Mr. WALLICH. May I add, Mr. Chairman, that I base my statement on experience, and experience is normally regarded as part of facts. The experience is that when an industry says that it is going to be ruined, that it is well worthwhile to be skeptical and to take a very detailed look at that position.

Mr. WATKINS. Your college up there employs mutual men to handle their funds. And you say what is the end result, zero. I don't think it is zero. I think life is a chance. When people buy stock, you have a chance. If you buy a mutual fund you have a chance, too. But I would appreciate it if you would give me the information. I have had the opportunity to read part of your testimony before the Senate and I shall certainly read it more carefully, but I would like to have the plain facts to tell me how they can operate at 5 percent, and the ones that you know that can operate and the ones that can't.

Mr. WALLICH. I will be glad to. (See letter to Chairman Moss dated October 27, 1967, on p. 603.)

Mr. WATKINS. Thank you.

Mr. MOSS. Mr. Murphy, do you have any questions?

Mr. MURPHY. No questions.

Mr. MOSS. Mr. Keith.

Mr. KEITH. I don't really want to go into further questions. I would like to visit with you about this personally to satisfy myself as to some points that you have made. I would say that it seems clear that if you lower the charge from 8½ percent or 9 percent to 5 percent, you would still have that same retail price maintenance that you are concerned with, and I would say that we then have two problems. We have the smaller buyer, and you say you are not worried about the front-end load so that salesmen can get to the little man. I believe your testimony indicates that.

Mr. WALLICH. Yes.

Mr. KEITH. I would say that the man who can afford to buy with the larger amounts of money, he can make the necessary research to find out what kind of fund, what kind of portfolio he wants and what kind of price he wants to pay, and that the evidence does indicate that there are variations in this downward from 8 or 9 percent to 1.8 percent or 2.8 percent.

Mr. WALLICH. Yes.

Mr. MOSS. Professor Wallich, I want to express my appreciation and the appreciation of my colleagues on the committee for your testimony. I think it is a very thoughtful and thought provoking statement. I will have several questions to be sent to you at a later date, and I would appreciate your responding to them. I want to, again, thank you for appearing and taking time away from the very busy schedule in order to accommodate the committee.

Mr. WALLICH. Thank you very much, Mr. Chairman.

Mr. WATKINS. I, too, Mr. Chairman, would like to join in thanking you.

Mr. WALLICH. Thank you, Congressman.

(The following letter was received by the committee:)