Commission should become law, some procedure should be set up whereby this Commission would inform your Department and obtain its views before issuing an order in any case which might appear to fall within the general scope of the proposed amendments.

When and if the proposed amendments become law, I will be happy indeed to have some of the members of the staff of our Public Utilities Division sit down with some of the members of your staff to determine a plan which will afford your office an opportunity to acquaint itself with those situations, which may be effected by these proposed amendments, as they arise.

Yours faithfully,

William O. Douglas,  
Chairman.