

in a narrow market that might cause a price movement. The fact that a large volume may be disposed of at the end of the day or bought at the end of the day. I would like to know if you think there are sufficient devices available to keep track of this large volume transactions, if there is sufficient exposure to the public of these transactions, and if there is a need for any further light to be shed on them through, perhaps, regulatory path that might be followed but which hasn't yet been taken advantage of.

Mr. DAVANT. Mr. Keith, I believe that the SEC and the regulatory bodies have sufficient authority to carry this out. There is always a problem of speculative excesses. Speculation itself isn't bad, provided it is knowledgeable, and conducted under proper regulation. There has been a substantial amount of activity that has appeared to be speculative in nature recently. I think the stock exchange itself is doing a very fine job of monitoring it. It doesn't do a job that is 100-percent effective because things do slip by, but I think it is doing a very excellent job of monitoring this type of activity.

Mr. KEITH. Do you read Sylvia Porter?

Mr. DAVANT. Sometimes.

Mr. KEITH. She had a very wide readership.

Mr. DAVANT. Yes, sir.

Mr. KEITH. I think very recently she had a column dealing with this, and pointed out that there were a lot of goings-on that were not wholesome in their effect upon the market. But you do not concur, I gather.

Mr. DAVANT. I think the market must constantly be kept under surveillance. In times of great activity there is always the possibility of excesses.

Mr. KEITH. I have no further questions.

Mr. Moss. Are there any further questions? If not I want to thank you gentlemen for your appearance. Thank you.

Mr. DAVANT. Mr. Chairman and gentlemen, thank you very much, sir.

Mr. Moss. The next witness is Mr. Richard W. Jennings, professor of law, University of California at Berkeley. Mr. Jennings.

**STATEMENT OF RICHARD W. JENNINGS, PROFESSOR OF LAW,
UNIVERSITY OF CALIFORNIA, BERKELEY**

Mr. JENNINGS. Mr. Chairman and members of the committee, I am appearing here today at the invitation of the chairman of the subcommittee to express my views on H.R. 9510 and H.R. 9511, the legislation of public concern falling in the field of my professional competence.

I have been professor of law at the University of California School of Law, Berkeley, for 20 years, specializing in corporation and securities regulation. Before that I was an attorney engaged in private practice in San Francisco.

I wish to make clear that I speak in an individual capacity and not in my official capacity as a member of the law faculty of my university.

I have prepared and have submitted a statement regarding several items in the proposed legislation. This is not a long statement. I wonder