Securities and Exchange Commission Historical Society
Interview with Ralph S. Saul
Conducted on November 29, 2001 by David Silver
in Philadelphia, Pennsylvania

DS: It is November 29. We are in the offices of Ralph Saul in Philadelphia, and this is David Silver. So, question number one: why did you go to work at the SEC?

RS: I went to work at the SEC, Dave, because I became very interested in the securities markets and the securities business as a result of having filed a registration statement for RCA for a debenture offering back in 1956 or 1957. That intrigued me and aroused my interest in the securities business. At the time, I knew no one in Washington. After doing some research, I found out that I did know the administrative assistant to Senator [Jacob] Javits, a fellow by the name of Sandy Lankler. So I called him one day and said I'd be interested in coming down and visiting the SEC, and he said, "Let me see what I can do." So he said, "I've got a few other positions that you might be interested in, Department of State, Commerce," and I said, "No, Sandy, I'm not interested, I want something at the SEC." So he came up with Associate Director of the Division of Trading and Exchanges. I cam down and was interviewed by Ned Gadsby, who was then the Republican chairman of the Commission and a couple of other commissioners. I passed muster and I went to work as an Associate Director of the SEC. I know I'm getting into some of the other questions you may have.

DS: Who was the director?

RS: The director was a very bright and beloved person, well known to everybody at the SEC, Phil Loomis. I became his associate director. By the way, he did not know me, and here I was suddenly introduced to him as his associate director.

DS: Who were the other commissioners, do you remember?

RS: There was Ned Gadsby. There was a fellow by the name of Harold Patterson. I'm

trying to think, Dave of some of the others, but their names escape me at the moment. But those were the two commissioners that interviewed me.

DS: Do you remember who the other division directors were?

RS: The division directors were Manny Cohen and Barney Woodside at Corp Fin, and in Corporate Reg, I believe Sol Friedman, at that time, was division director.

DS: General counsel?

RS: Tom Meeker.

DS: What was the major work of the Division of Trading and Exchanges as you found it in 1958?

RS: The Division was responsible for market regulation and enforcement, but enforcement really took on a secondary role. The primary role of the division was dealing with various trading rules, including a great effort by Phil Loomis, who was very good at this, to review the stabilization rules. Phil had a tremendous intellect and he would be used by the Commission in dealing with difficult legal and policy issues. So I would say that much of his effort was directed to establishing and revising various trading rules and far less on enforcement matters.

DS: As far as the Commission was concerned itself, and Ned Gadsby, how did he see his role as chairman?

RS: I think he took – and I don't want to characterize this as being critical because I think there is a good deal of merit in this philosophy – that the Commission was basically involved in two missions. One, putting a lot of effort into disclosure, perfecting the disclosure system that existed, but not making any fundamental changes in the disclosure system, and approving registration statements. I remember Harold Patterson, who reflected Ned Gadsby's point of view, "You're the cop on the beat. You deal with

basically fraud matters." In those days, the most outrageous frauds, at those that were visible, involved "boiler rooms." I'd say most of the effort of the Commission in those days, led by Corp Fin, was on tweaking the then existing disclosure system.

DS: You said that enforcement was part of the Trading and Exchanges Division.

RS: That's correct.

DS: Who headed up the enforcement operation within the division?

RS: There was an assistant director, and I wish I could remember his name, who worked on a number of "boiler room" cases. I think one of the major cases that came up during that period, prior to the Special Study, was the Canadian Javelin case. Now, that was a case investigated by Ed Jaegerman and Tim Callahan. Now, Ed Jaegerman and Tim Callahan were kind of free-roaming investigators attached to the division, and if they uncovered a major case, it was generally brought to the attention of Phil and then ultimately to the Commission. Ed and Tim were extraordinary investigators.

DS: What was the relationship with the regional offices?

RS: The regional offices, and particularly New York, which was a very powerful office, then led by Paul Windels. Paul was a very effective regional director and insisted upon pursuing his own cases, for better or worse, with little direction from Washington. Paul was probably one of the more effective regional directors.

DS: Was the division, though, the nominal supervisory body over the enforcement activities in the regions?

RS: Right.

DS: In the period, again before the Special Study and before the Re and Re case, what were the most significant things you remember the Commission doing, not only

the division, but what were the important issues the Commission was dealing with?

RS: I would say that the division took definitely a secondary role to Corp Fin and the General Counsel's office. Other than an occasional important enforcement case like Canadian Javelin and those that came up through the New York regional office, I would say we spent most of our time dealing with trading rules and "boiler room" cases. The one unusual issue that I did get involved with was a review of the New York Stock Exchange commission rates. I had a discussion with Phil Loomis one day, and Phil said, "Ralph, you take on this issue and do a study with recommendations." The New York Stock Exchange then deferred its new commission rates pending results of that study. I had some very effective people working for me, Helen Steiner, for one.

DS: One of the few women professionals.

RS: One of the few women professionals, really an outstanding woman. There was one other person; I forgot who it was. But the three of use put together a commission rate report. We, as I recall, dabbled with the idea of recommending the abolition of the fixed commission. But these weren't the days that you proposed changes of this kind. What we did propose was a volume discount. It didn't make any sense to have these huge fixed commissions on institutional trades. This was now circa '58, '59, where institutional business was picking up on the New York Stock Exchange, and where these huge rates were paid and where you have not devised the "give up" system which came in later. I'm sure there was something going on with these high commissions, but the give-up system hadn't yet been perfected. Anyway, the major recommendations that our report made to the Commission and to the New York Stock Exchange was a volume discount. The Commission accepted the report, gave it to the New York Stock Exchange. There was some discussion, but nothing was done. The Commission approved the new rates under Section 19B of the '34 Act. The Commission basically let the commission rate schedule go into effect.

DS: There was a hot issue market going on during that period, as I recall.

RS: No, that really didn't come until '60, '61, '62.

DS: Weren't there uranium stocks?

RS: Uranium, yes. That kind of thing. That's right. In fact, most of the enforcement issues arose in promoting mining stocks of various kinds, Canadian Javelin, for example, was a mining stock. Now it's interesting, a lot of those cases emanated from Ed Jaegerman and Tim Callahan. They came from Ed and Tim rummaging around on Wall Street, and they would bring these outrageous "boiler room" cases to the Commission's attention and the Commission would authorize an injunctive proceeding.

DS: There was a Canadian restricted list, was it?

RS: Oh my god, I haven't heard that phrase in a long time. I'm trying to recollect the Canadian restricted list. Weren't those issues that were banned from purchases or sales within the U.S.?

DS: I think that was within the division. It was kept by the trading division.

RS: Yes, it was kept by the trading division. Eddie and Tim had a lot to do with what issues went on that Canadian restricted list, again Canadian Javelin was one of the companies on that list.

DS: Then along come the Re and Re case. How did that come about?

RS: How did that come about? I read the files of companies that were listed on the AMEX or about to be listed on the AMEX. And there were, right out in the open, disclosures that the Res' would receive special option grants from the AMEX issuers seeking listing. And there were other transactions that intrigued my interest. I saw other indications that there might be problems with Re and Re, but

we had not yet instituted any formal investigation. I'd have to refresh my memory, looking back on the investigatory materials, but I believe that there were a number of incidents – revelations disclosed in the registration statements that were worthy of investigation. We got a formal order of an investigation. Eddie Jaegerman deserves an awful lot of credit here, in addition to the man who's now interviewing me. I think you hadn't gotten involved at this point.

DS: No.

RS: I said to Eddie, we now have the formal order of investigation. Let's start interviewing issuers, who raised suspicion, and of course question them about options, payoffs, threats and shakedowns from the Res'. In many cases the managements were perfectly willing to make payoffs, so that they would have a specialist upon whom they could rely. The cast of characters that came into the office, in the New York regional office, whom Eddie and I questioned could have come from a Damon Runyon story. But we hadn't gotten around in our investigations to questioning the Res'. But we began to accumulate enough evidence that father and son had seriously abused their position as specialist. I'm trying to remember when you got into it and helped prepare the brief.

DS: That was the beginning of '61.

RS: There was one very interesting incident – I don't know if we should put this on record. I think it was before you had arrived on the scene. I got a call from Ed McCormack, Speaker of the House, saying "Saul, stop this investigation of the Res'." Well, I told him we had an obligation to continue to look into the matter. He had made his threat and hung up the phone. But I could sense that pressure was beginning to build up and we were hitting pay dirt. Then came the preparation of the brief – I guess the remedy we were proposing to the Commission was basically to throw them off the exchange or at the very least to suspend them. Now I'm not sure when you came into the picture, but I remember we had a community of interest.

DS: But before you were writing the brief, the investigation must have lasted a year.

RS: That lasted about a year. Eddie and I, together with Tim. Tim went on to other things, but Eddie and I must have spent a year on the investigation. I was in New York a great deal, and most of it was conducted in New York by putting on the record issuers, and ultimately the Res', and management of the issuers, and we would go through the whole list of stocks in which the Res' specialized. And, of course, there was also in the back of my mind at that time, the Gilligans, who appeared to be doing some of the same things, perhaps a little more subtly than the Res', like demanding payoffs from issuers. So I would say that we had accumulated, during the course of a year, a pretty overwhelming case that these characters were abusing their positions.

DS: During that period, did you keep the Commission advised of the progress of the investigation?

RS: Now, that's very interesting. I kept Phil advised, because he was my boss. He was the director of the division. I think Manny knew about it. There might have been one or two instances where Phil and I would come before the Commission and talk about what I was doing. I would periodically brief him as to what I was doing, and encouraged to continue. Phil was very supportive and quite helpful as he was on the commission rate matter.

DS: There was a time in the investigation when on the legal side the Res' lawyer, Milton Gould, threw in the sponge, because I remember separation of functions was waived and by the time you got to writing the brief, he was on the penalty issue. How did that all come about?

RS: Well, he threw in the sponge. What happened is that ultimately the Commission scheduled an oral argument. We had this brief which was very comprehensive, and made a strong case for throwing them off the exchange. And the evidence was so overwhelming that in the oral argument, which I made in front of the

Commission, Milton Gould stood up and threw in the sponge. And so the remaining question was the issue of the penalty. As you remember, the Commission met right after the oral argument; there was no interruption. That very afternoon, the Commission met and led by chairman Bill Cary – I can't remember his exact words, maybe you remember the words, but we've got to get them off the exchange as soon as possible. And the Commission expelled them right then and there.

DS: It was, "I don't want these two wandering down south of Canal Street."

RS: Are those the words? [Laughs] When did you get involved?

DS: I got involved in January or February. We started to write the brief.

RS: I want to say for the record that the brief was excellent, due in large part to the man that's interviewing me. And, by the way, we sensed that this was going to be the start of a major change at the Commission, and that was voiced also by Irving Pollack, who was then an assistant general counsel. The Re and Re case started a major change in the future enforcement policies of the SEC. Boiler rooms are important, but there are far more important enforcement cases having much wider implications. It signaled a major change in the enforcement policies of the SEC. Enforcement then began to assume a much more important role in the Commission's priorities.

DS: When you started the investigation, at that point was the Commission involved at all on the regulation of the exchanges?

RS: No.

DS: So basically they just were passive.

RS: Exactly. You had a Commission where exchange or market regulation was not

high on its agenda, not high because no one on the Commission staff brought the issues before them. They were really wrestling largely with the issues I've described, namely tweaking the disclosure system, tweaking registration statements and dealing with to some degree enforcement cases, but not major enforcement cases.

DS: Do you have any feeling yourself as to how the Commission reallocated its resources where in the 1940s and '50s and whenever it was, so that the disclosure process, the '33 Act achieved dominance and the '34 Act really fell into – at least the exchange aspect of it – became de-emphasized?

RS: My feeling is that we had tremendous talent in Corp Fin in the form of Manny Cohen and Barney Woodside. Interestingly, as I indicated earlier, I think Phil Loomis, the director of trading and exchange, was very interested in Corp Fin issues, and to some of what I would call issues in connection with the distribution of issues, so that the Commission was in some sense a prisoner captive to those issues brought before it.

DS: Two-thirds during the Re investigation, you had the election of 1960 and the turnover at the top in the Commission. Did that affect the course of your investigation at all?

RS: Not really. I mean, I kept my head down and just plunged ahead. It didn't really affect the course of the investigation. I told you about the call I had from the Speaker of the House on behalf of the Res' and that made me more stubborn in my pursuit. And I did sense, to some degree, that the administration, with the arrival of Bill Cary, that I would have a Commission that was in tune with this kind of case. So really to answer your question, it had minimal effect, not effect really, on the course of the investigation. Eddie Jaegerman and I just moved ahead. Then, of course, you came on the scene and got involved in the brief. I think that helped me realize that this was a very important case.

DS: The first result – even before the Special Study, of the investigation was the Commission's entry of the order to investigate the American Stock Exchange itself. How did that come about?

RS: That came about as we also started on an investigation of the Gilligans, specialists on the Exchange. We opened up the investigation of another father and son combination, who were engaged in somewhat the same thing as the Res', but as I said a little more subtly. We now had Bill Cary as Chairman. We then went to the Commission with an order to investigate the American Stock Exchange, the second largest exchange in the country. So this was a major step, opening of the investigation into the American Stock Exchange. To answer your question precisely, I think with the Re and Re and the Gilligan investigations, the Commission had no problem with opening up a formal investigation of the American Stock Exchange. It appeared that corruption was endemic on the exchange.

I think, with the opening of the formal investigation into the AMEX, Wall Street saw that this was important. We then had a meeting with Gus Levy, who was one of the leaders of Wall Street at the time, who subsequently agreed to head up a committee to take remedial action. God bless him, Levy saw the importance to the Street of how the industry reacted to the Re case. They had the good fortune to enlist as their staff director, Ted Etherington, who was then, I think, over on Big Board.

DS: He was actually at Pershing & Co. at this point.

RS: A very able fellow, extremely articulate and a good writer. The Levy committee was working with Ted – and I think Ted was probably one of the prime movers here – prepared a report proposing a series of reforms of the AMEX to remedy some of the problems that we uncovered. As a result of that, he was the natural successor to Ed McCormick, the president of the Exchange.

Not the Speaker of the House. This is I-C-K. Ed McCormack, Speaker of the

House, was A-C-K. Anyway, Ed McCormick – I-C-K – resigned. I presume under pressure from the Levy committee to step aside. They then appointed Ted as successor. Levy came down and got clearance from the Cary Commission to appoint Ted. We now had a person of stature and ability to head up the AMEX. So Ted assumed the reins of the exchange in 1961. Things were moving very fast in those days once Bill Cary arrived on the scene. We had the Re case, the Gilligans, the AMEX investigation and, of course, then came the Study.

DS: Probably what spurred the Levy committee, to jar your memory, is that before the AMEX report was published, the investigation was just about completed. You, in a "one-on-one" meeting with a number of leaders from the Street, lifted the corner of the draft report and gave an indication of what might come.

RS: Yes, I think we did. I think we played tough. We had to. Yes, and I think they got the word.

And there were involved in all of this some very prominent figures. I mean, I don't want to put that on the record, but the Gilligans did favors for some very interesting people, a lot of prominent people on Wall Street and elsewhere. So I think the Street took the right step by sparing itself humiliation and saying, "We'll deal with this issue," and of course, they got a very good president to head up the Exchange.

DS: Getting to the Special Study…..were you current? Did you have a role in negotiating the Special Study?

RS: You know, it is interesting. I'm going to talk out loud here, because some of this stuff now is very speculative. I don't have first-hand information. My feeling was that Bill Cary, when he came, had his own agenda, but I don't think high on the agenda was investigating the AMEX or getting into the whole specialist system. I think he had high on his agenda investigating the mutual fund industry. There may have been some other major items in terms of his program.

I think what happened with the investigation of the AMEX, the problems seemed to be popping up all over, is that he saw that this was an opportunity to pursue a broader investigation of the securities industry, not in a punitive way, but in a way to get the facts and determine where regulation should be updated, and major legal changes, not only the '33 Act, but also the whole area of trading markets. I think he saw that he had a basis for going to Congress for an appropriation for a broader study.

Now, I had a sense there may have been other conversations and other deliberations behind the scenes to which I, as an associate director, was not privy, and his conversations with Milton Cohen. For the record, I was not in on those deliberations, but my feeling is that Bill, whom I think was a first-rate Chairman, seized a tremendous political opportunity to make a broader study of the securities market, which meant that his other priorities had been pushed aside, and he had to devote a lot of time, first of all, getting the Congress to approve the Special Study. And you had to deal with the delicate issue of the relationship between the Study and the Commission. I think he had to work that out too.

But anyway, that period between the time of the AMEX investigation, the Levy committee, and the actual passage of the legislation, I really don't have first-hand knowledge of what when on. And you have to remember I was a Republican appointee. [Laughs] We had the Kennedy administration.

DS: Did you hear from the administration at all? The Re case was just about over when they came in. But the AMEX investigation, or during the Special Study of the Big Board, was there anything coming back from the administration?

RS: If there was any pressure or any concern on the part of either administration, the dying Republican or the incoming Democratic administration, I was not privy. We had a lot going on before as we pursued the Special Study. But during that period, I was not aware of any pressure from the White House or Congress to influence what we were doing.

DS: Going to the Special Study, do you have any recollection of anything from the administration or Congress on any specific issues?

RS: Yes. I think we had a first-class Chairman in Bill Cary and the other commissioners. I think whatever political pressures or political influence or things that came from the White House, I think they handled them extremely well. And what was very interesting, I was a Republican appointee and really a newcomer at the Commission, and I had a conversation with Bill and he said, "Ralph, you have to stay and work on the Study. You started this and I hope you'll serve as an associate to Milton Cohen. We need your help." And he was extremely convincing and so I stayed.

DS: I do remember one conversation we had before the election when you made me an informal job offer and then after the election, you called and said the offer still stands but that you might not be there.

RS: I honestly thought that I would be asked to resign. But I have to hand it to Bill, there were no questions asked.

DS: The Special Study, we did do a lot of it at the Roundtable, but if you had to talk about the enduring changes coming out of the Special Study…..first, what effect do you think the Study had on the Commission itself and its subsequent future?

RS: I think it focused the Commission on the markets, what was happening in the markets. By that I don't mean to say that we downgraded its disclosure responsibilities, but I think it began to pay a lot more attention to the markets. I also think, because of the Re case and AMEX investigation, that it had a tremendous influence on our enforcement policy. I think the Commission saw that enforcement could be a tremendous tool to regulate markets if you picked the right cases having broad impact. I think they began to see that.

The other thing that, and I think this was largely due to Milton's thinking, was the integration of the '33 and '34 Acts in terms of disclosure. The integration issue

reflected Milton's philosophy more than my own. Also, the Study placed a great emphasis on alternative markets. I think we placed too much emphasis on encouraging competitive alternative markets, primarily directed at the power of the New York Stock Exchange. If I had to do it all over again, I would have written that part of the study a little differently. But Milton brought a Brandeisive emphasis to the Study in the name of fostering competition and innovation.

I started from the premise that the natural tendency of markets was towards concentration because of the greater liquidity and lower transaction costs. I felt that we artificially encouraged the development of alternative markets. For example, we encouraged unlisted trading which basically fed off the New York Stock Exchange. They did so because New York had the advantage – for better or worse – of being the market where orders were primarily concentrated and where the transaction costs would be naturally lower than they would be in any alternative market because of the liquidity factor.

So I think the Commission encouraged, under the name of innovation and competition, alternative markets to compete with New York. Now, there's nothing wrong with applying technology to the trading of securities, but I think to have a regulatory scheme that's in a way biased towards alternatives for their own sake as a counterbalance to New York is troubling. I think if the Commission is troubled by the concentration of power in New York, the way to deal with that is to have the exchange become more of a public institution.

I'm not saying we're there yet. But I'm saying that they have become more of a public utility. They claim, of course, that they're not a public utility. In fact, the NYSE is legally owned by its members, but in a way that's secondary to the fact that it is a public market, operating on the interest of public investors, governed basically by a public board. This is the kind of language that's anathema to many at the Commission who have felt that one of the primary objectives of the Commission, in terms of the trading markets, is to encourage competition to New York.

I think in the Study, with Chapters 8 and 9, we went too far. I know Milton does not agree with this, but I felt we encouraged the Commission to develop the third market and to try to revive the regional exchanges in competition to New York. Our objective should have been to make sure that the public gets good executions at the lowest possible transaction costs. Another thing that I think we missed out on is defining what is competition in the trading market. What kind of competition are we talking about? Are we talking about competition between markets or among markets, or are we talking about competition among public orders? It's a competition among public orders that's more important than developing competing institutions just to get at the hegemony of the New York Stock Exchange.

There are many important results from the Study. The Study had a tremendous influence over the next fifty years. One of the most important was making the New York Stock Exchange and NASD as regulatory partners of the Commission. Over these years, the Commission shifted much of the regulatory burden to these two entities. At the same time, those entities saw that it was in their interest to become better enforcers and regulators of their markets. Virtually unknown to the public, the New York Stock Exchange and the NASD have become essential in the scheme of regulation. In fact, in one of our meetings with the Panels on Audit Effectiveness, the enforcement staff, then headed by Dick Walker, put on a presentation to encourage the accountants to form a self-regulatory body. He put up on the screen a fact that really startled me, and that is the combined regulatory budgets of the New York Stock Exchange and the NASD far exceed those of the Commission. But the public doesn't know this. I think the Study improved the performance of the self-regulators and improved the relationship between the SEC and these two self-regulatory bodies.

DS: When the Study concluded, you became director of the renamed Division of Trading and Exchanges.

RS: Right.

DS: And the enforcement activity broke off into a separate division.

RS: That happened after I left.

DS: How did that come about?

RS: We had both enforcement and market regulation in the renamed Division of Trading and Markets. The breaking away of enforcement from market regulation occurred after my time. I had a feeling that it had a lot to do with Stan Sporkin, and to some degree, Irv Pollack. When it occurred I said to myself, "I don't think that makes sense," because I think enforcement really is an adjunct to regulation and can be used as a regulatory tool. If you bring good enforcement cases, you can make regulatory points. I don't mean it was a tremendous mistake, but I felt that I would not have recommended breaking away enforcement from market regulation.

DS: During the period that you stayed on as director of the new division, the implementation period for the Special Study went on. Do you have any recollection of high points, low points, medium points?

RS: Oh god, yes. [Laughs] Now we get to the fun.

DS: Triumphs and tragedies.

RS: Well, some of them – Dave was my chief assistant and probably has a better memory of those things. One of the first steps taken by the Commission as a result of the Study was extending the disclosure system to the over-the-counter market. And, of course, there was the special problem of dealing with the banks and insurance companies. That was a tough one, which I wasn't really directly involved in. I think Corp Fin devoted efforts towards getting the banks and the insurance companies under the '34 Act.

The tough ones, of course, came in the regulation of markets. One of the tough battles was changing the OTC quotation system. The retail quotations in the over-the-counter

markets were deceptive because basically they were quotes that over-the-counter dealers would like to buy at and sell at. And, of course, we had a tussle with the NASD and that's where I got to know Bob Haack. And I think we pretty well convinced Bob Haack that the NASD should adopt our recommendations to publish wholesale quotes. This was a major advance in that it reduced the spreads you saw on the paper. But when we got to the exchange – I think you would have a better recollection of this than I do – no problems with the odd lot dealers. I don't think the odd lot dealers had any support from the specialists. So that was an easy one. They simply increased transaction costs without any services to the investor.

I think the exchange put up some fight but only to represent some of their constituents. The more important recommendations related to defining the dealer obligation of specialists and improving surveillance of their activities. By and large, as I recall, the New York Stock Exchange accepted these recommendations. When we got to the boys on the floor, the floor traders, there we had real problems. This became almost ideological. It was like a clash of civilizations. And we proposed the abolition of the floor traders, we got a tremendous opposition, including going to the White House. My good friend there got wind of the fact that a delegation was going to the White House to oppose this crazy leftist group at the SEC, and so Dave quietly told Eileen Shanahan, a *Times* reporter, that they were going to appear on the scene. They were met by Eileen at the White House and they had Eileen Shanahan there questioning them as to what they were doing. Well, then this had to be resolved some way. And I think through the efforts of Dave, I think you made contact with Jimmy Kellogg, who was one of the great powers on the floor and great politician, by the way. And with Kellogg, we worked out the compromise. Floor traders became…..

DS: Registered traders.

RS: Registered traders….to add liquidity to the market and to limit their activity. So I think by and large, we changed the whole attitude in New York. That they now had an activist SEC, that was going to watch them all up there, and the SEC would be

involved in more active regulations and oversight of their markets.

But I think that other than the floor traders, with some huffing and puffing, they generally adopted our recommendations. The NASD, as I will repeat again, with Haack, had more of a public relations sense. They went along with the wholesale quotations recommendation. They also began to improve their regulations of their market. Of course, they had a long way to go since they were almost at ground zero. So I think there were many positive accomplishments. But I think that probably the most important is the one we talked about earlier and that is changing the orientation of the Commission towards more active involvement in the regulation of the markets. I don't think we quite envisioned the full impact of technology upon the market.

DS: And then you left when?

RS: '65. I went out to Minneapolis in '65.

DS: Why did you decide to leave?

RS: We all were having fun. It was really a wonderful period. I worked with a great group of people. I left because I was older than a lot of others and had financial pressures. You know I was a division director, but it was then that they started to slow down salary increases. I had come in during the period they were establishing super grades. I went up very fast but then it stopped. Bette and I agreed it was time to move.

DS: Looking back at it all, if you had it all to do over again, would this have been the thing you would have done?

RS: I don't know, Dave. So much depends on circumstances, but I enjoyed it to the hilt. My seven years at the Commission were wonderful. The people, and I want to say something about the people. I felt that we really assembled, for the Study,

an absolutely first-rate group as proven by their subsequent careers. But beyond that, I mean they were all first rate. I mean we all had our idiosyncrasies, but that's what made the Study. Remember we used to talk about if we circulated an IQ test who would get the highest mark. I won't put that on record. [Laughter]

DS: Well, is there anything else you want to add?

RS: No, I said all I had to say. No, the people I think were outstanding and I think it was a monumental piece of work and a lot of it due to our hard work.