lars today, and let's do that with say a savings account. Say take 5 percent. Let's do it with banks. Let's do it with private investment capital, and let's do it with a person on his own investing this money in the market himself. I think this will give us a comparison as to whether the 5-percent charge is too high or whether it is reasonable.

As I say, take the original investment, then the total amount, the dollar value in 10 years, and also the purchasing power expressed in dollars. I would like to see that comparison if it is possible that this be furnished.

Mr. KOSTMAYER. We will be delighted to furnish that Mr. Stuckey. We may have some problem with the private investment counsel but the other aspects of it I think we can get to it immediately.

Mr. STUCKEY. The reason I am asking for this is because the SEC, their whole basis for the 5 percent that I have been able to see is that they say compared with related industries.

Mr. KOSTMAYER. Right, sir.

Mr. STUCKEY. And with related businesses your 5 percent is too high.

Mr. KOSTMAYER. We will do this.

Mr. STUCKEY. And any other businesses that you would like to have in here, insurance companies or otherwise, I would like to see this, because I think this would give us—and I hate to use these words—but I think it would give us a guideline to sort of look at and compare to see if the 5 percent is in line.

Mr. KOSTMAYER. We will do that.

Mr. MOSS. Without objection the record will be held at this point to receive the information.

(The following letter was received by the committee:)

ASSOCIATION OF MUTUAL FUND PLAN SPONSORS, INC.,
New York, October 30, 1967.

HON. WILLIAM STUCKEY,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE STUCKEY: During the hearings held on October 16, 1967 before the Subcommittee on Commerce and Finance with respect to H.R. 9510 and H.R. 9511, you asked me whether a comparison could be made of various investment and savings media by looking at the value now of a given amount of money which during the past ten years was: (1) kept in cash; (2) deposited in a saving bank account at 5% interest; (3) invested by private investment counsel; (4) invested by the individual investor; and (5) invested in mutual fund shares (pp. 455–56 of the Transcript). You suggested that $4,500 be used as the starting amount.

In response to your question, I enclose a chart entitled "Comparison of Various Savings & Investment Media, 10 Years 1957–1966," which was filed as Exhibit 2 to the Statement of the Investment Company Institute before the Subcommittee in connection with the pending legislation. This chart not only furnishes the information called for by items (1), (2) and (5) above, but also shows the results after the past ten year period, of a purchase at the beginning of the period of Series "E" Government Bonds.

Although $10,000, rather than $4,500, is used as the initial amount in the chart, I think it is appropriate as the basis for the comparison which you desired.

Unfortunately, we have been unable to find any published statistics or indices which provide any basis for showing how an investor would have fared had he entrusted his money with private investment counsel or invested it by himself as referred to in items (3) and (4) above. To this extent, I regret that I am unable to answer your question.

If you should have any further questions, please let me know.

Very truly yours,

JOHN H. KOSTMAYER.