

Mr. COHEN. That is not competition as you and I normally expect it, sir.

Mr. WATKINS. Well, the price of the shares are generally uniform anyway.

Mr. COHEN. No, sir; I don't think that is so.

Mr. WATKINS. Do you consider the industry to be a monopoly? Do you think they have a monopoly on it?

Mr. COHEN. No, the industry is not a monopoly in the sense that you use it, sir. There is competition as among funds. This is true.

Mr. WATKINS. You bet there is competition.

Mr. COHEN. But if I may answer your question, sir, the competition is an unusual one. It is a competition not for the customer, not for the investor's dollar. It is a competition for the favor of the salesman, by offering him more and more remuneration, which the investor has to pay. That is the kind of competition it is. The normal competition you and I know is to try to get the business away from somebody else by offering him a better service at a cheaper price and in a more timely manner. That doesn't exist here.

Mr. WATKINS. There is nothing wrong with that. I think it does exist. In other words, the larger company that operates in a more progressive manner, they have had research and they have better investment advice—

Mr. COHEN. They all have research.

Mr. WATKINS. They can give a better price perhaps than a smaller firm that wasn't available to them perhaps.

Mr. COHEN. As a matter of fact—

Mr. WATKINS. It is competitive, then the smaller firm would have to meet the price of the larger firm, wouldn't it?

Mr. COHEN. It doesn't work that way. But as to a particular fund, the shares of A, B, C fund, whether you are a big firm or a small one or a medium, you cannot change the price.

Mr. MOSS. You have exceeded your 5 minutes.

Mr. WATKINS. You mean you are shutting me up, Mr. Chairman, with just 5 minutes? I might just as well go over to the House of Representatives and start to do a little work. Is that all I am going to have here or can I have many 5 minutes?

Mr. MOSS. I don't think the Chair has to apologize nor would the Chair apologize to any member of this committee for protecting their rights in permitting them the widest of latitude. The Chair has a responsibility to the committee to conclude these hearings, and the Chair intends to discharge that responsibility.

The question pending directed to you by Mr. Keith is relevant to the question of section 22(d). Will you address yourself to that?

Mr. COHEN. Yes, sir. I think I was at the point of saying—

Mr. WATKINS. A parliamentary inquiry, Mr. Chairman.

Mr. MOSS. Mr. Watkins, the Chair has given you more time than the rules require. He has attempted to afford you the widest latitude, and all that we have as a result of it is a philosophical discussion which has added nothing to the meat of these hearings.

Mr. WATKINS. I don't mind being ruled out but I—

Mr. MOSS. I ruled out Mr. Stuckey and I have ruled out Mr. Keith and I intend to rule out any other member at this point.