

Mr. KEITH. You say you would?

Judge FRIENDLY. I would feel it was unreasonable in view of the fact that I could buy it so much cheaper, unless the man had some unique ability.

Mr. KEITH. Well, the particular fund that I have in mind is Dreyfus Fund, and in relation to what has happened to that portfolio contrasted to we will say a bank in a small city charging one-half of 1 percent for a \$5 million estate, the portfolio over a period of years seldom would show the return or the appreciation that the Dreyfus Fund shareholders show.

Judge FRIENDLY. That fund has certainly done remarkably, no one can challenge that.

Mr. KEITH. Once in awhile I get this book out to look at, and if you look at Dreyfus Funds, it has gone through the roof. You look at the others with lesser fees oftentimes, and improvements have been most modest by comparison.

Judge FRIENDLY. Yes. One just wonders whether there is any causal relation. I think there are also other funds that have the same fee as the Dreyfus Fund, with supposedly very competent people running them, which haven't shown anything like that appreciation.

Mr. KEITH. Here we are finding people—

Judge FRIENDLY. I think, of course, a court would take that into account, obviously, if their advisory fee came before a court. Surely a court would take that performance into account.

Mr. KEITH. What troubles me philosophically I suppose is in growing up, going to college, taking business law and learning about caveat emptor. A salesman comes around and there it is fully disclosed, and they may have in hand the reports contained in Trust and Estates and it shows the various fees and all these various funds. Take your choice. "We think you ought to buy this one. Sure we get a good cut out of it, but look what we have done over the years. If you want to buy it," and there is a full disclosure, and the man is in a position to spend \$10,000 or invest \$10,000, therefore he has shown some business judgment in accumulating that money, it would seem to me that in the scheme of things full disclosure having been present, and a meeting of the minds, that he has a right to enter into that contract and that these people have a right to offer those kinds of funds to the public.

Judge FRIENDLY. Well, they certainly have in the past, there is no question about that. The point I suppose is that in addition to this well informed and well heeled investor, we have a great many other small people who don't know anything about it, and as was brought out before, there isn't any really substantial price competition. I can imagine, coming back to your case, the \$10 million estate, if I had such confidence in a particular man, and felt so sure that he was going to do well for me, I might consider it entirely reasonable to pay him five or 10 times the going rate. But at least the submission of the Commission is that that isn't what happens here. That these things are taken rather sight unseen.

Now whether the whole matter is important enough to warrant Congress in acting is a very real question.

Mr. KEITH. The fact that so many cases have been brought and