Mr. Moss. The Chair notes the desires of the members and he shares the desire to have the utmost discussion, but in view of the statement when the witness has concluded, if we are ever going to bring these hearings to a conclusion, we will hold to a 5-minute rule. With the utmost regret, we have now taken 40 minutes to discuss two relatively unimportant items in a statement which runs to approximately 40 pages.

Mr. Keith. Mr. Chairman.

Mr. Moss. Mr. Keith.

Mr. Keith. I have no objections to your ruling, but I would not like to let the record stand that this is relatively an unimportant item.

Mr. Moss. The Chair of course in making that statement merely voices his own opinion, and does not attempt to have the record bear the burden of conveying the idea that it is a consensus of the committee.

Mr. Keith. Thank you.

Mr. Cohen. Mr. Chairman, I don't want to violate your ruling: I appreciate it very much. But if I may, I would like to say one further thing in answer to the questions that Mr. Stuckey has put to me, and implicit in some of the other questions put to me.

When the industry was here, they introduced, I think in connection with the testimony of Mr. Welch, certain tables which were designed to show the percentage of net earnings as compared with the assets in three categories: banks, insurance companies, and mutual funds. They had a list of 25 of the largest stock life insurance companies, 25 of the largest banks, and a list of mutual fund assets and earnings of management companies in 1966, in which they attempted to show that comparing assets under management, the mutual fund managers' net earnings were relatively modest.

Now we did not raise this issue about profits. We think, however, that since they brought it in we owe it to the committee to present the situation as it exists, and as the facts demonstrate. It is an unusual situation to indicate their profitability in relationship to assets of the funds.

I think the normal way people consider this is by considering the relationship of earnings to stockholders' equity or to gross revenues, and I have some tables here which I wish to submit to the committee, and I will make them available for anybody at the head of the table, which takes the same banks, the same insurance companies and the same group of management companies, those as to which we have information—these management companies are companies which do nothing but manage investment companies—to show the difference in the situation.

Now, whereas, in the case of the management companies, the group we have selected shows earnings as a percentage of stockholders' equity running say from approximately 34 to 72 percent, in the case of stock life insurance companies there is only one situation, three situations, I am sorry, that exceed 15 percent, and in the case of the 25 largest banks, there isn't one situation that reaches as much as 14 percent.

Now we also have a table which shows the profit margin before taxes in relation to total income of these management companies. With one exception, which is Channing Financial Corp., whose ex-