TENAFLY, N.J., *October 27, 1967.*

Representative JOHN E. MOSS,
House of Representatives, Washington, D.C.

DEAR MR. MOSS: As an owner and continuing buyer of mutual funds, I applaud your handling of the hearings on mutual funds.

I think a 5% load charge is more than adequate. I also believe that management fees are in some cases much too high. Some ceiling should be placed on them.

Yours very truly,

CHARLES P. O'KANE.

Mr. WATKINS. That is exactly what I know. I want to know what the purchaser is saying. I appreciate that the distinguished gentleman is here to testify and you have done well, it is wonderful. Certainly you are enlightened in the law. You are a very smart man. Your testimony shows that. I haven't regretted anything that he has to say. It is his feeling.

But I do have a feeling about this bill, and I don't think this 5-percent fee is right. I don't think the SEC has any right to put it on, and if they put it on these people I want to see them get into other categories.

Mr. MOSS. The gentleman is eminently correct. The SEC has no right to put it on and that is why they have suggested to this committee that we consider the advisability. It is finally our responsibility and our determination not the SEC's, and they haven't proposed to usurp the authority of the Congress or of any other interests. That is not the question pending before this committee.

Mr. WATKINS. May I say to the gentleman that I thank you, even though the chairman wouldn't let you answer my question. He finally did it but I think we have a friendly understanding. I certainly appreciate what I have read here. If I understand it, the chairman might like to write to you in the period of a week and ask you questions about some of your testimony, is that correct?

Mr. MOSS. That is correct.

Mr. WATKINGS. Thank you very much, and thank you.

Mr. JENNINGS. Thank you.

Mr. MOSS. And thank you very much.

Mr. JENNINGS. Thank you very much, Mr. Chairman.

Mr. MOSS. I appreciate your taking the time to travel here to Washington to respond to the interests of the committee.

Mr. JENNINGS. It was a pleasure.

Mr. MOSS. The next witness will be Mr. J. A. Livingston, financial editor of the Philadelphia Evening Bulletin. Mr. Livingston.

Mr. WATKINS. Mr. Chairman, may I be excused?

Mr. MOSS. You may be, sir.

Mr. WATKINS. I would like to hear Mr. Livingston but I have to leave.

STATEMENT OF J. A. LIVINGSTON, FINANCIAL EDITOR, PHILADELPHIA BULLETIN

Mr. LIVINGSTON. Mr. Chairman, most mutual fund salesmen are honest and serious in their effort to assist investors in using savings wisely. But they are subject to a double pull—their self-interest against