of the law and all, but this gentleman does not. So can we not be a little lenient with a witness that comes up here——

Mr. MOSS. I have been most lenient. The gentleman has been here presenting a statement which is totally extemporaneous and totally irrelevant, and not related in any sense to the statement he prepared to submit to this committee as his statement.

Mr. WATKINS. I will have to submit, of course, to the ruling of the Chair and I shall, but I would suggest to you in my behalf that you give me some of these grassroots opinions in writing. I would like to have them.

Mr. ALLEN. Thank you very much.

Mr. MOSS. The gentleman is supposed to be here to give us grassroots opinion and he has carefully prepared them.

Mr. WATKINS. The remarks he did not put in the report, let's put it that way.

Mr. MOSS. The gentleman can do that in his questioning.

Mr. WATKINS. I do not believe in being the judge, court and jury in this thing.

Mr. MOSS. The Chair does not intend to pursue the discussion any further.

The gentleman will proceed and proceed in order.

Mr. WATKINS. I accept your decision. I think I told you that. You do not have to be so stern about it.

Mr. ALLEN. I respectfully request that the statement be made a part of the record.

Mr. MOSS. The statement will, if there is no objection, be included at this point in its entirety.

(The prepared statement follows:)

STATEMENT OF EDWARD B. ALLEN, JR., SECRETARY-TREASURER, ALLEN, ROGERS & CO., INC.

A. MUTUAL FUNDS AND THE REGISTERED REPRESENTATIVE

In the first twenty (20) years or so of the forty-six (46) years Mutual Funds have been in existence, the total assets of all Funds grew from zero (0) to approximately five hundred million dollars. In the last twenty-three years this figure has increased to approximately 45 billion dollars. The reasons for this rapid growth in these recent years may be attributed to the following:

(1) Rising security prices reflecting the tremendous growth and earning power of American Industry.

(2) The generally excellent Management, relative safety, and many conveniences of Mutual Funds.

(3) The growing affluence of our society.

(4) The declining purchasing power of the dollar.

(5) The excellent cooperation between our Government and our industry to set legal safeguards and high ethical and professional standards.

(6) The efforts of Registered Representatives to bring the above factors into sharp focus and correlate them with the personal financial planning of people in all walks of life.

We would not for a moment wish to minimize the importance of the first five (5) reasons. However, the major influence, without a doubt, affecting the gratifying increase in the number of shareholders of both modest and wealthy circumstances, may be attributed largely to the efforts of Registered Representatives.

By the S.E.C.'s own admission in it's report, Mutual Funds have performed a very worthwhile and valuable service to the people of our country:

"Mutual Funds are *sold*. They are not *bought*. Therefore, the Registered Representatives have been, are now, and, unless the S.E.C.'s recommendations are enacted into law, will continue to be, an indispensable part of this valuable service."