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FOREWORD

This symposium deals with the first three years' experience under the Federal Securities Act. Part I was published in the January 1937 issue of this periodical. This issue presents the second and concluding part. The general scope of the symposium, as was explained in the foreword to the previous issue, is to indicate in broad outline the general objectives of the Federal Securities Act, to describe the administrative machinery used to accomplish its objectives, to note the readjustments which the Act has made necessary, and to appraise the degree of its success from various points of view. Although the table of contents of Part I is presented on the succeeding page, it may not be inappropriate here to sketch briefly the subject matter of its articles for the benefit of those who have not seen the issue containing it.

The symposium was introduced by an article explaining the organization and functions of the body used to administer the Act—the Securities and Exchange Commission. This was followed by a study of securities registrations under the Act, including, among other things, the amount and type of securities registered, the kinds of industries seeking registration and the costs of preparing registration statements and of distributing securities. A third article presented a specialized study of proposed investment trust and precious metal mining issues which failed of effective registration, of the investment quality of such issues, and the reasons for their failure. Two articles dealt with the effect of the Act upon investment banking methods. The first of these not only described the mechanics of security flotation before and after the Act's adoption but also presented statistical analyses of the types of flotations, the types of buyers, the volume of private placements, and kindred matters since that date. The second laid special emphasis upon the problems encountered under the Act by the investment banker and security dealer. The fifth article presented an appraisal of the Securities Act from the point of view of the institutional investor—insurance companies and banks. The concluding article dealt with legal problems which have arisen in connection with the exemption from the Act of certain types of securities, such as those of banks, railroads and state and municipal issues, and with the exemption of certain types of transactions involving the sale and distribution of securities.

The first four articles of Part II, which comprises this issue, deal with the problems presented by the Act which are encountered by the issuer in seeking to meet its requirement of full disclosure, by counsel who is called upon to supervise the

intricate processes of registration, by the accountant who must provide much of the data requisite therefor, and by those engaged in the reorganization of corporations. Then follow two articles discussing the relationship of the Securities Act to two other important bodies of legislation impinging on the same field: the state "blue sky" laws and the Securities Exchange Act of 1934.

WARNER FULLER.

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