

advantage or in utter disregard of the interests of the seller, salesman, or the selling organization, our underlying responsibility is to the overall investing public, and if he is encouraged to continue investing, it follows inevitably that the business itself will be——

Mr. LIVINGSTON. I think that is right.

Mr. MOSS. I want to thank you very much. Oh, Mr. Keith has a couple more questions.

Mr. KEITH. Have you by chance done a column on the monthly investment plan? Have you done a column on that?

Mr. LIVINGSTON. I don't believe I have.

Mr. KEITH. Would you care to comment as to this?

Mr. LIVINGSTON. Well, it has always seemed to me a cumbersome plan. When it first came out I thought it was cumbersome, and if I were an investor and I had a choice, I would certainly buy a no-load mutual fund and get a diversified group of stocks rather than to try to pick up a part of a share of U.S. Steel or A.T. & T. or one or two shares every 2 or 3 months.

Mr. KEITH. I am sure you have done many columns on speculation.

Mr. LIVINGSTON. You mean on the go-go funds and this new attitude toward investing?

Mr. KEITH. Not necessarily the go-go funds, but the institutionalization of the market and the tendency where there is a narrow market for institutional investors—by the way, I think I saw where commercial banks in a study by the New York Stock Exchange did more trading of a speculative nature than did mutual funds. I believe that the net position at the end of the period indicated that commercial banks had been more active in this kind of activity than others.

Mr. LIVINGSTON. Well, yes, I have written about this, but not with any firm conviction as to its impact upon the market, because there are no quantitative figures. I know that the U.S. Trust Co., which is one of the most venerated and staid institutions, has now announced a policy of "Best by Test." You have to show performance in order to keep your customers and get new customers. And there seems to be a tendency to emphasize short-run returns from investing rather than what you expect to get 2, 3, or 5 years from now. And I suspect that this is all part of the environment in which we live, in which people are trading in securities for dollars and dollars and dollars, and this is what John Maynard Keynes talked about in his chapter on "Long-Term Expectation in the 'General Theory.'"

Mr. KEITH. On this question of commercial banks and institutions and their activities in the market, the average charter of a commercial bank indicates I believe that its purpose is to serve the community in its efforts to finance corporate activities. Is that about correct?

Mr. LIVINGSTON. Yes, sir.

Mr. KEITH. Now do you think there is any tendency for commercial banks now to move their surplus and perhaps their reserves in the market in a way to make more money for their bank and its shareholders in an activity which has been thus far secondary?

Mr. LIVINGSTON. Well, I think we are talking about two different things, sir.

Mr. KEITH. We are talking about institutional——