

# INVESTMENT COMPANY ACT AMENDMENTS OF 1967

TUESDAY, OCTOBER 17, 1967

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON COMMERCE AND FINANCE,  
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,  
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2322, Rayburn House Office Building, Hon. John E. Moss (chairman of the subcommittee) presiding.

Mr. Moss. The committee will be in order.

We are pleased to welcome as our witnesses this morning Mr. Robert W. Haack, president of the New York Stock Exchange, Mr. Gustave L. Levy, chairman of the board of governors, and Mr. Donald L. Calvin, vice president, government relations.

Would you gentlemen come forward and take your seats.

**STATEMENT OF ROBERT W. HAACK, PRESIDENT, NEW YORK STOCK EXCHANGE, ACCOMPANIED BY GUSTAVE L. LEVY, CHAIRMAN, BOARD OF GOVERNORS, AND DONALD L. CALVIN, VICE PRESIDENT, GOVERNMENT RELATIONS**

Mr. HAACK. Mr. Chairman and gentlemen, I have with me a somewhat modified and, happily, abbreviated statement which varies only modestly from the one we filed last week. With your permission I should like to read it for the record.

Mr. Moss. Without objection the entire statement will be received for the record and you may summarize it.

(Mr. Haack's prepared statement follows:)

**STATEMENT OF ROBERT W. HAACK, PRESIDENT, NEW YORK STOCK EXCHANGE**

The New York Stock Exchange believes that the regulatory framework that was established in the Investment Company Act of 1940 has worked well. The proposals in the bills before this Committee, if adopted, may establish the regulatory pattern for investment companies for another generation of investors. For this reason we urge the Committee to give the most careful consideration to the SEC's proposals.

The Exchange's review of these bills raises a number of questions as to their potential impact on both the investing public and the securities industry. More specifically, we are concerned with the thrust of the changes proposed for three very basic reasons:

1. No mechanism is provided for the self-regulatory processes which are well established in other segments of the securities industry. It is our opinion that industry self-regulation should play an important and positive role in furthering the mutual fund industry's future growth.

2. New and, in some cases, novel proposals are made that are far-reaching and could prove detrimental to the interests of the investing public.