

SECURITIES AND EXCHANGE COMMISSION  
MAJOR ISSUES CONFERENCE  
WASHINGTON, D.C.

Summary of Remarks  
by Irving M. Pollack

The SEC's First Fifty Years

Despite some ups and downs (as one might expect for any institution -- government or private), the SEC for five decades has maintained a standard of excellence which is the envy of many other institutions. Without detracting from the valuable contributions made by the Commissioners, it is only fair to recognize that much of the credit for this long period of achievement must go to the strength of the staff, whose talent, competence and dedication have been widely recognized and praised.

How is it that this small agency (consisting of slightly more or less than 2,000 people over the years and on occasion less than 1,000) was able to achieve the reputation of being an outstanding example of an independent agency at its best?

Since its creation the SEC has operated more like a family of public servants than a government bureaucracy. It has been strongly supported by its graduates and others -- both inside and outside the government -- who recognized the important contribution it was making to the sound development and growth of the capital markets, unequaled anywhere in the world.

The Commission never lost sight of its primary mission i.e., to serve and protect the interests of investors and to encourage the maintenance of fair and honest markets.

To achieve these objectives, it designed and employed flexible, dynamic and ingenious programs. It made maximum use of the private sector, through cooperative or self regulation and otherwise, to carry out its functions effectively.

It made imaginative use of its regulatory and enforcement powers and the "shotgun behind the door" to:

1. foster quality performance by those providing access to or playing major roles in the securities markets,
2. create a respect for the Commission's authority,
3. instill and reinforce a recognition among its constituents that compliance with the securities laws was not only legally required, but also good business.

The fact that some Commission programs may be in need of updating or revision, or the fact that on occasion the Commission may not have moved on major issues as quickly as

some may have preferred, does not detract from its preeminent accomplishments during its first 50 years of existence.

What about the future?

As a famous Danish author observed some years ago, "Prophesying is difficult -- especially about the future!" However, it is fair to predict that the next 50 years will make the issues of the prior five decades look relatively simple.

Substantial changes -- including full internationalization of the capital markets -- will come with increasing rapidity. The Commission will have to use all of its ingenuity and skill and make maximum use of the new technologies to meet the challenges of these revolutionary developments, if it is to maintain its record of excellence.

The Commission has commenced planning for limited use of such technologies, but it will have to expand these and other programs significantly, if it is to keep pace with the ever expanding volume of trading, the increasing diversity and complexity of investments and the immense growth of the securities markets, which is sure to come.

The Commission and the staff should have an even more exciting time in the future than did those of us who served during the first 50 years of its existence.