S. E. C. POLICY REGARDING

SUPPLEMENTAL LITERATURE OF INVESTMENT COMPANIES

Address of

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Before the

MUTUAL FUND SALES CONFERENCE

NOTE: The Statement of Policy provides, in part, that:

> "It will be considered materially misleading hereafter for sales literature . . . . (r) to employ material in whole or in part from published articles or documents descriptive of or relating to investment companies unless such material, or the literature including such material, complies with this Statement of Policy and in addition such material is not taken out of context in a manner which alters its intended meaning."

New York City
Tuesday, August 29, 1950

## S.E.C. POLICY REGARDING SUPPLEMENTARY LITERATURE OF INVESTMENT COMPANIES

I have been asked to discuss with you the Commission's recently published Statement of Policy which sets up reasonable standards of form, use and content of supplemental literature used in the sale of investment company shares. I particularly welcome this opportunity because most of you are in the direct sales end of the business. The success or failure of the industry's co-operative effort with the Commission to maintain its practices consistent with both the requirements of the Securities Act and the Investment Company Act on the one hand and appropriate standards of commercial honor on the other, in large measure depends on your appreciation and understanding of this aim in your contact with investors or with the salesmen under you who do have such direct contact with the public.

It should be helpful, therefore, for you to have some of the background on the discussions with the NASD committee of underwriters and dealers which resulted in this Statement of Policy and the joint administration of it that is now getting under way. Moreover, I think you should know some of the reasons why the Commission and the industry felt impelled to undertake this venture in the belief that by applying first aid now we would avoid serious surgery later on.

And right here I want to make two points clear to you: one, that had the industry, through the NASD, not intervened in this situation and worked with the Commission on a cooperative basis to find a reasonable and workable solution, the sanctions the Commission was considering invoking would have had a far more drastic, far more restrictive effect than the new standards for the future that have been set up. There should be no doubt about this. Unquestionably, the NASD, on behalf of the industry, by working with us and volunteering to undertake curative action as a measure of self-regulation, has rendered you a real service. It could have been worse, gentlemen: of that I assure you.

My second point is equally important: This Statement of Policy and the reasons I will give you for its adoption constitute no indictment of the investment company idea as a sound and useful medium of investment neither does it constitute a general indictment of all investment companies or of all dealers selling their shares. There is no spirit of hostility in the Commission against investment companies, and there is no implication in anything I say to you today or in the Statement of Policy that all investment companies or all dealers have encouraged, or has all literature contained, the various abuses we are attempting to correct.and will correct.

What has happened is what unfortunately so often happens in many industries --- a relatively small group, by their practices, have lowered the standards of the industry to a point where remedial action was necessary. This group has attempted to push even the real sales points in favor of investment companies past the point of reason; and many firms that otherwise would have refused to indulge in such extravagances have, undoubtedly because of competitive factors, thought they were forced to go along. It became a sort of chain reaction, set off by the selfishness of the few with a resulting impact upon all.

Since, as is well known, I personally firmly believe in the theoretical soundness of the investment company concept and, indeed, if practice follows theory, in the real potentialities for ultimate institutionalization of investment companies as an integral part of the nation's financial structure, I obviously also believe that the benefits to the industry in greater public confidence and acceptance that should stem from strict adherence to the spirit as well as the letter of the Statement of Policy will make well worth while any effort involved either in its formulation or in compliance with it.

One further point of considerable significance, particularly to your lawyers, is the fact that the Statement of Policy, in substance, is simply a partial codification of the fair intendment of Section 17 of the Securities Act of 1933.

That rather broad section of the law has been made considerably more specific by the formulation of the policy statement. It is, then an earnest effort to give specific content to the general terms of the law by setting up standards to govern literature used in the sale of these very important securities. It is distinctly not some sort of "government crackdown" designed to make it more difficult for you to do business.

Moreover, the Statement of Policy should be considered a living document; one that can be amended as necessity is indicated by that good teacher, experience. It most certainly is not an attempt to supply all the answers and it certainly is no policy of insurance against liabilities for violations of Section 17 that may have been overlooked or unforeseen in its drafting. But it certainly should make it easier for those in the business to avoid liabilities through adherence to both its letter and its spirit.

Above all, I think you should look on this document as a means of assistance in the better discharge of the real responsibilities that membership in the securities business entails. And I think you should look on the NASD's efforts to administer these standards as being truly co-operative with you and for your benefit. Those of you who are not NASD members, of course, will be dealing directly with the Commission both in Washington and through our regional offices, and we shall make our administration as it applies to you just as co-operative.

I would end these prefatory efforts at setting the record straight as to our feelings about this venture in what we think and hope is enlightened regulation, with this further note of caution:

Bear in mind that in the following discussion of some of the reasons leading up to adoption of the Statement of Policy, we are looking only at what we might call the "seamy" side. And, since this is so, all the illustrations are drawn from this "bad" side. These are the worst instances. They are by no means all of them; but equally, by no means does all literature contain all or even some of these objectionable features.

The continuing increase in the size and importance of investment companies has been paralleled by an increasing use of supplemental sales literature. Such literature may, of course, be used provided it is not used as a substitute for the statutory prospectus and is not misleading.

The Commission has noted in recent years a growing use of sales literature which, if not actually designed to do so, at least tended to mislead prospective investors in investment company shares. For instance, while sales literature emphasizes one or more advantages to be gained by the purchase of investment company shares, rarely is there any mention that the acquisition of such shares involves the payment of a sales charge. Likewise, little or no mention is made of management fees and other expenses chargeable against the investor's interest in the company. Investors sometimes complain to the Commission that they were unaware of these deductions and charges and would not have bought the shares in question had they realized the substantial amount of charges involved.

Investment companies all too frequently offer to free the investor of any worries in connection with his investments. "Peace of mind and freedom from investment worries," is the promise.

The nature of the statements and sales appeals embodied in the large volume of supplemental literature prepared and used by underwriters and dealers has been a matter of concern to the Commission and to the investment company industry for some time. The Commission, therefore, undertook, with the assistance and cooperation of the National Association of Security Dealers a broad and thoroughgoing survey of such literature to determine what the principal abuses are and to establish standards which might serve as a guide to the industry. After several months of intensive work and frequent consultation between the Commission and the NASD, the Statement of Policy was evolved and published on August 11, 1950. I will not pretend that there was complete unanimity of views between the Commission and the industry at all times during the progress of the survey. There was at the outset a considerable divergence of views, but, as the work progressed, the area of disagreement was continually narrowed, and, at the completion of the survey, the Commission and the NASD were in complete agreement on all matters covered by the Statement of Policy. The Commission and the Association are now working out procedures whereby the Association will assist the Commission in carrying out the Statement of Policy as a measure of self-regulation.

It will be noted that most of the policy statements begin with the phrase "to represent or imply". It frequently happens that supplemental sales literature used in the sale of investment company shares is misleading not so much because of the express representations made but by virtue of the skillful use of language to imply something that is not expressly stated. Thus, it has been necessary in the Statement of Policy to deal not only with express statements but also with statements designed to lead the investor to draw inferences unwarranted by facts. Since not all implications are misleading, it seemed wise to include in the Statement of Policy a definition of the types of implications to which reference is intended. The definition is based upon the standard of disclosure set forth in Section 17 of the Securities Act. It is, in substance, that sales literature is deemed to be materially misleading if it contains either an untrue statement of a material fact or if it omits to state a material fact necessary to make the statement made, in the light of the circumstances of its use, not misleading.

While the Commission and the NASD were working on the Statement of Policy, the industry expressed some fear that the principles laid down in the various policies might operate to hamper the impartial description of investment companies and their shares. As an example, some investment companies liken their investment policies to those of insurance companies. In some cases, this is misleading since the investment companies in question do not operate under the same legal restrictions as insurance companies. In general, the Statement of Policy would forbid such comparisons, but where a company is limited by its charter to investments similar to those of insurance companies, it is clearly proper for the investment company to so state. Accordingly, the Statement of Policy contains a provision that nothing in it is intended to prevent the use of factual statements, fairly presented, concerning the fundamental investment policies and objectives, investment restrictions and other characteristics of a particular investment company.

I will turn now to the various specific provisions of the Statement of Policy.

In these days of low return on many types of high-grade securities, it is not difficult to imagine the great appeal of a liberal percentage return frequently promised, expressly or by implication, in the sales literature of investment companies. A single example taken from a recent advertisement will illustrate what I mean. It read, in part, as follows:

> "SECURITY
>
> A million people who are interested in buying security and a dependable monthly income have turned to Mutual Funds which pay a current return of
>
> $5\frac{1}{2}$% OR MORE"

Rather inviting, don't you think? Such generous rates of return are frequently computed upon the basis of net asset value and do not represent a return upon the investor's cost. Furthermore, where there has been a decrease in the per-share asset value during the period, this fact is not always brought to the attention of the investor. Accordingly, it will hereafter be considered materially misleading to represent or imply a percentage return except as a ratio of dividends paid from net investment income for one or more immediately preceding full fiscal years to both a stated average offering price and a stated and dated offering price current at the date of publication. This information must be accompanied by a statement to the effect that the return is based upon dividends in the period covered and is not a representation of future results. There must also be disclosed any increase or decrease in asset value during such period.

A practice similar to that referred to above is to combine distributions from net income with those from profits on the sale of securities and distributions from capital surplus. The so-called "yield" represented by these combined distributions is misleading because it hides the fact that the distribution is in part a return of capital, in part a distribution of security profits, and <u>only in part</u> a dividend paid from investment income. To correct this practice, the Statement of Policy declares that it will be considered misleading in the future to combine into any one amount distributions from net investment income and distributions from any other source.

A further misrepresentation frequently appearing in sales literature in this field is that the generous yields indicated are continuous and dependable. There is constant repetition of phrases such as

"A dividend check every month"

"Dependable income"

"You receive continuous income".

Since the income on investment company shares is dependent upon the company's income from its portfolio securities and is subject to deductions for management fees and other expenses, it is obvious that the claimed liberality and dependability of the investors' return is open to serious question. Accordingly, the Statement of Policy declares it to be misleading to represent or imply an assurance that an investor will receive a stable, continuous, dependable or liberal return or that he will receive any specified rate or rates of return.

One of the favorite attractions claimed for investment company shares in much of the sales literature reviewed is the possibility of growth of capital investment. Though the particular words or phrases may differ, the same appeal to potential investors is nearly always couched in such terms as to lead the investor to believe that his capital will increase, without pointing out the risk factors involved or that his capital may diminish. It is the up-trend that is emphasized, not the down-trend.

Investment company shares are held out as a means through which the investor can build an estate or become financially independent. Obviously, general claims of this nature are misleading since rarely is an open-end investment company in a position to make any prognostication of an assured increase of principal. Accordingly, the Statement of Policy declares that it will be deemed misleading to represent or imply assurances that an investor's capital will increase or that the purchase of investment company shares involves a preservation of original capital and a protection against loss in value. Furthermore, these matters may not be discussed without pointing out or explaining the market risks inherently involved in the investment.

Much of the sales literature reviewed employed as a major sales appeal the claim or implication that the Federal or State Governments or the Securities and Exchange Commission actually regulate the management practices of the companies or supervise them in such a way as to provide Federal protection to investors. Typical of these is the statement "Safeguards offered by government regulation of investment management". There are many variations of this general theme, but running through them all is the implication that the Commission or the Federal Government is constantly supervising investment company management, its assets, its portfolio practices and policies and its operational activities. Nearly all of these statements go beyond the statements permitted by the Securities Act of 1933 that the securities to be offered are registered, or by the Investment Company Act of 1940 that the company is registered under that Act. The Statement of Policy, therefore, declares it to be misleading to make any reference to registration or regulation of any investment company under Federal or State authority without explaining that this does not involve supervision of management or investment practices or policies.

As you know, it is quite customary for investment companies to employ banking institutions to act as custodian of securities, transfer agent or dividend disbursing agent. There is, of course, no objection to the functions of these institutions being accurately described in the sales literature of investment companies. However, it has frequently occurred that the role of these institutions has been over-emphasized. It is implied that these institutions in some manner provide protection to investors against possible depreciation of assets, against management mistakes and, in addition, have some supervisory functions over management in such matters as purchase and sale of portfolio securities and the payment of dividends. To correct this practice, the Statement of Policy prohibits such misleading statements and requires, where the functions of banking institutions are referred to, that the limited role which they play be accurately set forth.

One of the principal sales appeals with respect to the securities of open-end investment companies is the redemption feature. Investors are generally assured that one of the best protective features which they can obtain is the ability to get back their money at any time. However, the prospective investor is rarely told, or is told in a wholly inadequate manner, that the sales load will not be returned but merely the then net asset value, less any redemption charges. Moreover, there is a general failure to explain that as a result of market conditions the value of his investment at the time of redemption may be less than the price at which it was originally purchased. The Statement of Policy requires that these factors be brought to the attention of the investor in connection with any discussion of the redemption features of investment company shares.

It is an old saying that people are known by the company they keep. Investment companies are no exception and are frequently given to comparing their securities with investment media generally regarded as highly conservative. Most common are statements which compare open-end shares with government bonds, annuities, savings accounts and life insurance. The implication is that investment shares are similar to these fixed contractual obligations and, in addition, offer higher yields and opportunity for appreciation. As a matter of fact, investment company shares are in no way similar to securities representing contractual obligations to pay fixed amounts of money on demand or at definite periods. To prevent these misleading implications, the Statement of Policy flatly prohibits the representation or implication that shares of an investment company are similar to or are as safe as government bonds, insurance annuities, savings accounts or life insurance or have the fixed income, principal or any other features of a debt security.

A similar device is the use of language implying that the managements of open-end companies handle their investments in a manner similar to insurance companies or savings banks or operate under similar investment restrictions. Investment companies have no such restrictions except as recited in their stated objectives and by the quantitative restrictions in the 1940 Act. Moreover, the portfolios of banks and insurance companies are continually supervised by Federal and State authorities, and no such supervision is exercised over the portfolios of open-end companies. The Statement of Policy, therefore, forbids the making of such comparisons except to the extent that a particular company is so restricted or limited by the statement of its policies filed with the Commission.

Perhaps the most difficult problem in this field is the comparison of the performance of a particular company with some other security or medium of investment or with some security index or market average. Investment company shares are frequently compared with those of a particular security in the industrial or commercial field. Comparisons are also made with market averages such as the Dow-Jones Industrial

Averages or Standard & Poor's 90 Stock Index. The comparison of an investment company's shares with shares of any other company may be misleading unless carefully qualified or explained. The comparison of the performance of an individual investment company with some selected market index is likewise apt to be misleading if not properly qualified or explained since the comparison may or may not fairly indicate a claim of expert management. The Commission and the industry attempted to work out an explicit Statement of Policy as to what would be considered a fair comparison and what would be considered misleading. However, because of the great variety of such comparisons and the many factors involved in determining whether or not a particular comparison is fair, it was ultimately determined that, certainly at this time, the working out of explicit rules is not feasible. The Statement of Policy, therefore, does no more than lay down certain general rules to be followed. One of these is that the particular security or index or average was selected by the person making the comparison and is, therefore, not necessarily generally recognized as a proper basis for comparison. Secondly, it is to be pointed out that the results disclosed should be considered in the light of the company's investment policy, the character and quality of its investments and the period selected. Finally, but very important, the comparison must include any factor which is necessary to make the comparison a fair one from the standpoint of the investor.

The romantic appeal of investment company shares is frequently enhanced by representations that investment companies generally are important sources of new capital for industry. Actually, with few exceptions, they simply invest the funds of the shareholders, after deducting the sales load, in outstanding corporate securities. In general, their contribution of new so-called "venture capital" and their purchases of new unseasoned issues are limited, as perhaps they should be. The Statement of Policy requires such statements to be limited to particular companies where the extent to which such investments are made is disclosed.

The misrepresentations and misleading implications resulting from the improper comparison of investment company securities with other corporate securities or with other media of investment or security indices or averages referred to above are duplicated by visual presentation in chart form. Since this graphic method necessitates considerable over-simplification, its undesirable impact on the investor is obviously intensified. An illustration of the misleading character of such charts is the case of a chart which recently came to our attention which compared the shares of an investment company with those of a leading public utility company. The chart reflected the growth of an investment in the investment company, including all dividends and capital distributions. However, in showing the growth of a similar investment in the shares of the utility company, all dividends were omitted. The comparison, therefore, indicated that shares of the investment company were a better investment, whereas if the dividends of the utility company had been included, its performance would have been greatly superior to that of the investment company. Furthermore, the performance of the investment company was reflected by a three-dimensional chart which, from a not too careful perusal, would indicate a better performance than was actually the case.

The Commission and the industry in 1948 devoted considerable time to the question of charts used to show the history of an investment in a particular investment company and has published a release pointing out certain respects in which such charts appeared to be misleading. It was found that these charts usually covered a period arbitrarily selected to show a substantial growth of the company. In addition, the charts were prepared so as to include in the growth of the investment not only increases in net asset value but also all distributions made during the period covered, whether from investment income, security profits or capital surplus. The charts were based upon net asset value and did not, therefore, commence with the investor's true cost. Furthermore, it was impossible for an investor to ascertain what his investment experience would have been had he purchased shares of the company at any time after the beginning of the period covered by the chart. In a subsequent letter to the NASD, the Commission set forth in some detail certain standards which these charts should meet in order not to be considered misleading. I assume that you are all familiar with these standards and will not, therefore, stop to discuss them at this time. The Statement of Policy merely refers to the Commission's release and to the above-mentioned letter and adopts the standards set forth in the letter.

The sales literature of investment companies contains many high-sounding phrases and generalities regarding management results, policy and performance. General statements such as "the excellent performance record" of investment companies and "efficient and skilled management" of such companies are quite common. These general laudatory statements, unrelated to any particular company, are misleading because they lead the investor to infer that the management of the company whose shares he is asked to buy possesses the qualities referred to. Any discussion of management should be limited to the management of particular companies and should be reasonably related to the skill and performance of that particular management. The Statement of Policy therefore forbids the making of any extravagant claims regarding management ability or competence.

There is an increasing tendency to refer to open-end companies as "investment cooperatives" which creates the impression that such companies are operated as non-profit organizations. This obscures the fact that in essence they are privately established ventures conducted not alone for the benefit of shareholders but also for the profit of promoters, managers and underwriters. The Statement of Policy declares it to be misleading to represent or imply that investment companies are operated as or are similar to cooperatives.

Another favorite claim is that open-end company shares generally have been selected for investment by trustees, institutions, estates, charitable organizations, insurance companies and other fiduciaries and that their selection is evidence of their investment quality and merit. These claims are misleading when used generally since only a relatively few funds have been declared legal investments for such fiduciaries and only in a limited number of states. Accordingly, the Statement of Policy declares it to be misleading to represent or imply that investment company shares generally have been selected by fiduciaries.

One of the most important factors in successful investing of funds is the correct timing of purchases and sales. Many formulas and timing plans have been evolved for the purpose of avoiding commitments at the wrong time. How successful they have been I leave to you. In addition, continuous investment plans, usually referred to as "dollar averaging", have been increasingly advocated in the sales literature. The basic argument in support of this continuous system of investment is that dollar averaging solves the problem of timing purchases and is a scientific means of turning price fluctuations to an investor's advantage.

This supposed scientific approach to continuous investment of fixed amounts of money over a period of time has been used in a manner that distorts and exploits a simple mathematic truism for the purpose of promoting sales. As now used, it ignores the realistic fact that in a declining market only an investor of ample means could afford to continue the fixed payments necessary to obtain the increasing number of shares at reduced cost. Only such an investor could afford to leave his depreciating principal unliquidated over the full life of the "program" or ignore the fact that when, by choice or necessity, he discontinues the plan, the cost of the total amount of shares purchased may well exceed the asset value of his investment. Yet this sales tool is often used to attract persons of moderate means who can least afford depreciation of capital and who would be the first to discontinue the plan at a loss.

The descriptions of dollar averaging have been misleading in the past because they have high-lighted the advantages accruing from the operation of such a plan under ideal conditions without pointing out the inherent weaknesses in the plan and the probable effect upon investors of average or limited means. Furthermore, the very term "dollar averaging" is misleading since there is no averaging of dollars but only an averaging of the investors' cost. The Statement of Policy, therefore, requires that the term "dollar averaging" or "averaging the dollar" shall not be used, although the phrases "dollar cost averaging" or simply "cost averaging" are deemed to be fairly descriptive of such plans and are, therefore, not objectionable. The Statement of Policy also provides that in the discussion of any such plan it must be made clear that the investor will incur a loss if he discontinues the plan when the market value of his investment is below his cost. It must also be pointed out that the investor is investing his funds primarily in securities subject to market fluctuations and that the method involves continuous investment at regular intervals regardless of price levels. Furthermore, the investor must be warned to take into account his financial ability to continue the plan under all conditions of the market and that such plans can not protect him against loss in value in declining markets. Where any table is used to depict the operation of a plan of continuous investment, it must be based upon the actual offering price of the shares of the particular company and must include the total cost and liquidating value of the investment at the end of each year or shorter period shown in the table. It is not permissible to use hypothetical data in such tables.

The purchase of investment company shares of most companies involves the payment of a substantial sales load which is added to the net asset value of the shares purchased. These loads range up to more than 9% of the net asset value, and the greater number of companies charge between 7% and 8% of the net asset value. In nearly all of the sales literature currently in use, there is almost a complete absence of any mention of the sales load and, in the few instances where it is mentioned, the descriptive statements made are wholly inadequate. Only through the prospectus is the investor able to ascertain what an investment will cost him. In order that the investor may be forewarned of the sales load when reading favorable descriptions of investment company securities, the Statement of Policy requires all sales literature which does not state the amount or rate of the sales load to include a statement that there is a sales charge to the investor included in the offering price of the shares of the company and to include a reference to the prospectus where detailed information in regard to the sales load and other information is set forth.

It has long been a favorite device of some in the investment fraternity to stimulate business by encouraging investors to switch from the securities of one company to those of another company or to other securities of the same company. Some investment companies are no exception to this rule, and the sales literature of such companies frequently seeks to persuade investors to switch from the securities of one investment company to those of another or to other securities of the same investment company. It is seldom indeed that there is any mention of the fact that each switching transaction involves the payment of an additional sales load. The Statement of Policy requires that all sales literature urging investors to switch from one security to another contain a statement disclosing the fact that an additional sales load must be paid and cautioning the investor to measure the cost against the claimed advantage of the switch.

There is an increased tendency by some open-end companies which have a large portion of their portfolios invested in a particular industry or in several related industries, to use literature "puffing" the general industry concerned, thereby implying that whatever spectacular advantages are foreseen for the industry will automatically be reflected in increased value for the investment company shares. The electronics industry is frequently chosen because of its currently popular appeal.

Such statements are misleading unless fully qualified by adequate explanation that what an industry may do generally has no automatic direct effect on the value of investment company shares invested therein, since what individual managements within an industry may accomplish is not necessarily comparable to what the investment company involved may accomplish. The Statement of Policy, therefore, forbids the representation or implication that the performance of any particular company may be measured by or compared with the performance of a particular industry unless the extent and scope of the portfolio of the particular company is such that its performance will generally approximate that of the industry.

There has been a widespread use as sales promotion literature of reprints of articles appearing in various publications. Such material is usually disseminated in an apparent attempt to "educate" investors in investment companies generally, but in actual practice we are certain that it is used by dealers and others to sell particular funds. This material seems to be used only when, and to the extent, that it encourages the purchase of investment company shares. The disadvantages and pitfalls of such investment are usually ignored. The Commission felt that where such material is used it, or the literature including it, should conform to the same standards as other sales literature, and the Statement of Policy so requires.

And there your have it. While it certainly isn't perfect, there is a reason for every word in the Statement of Policy; each was carefully weighed and re-weighed by your representatives on the industry committee and by the Commission before it was agreed upon.

As I mentioned earlier, it is a living document; one that can be amended to cover new situations or corrected to remove any unfair applications that may possibly show up during its administration.

I believe the standards it sets forth will do much to eliminate the difficulties we have had with this literature. I sincerely hope so, for I believe in the soundness of the investment company idea. But I am anxious that its operation be consistent with its sound theory, so that its real purpose, which is to provide a sound investment instrument for the smaller investor, will be served rather than subverted.

This very useful instrument was nearly destroyed in the 1920's by the financial excesses of that period. It has experienced, in more recent years, a kind of renaissance with the expansion of the open-end companies. This rebirth was threatened by the abuses I have been talking about. For, if the excesses of sales literature were not corrected, they could ultimately discredit the open-end companies, and thus destroy this useful instrument.

Our desire for correction, therefore, arose not from hostility to the investment medium or to the industry, but, rather from the conviction that this instrument should be properly used and preserved. Far from being hostile, I believe that investment companies, if wisely cared for, can ultimately become "institutionalized" --- though they can never serve the same purposes as savings banks, building and loan associations, insurance companies and government bonds. Nevertheless, their function can be such as to play a useful part in any comprehensive investment program. Thus, they can achieve the permanent and useful place in our economy that their basic theory contemplates. The problem, then, is to make the practice consistent with the theory and not permit the selfish insistence of some on quick and easy returns for the present, to divert the industry from concentrating on the realization of these highly desirable and entirely attainable long-term goals.