Mr. Moss. I think you have been very helpful and certainly demonstrated the facts, in the two areas of particular concern with emphasis on the one area of the disagreement between the texts of the Senate bill and of the bill which I offered, of the depth of your feeling and of your concern. I assure you the subcommittee will give most thoughtful consideration to those views when we mark up the bill which I hope will be at a very very early date. We would like to move. I also have a feeling of urgent need for one or the other of the bills. You have no adverse feeling at all toward the proposal in 14475 covering the closed end investment.

Mr. Calvin. None at all.

Mr. Moss. You do not address yourself to that point of difference.

Mr. Calvin. We have no problem with that at all.

Mr. Moss. The two that you have carefully defined for the committee constitute the only two areas of concern.

Mr. Calvin. That is right. We have some problems with some other sections of the bill, but we are willing to waive those.

Mr. Moss. Thank you.

Mr. West. We might add that we thought the investment companies were covered under the original bill. I am sorry to admit that.

Mr. Moss. I believe Chairman Cohen has identified that as an inadvertence and I am confident that that was the case. I ask unanimous consent at this time that the record receive the communications addressed to the committee on this subject.

Is there objection? Hearing none, it will be so held and the committee is now adjourned.

(The following correspondence was subsequently submitted for the record:)

Securities and Exchange Commission,
Washington, D.C., June 18, 1968.

Hon. Harley O. Staggers,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: I am enclosing a staff report of our investigation into the unusual trading situation in Chicago and North Western Railway Company stock on August 7 and 8, 1967. As you will note, the report concludes that, although certain technical violations are attributable to the specialists in the stock, such activity was not the cause of the substantial price drop in the securities. We have sent the attached letter to the New York Stock Exchange, requesting the Exchange to take steps to insure that openings will be properly supervised, and, if necessary, delayed until an accurate and complete evaluation of the market is possible.

Sincerely,

Manuel F. Cohen, *Chairman.*

Memorandum Prepared by the Division of Trading and Markets in Response to a Communication From the Honorable Harley O. Staggers

The Commission staff has completed its investigation into certain aspects of the trading in the securities of Chicago and North Western Railway Company on August 7 and 8, 1967. Briefly, the facts were as follows: on August 8, trading in the common and preferred[1] securities of Chicago and North Western Railway Company (C&NW) on the New York Stock Exchange (NYSE) was opened on the closing bell, down 39 points from the previous day's close; the specialists involved in this opening were ultimate net short-sellers of 1,900 shares. (Trading on Augus

[1] The preferred is convertible into the common on a share for share basis.