



1-1-1969

From the Editor's Desk

Notre Dame Law Review Editors

Follow this and additional works at: <http://scholarship.law.nd.edu/ndlr>



Part of the [Law Commons](#)

Recommended Citation

Notre Dame Law Review Editors, *From the Editor's Desk*, 44 Notre Dame L. Rev. 189 (1969).

Available at: <http://scholarship.law.nd.edu/ndlr/vol44/iss2/1>

This Introduction is brought to you for free and open access by NDLScholarship. It has been accepted for inclusion in Notre Dame Law Review by an authorized administrator of NDLScholarship. For more information, please contact lawdr@nd.edu.

From The Editor's Desk—

In this issue, Messrs. Joseph Martori and Harold Bliss, past members of the Editorial Board of the *Lawyer*, examine in depth the current tax status of municipal securities with emphasis upon industrial development bonds. Utilizing a dual approach, they analyze thoroughly the justifiability of exempting municipal bond interest from taxation. They first consider the merits of basing the exemption on the old constitutional principle of intergovernmental immunity, and then switch their focus to the scope and effects of the statute of which the exemption is a creature. As tax-exempt securities, industrial development bonds are treated in light of their background, development, extension as a loophole, and finally their specific limitation by the Revenue and Expenditure Control Act of 1968. The authors then depart from the current state of the law to indulge in "interesting speculation," concluding that the current statutory exemption is inconsistent with the theory of progressive income taxation and should be abolished.

It is generally conceded that the field of Securities Regulation is one of the most rapidly expanding areas of legal importance. Accordingly, in our October issue we presented an exhaustive Comment on *Escott v. BarChris Construction Corporation*, in which liability was imposed under section 11 of the Securities Act of 1933 upon the defendant corporation, its directors, auditors, controller, and the underwriters of the corporation's debenture issue. This issue continues that emphasis by presenting a Comment which discusses in depth another important recent decision in the law of Securities Regulation, *SEC v. Texas Gulf Sulphur Company*. In *Texas Gulf Sulphur*, the United States Court of Appeals for the Second Circuit expanded significantly the traditional definition of an "insider," and held that the issuance of corporate news at a press conference does not in and of itself constitute disclosure as required by the SEC's rule 10b-5. Furthermore, that prestigious court impliedly recognized the possibility of civil recovery under rule 10b-5 by investors financially injured as a result of misleading press releases. The student authors of both of these Comments have written added value into their thoughtful analyses of their respective cases by paying scrupulous attention to the probable ramifications that they will have on various classes of investors and on the general body of corporate law.

Every two years, the *Lawyer* publishes a multi-student Economic Institutions and Values Survey in its June issue. This year's Survey will focus on the mutual fund industry. Preliminary research on the topic is under way, and gives cause for optimism that the final product will be thorough and valuable. The Survey will treat the entire spectrum of legal problems affecting the industry,

and will deal with some non-legal problems as well. More specifically, it will analyze areas of possible abuse, federal and state regulation, the legal duties and responsibilities of various classes of people involved or interested in the industry, and the tax treatment afforded mutual funds and their shareholders. It will conclude with a detailed consideration of the proposed congressional amendments to the Investment Company Act of 1940. We look forward with enthusiasm to publishing this Survey, and would welcome suggestions and pertinent information from our readers.

The *Lawyer* played host to some fifty of its past members who returned the weekend of October 19th to participate in the annual *Lawyer* alumni reunion. Conversation during the morning conferences between past and present members was active, and resulted in several fascinating and practical ideas and suggestions which are now being studied in detail for possible implementation. We were given a gorgeous day for the affair, and a satisfactory ending of the afternoon's football game between Notre Dame and Illinois. The events culminated with an informal and very comfortable dinner, which was highlighted by a speech given by Professor Owen Fiss of the University of Chicago Law School. All in all, the reunion proved to be a most enjoyable success, and much credit must be given to Jim Gillece, our Development and Symposium Editor, for making it so.

The Editorial Board and Staff of Volume 44 wish to thank all of our alumni who made the effort to return for the occasion. It was a pleasure to meet and chat with Messrs. Clarence Ruddy and Mark Fierher, who were among the founders of the *Lawyer*, and to get to know men who have contributed to the forty-three volumes since that beginning. The current members were very impressed and, through realization of a new sense of tradition, now bring a greater attachment and motivation — and indeed, an even greater dedication to quality — to their work on the *Lawyer*.