

Mr. DAY. I don't know that that is necessarily true.

Mr. MURPHY. Is there any marked imbalance?

Mr. WEITHERS. Mr. Murphy, maybe to clarify it, I think that the tremendous change in communications and improvement in communications give the funds, no matter where they are located, an opportunity to check the known marketplaces for the securities in which they deal almost instantaneously, so that there is a continuous check almost nationwide in all the recognized markets by the funds.

Mr. MURPHY. Thank you, Mr. Chairman.

Mr. MOSS. Thank you, gentlemen. I assure you that the statement you have made before this committee will be given very careful consideration. I thank you for appearing.

Mr. DAY. Thank you, Mr. Chairman.

Mr. MOSS. The next witnesses, Mr. Ronald T. Lyman, Jr., Scudder, Stevens & Clark Co., accompanied by Mr. Harry Hagey of Stein, Roe & Farnham, and Mr. Milton H. Cohen, of Schiff, Hardin, Waite, Dorschel & Britton.

Mr. MURPHY (presiding). Mr. Lyman, you can present your entire statement or summarize it, if you wish.

STATEMENT OF RONALD T. LYMAN, JR., INVESTMENT COUNSEL SPONSORED NO-LOAD FUNDS; ACCOMPANIED BY HARRY H. HAGEY AND MILTON H. COHEN, COUNSEL

Mr. LYMAN. Thank you very much, sir.

Mr. Chairman, members of the subcommittee, Dr. Stevenson, my name is Ronald T. Lyman, Jr. I am appearing on behalf of a group of Investment Counsel Sponsored No-Load Funds, a list of the members of which has been handed up to members of the subcommittee. I am a general partner of the investment counsel firm of Scudder, Stevens & Clark and president of Scudder, Stevens & Clark Balanced Fund, and Scudder, Stevens & Clark Common Stock Fund, and I am a member of the board of governors of the Investment Company Institute. Here with me and also available to answer questions about one group's position are Mr. Harry H. Hagey, who is a partner of the counseling firm of Stein, Roe & Farnham of Chicago and president of its no-load funds, and Mr. Milton H. Cohen, counsel to our group.

All of the investment companies in our group are open-end management companies and all are members of the Investment Company Institute. However, they differ from most open-end companies and most members of the ICI in that they are all "no-load" funds; that is to say, their shares are regularly offered at net asset value without a sales charge of any kind. In this and other respects specified in the law, they fall within a separate category of companies to which Congress gave special recognition in section 10(d) of the Investment Company Act of 1940.

The investment counsel firms that act as advisers to the no-load funds within our group all have these characteristics:

(1) They are registered as investment advisers under the Investment Advisers Act of 1940.

(2) They are principally in the business of rendering investment supervisory services as defined in that Act, and thus are entitled to call themselves "investment counsel" under section 208(d) thereof.