

not inflexible standards but the possibility of invoking businessmen's judgment as to what constitutes fair and reasonableness, and I would think that the same approximate technique could be utilized here.

Mr. STUCKEY. Then you think that if some agreement could be reached on the criteria of the wording, that the NASD and the SEC would be this much closer to letting the NASD be a self-governing, self-regulatory body?

Mr. HAACK. Again I can't speak for them, but I would think, on principle, yes.

Mr. STUCKEY. No further questions.

Mr. MOSS. On the same matter, with all due deference to my distinguished friend from Georgia, if we were to provide by legislation as we would have to provide, that NASD assume the role of the regulator here, it would be within the limits prescribed by statute, would it not?

Mr. HAACK. You mean with a statutory percentage?

Mr. MOSS. No; I don't mean that at all. I mean that the authority would have to be conferred by statute.

Mr. HAACK. Yes.

Mr. MOSS. And therefore there would be a regulation by law.

Mr. HAACK. Yes.

Mr. MOSS. Through a quasi-public agency, and this would not give to the industry the aspects of a utility.

Mr. HAACK. That is right, sir.

Mr. MOSS. And we regulate both at State and Federal law fees paid to attorneys engaged in certain areas of practice. Sometimes the fees are not always regarded as being adequate, but nevertheless we do by law set those fees. This has not taken on the characteristics of a public utility. I merely wanted the record here to reflect the fact that in discussing the proposals of the Securities and Exchange Commission, that it is not necessary that we undertake to change the basic character of the institutions with which we deal.

Mr. HAACK. If I may add one other thing which you appreciate better than I, even with effective self-regulation, there is a substantial degree of oversight emanating from the Commission, and also from this committee, indirectly.

Mr. MOSS. That is correct.

Mr. HAACK. Yes.

Mr. MOSS. Are there further questions? Mr. Stuckey.

Mr. STUCKEY. There again I want to go back to your statement that you did make, and it goes back to your self-regulatory agencies within your various exchanges. Where this has been set up they have proven to be quite workable and, quoting from you, "to be quite flexible and responsive to changing conditions", and I think the SEC, in all fairness, would say too that this has proven to be an effective means of regulation.

Mr. HAACK. They have, sir.

Mr. STUCKEY. This is why I would like to see and would favor really some type of self-regulation by your dealers, because it has worked well here. It is proven. I think if there were some way where they could get together, it is not that I am saying we don't want the