



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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(adverse)

Dec. 10, 1969

DELIVERED BY HAND

Honorable Harley O. Stagers
Chairman, Committee on
Interstate and Foreign Commerce
House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Re: H.R. 14737, 91st Congress

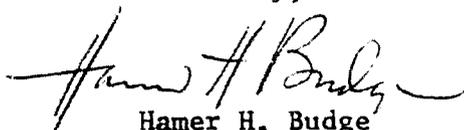
Dear Mr. Chairman:

In response to your request of November 12, 1969, I am pleased to submit herewith three copies of the memorandum setting forth the Commission's report on its study and examination of H.R. 14737. It may be noted that, except for our comments with respect to Section 28 of the bill, the memorandum generally follows the positions which the Commission has previously submitted with respect to an earlier bill also introduced by Mr. Stuckey on mutual fund legislation, H.R. 12867. However, as I will point out during my testimony before the Subcommittee on Commerce and Finance of your Committee, on December 11, 1969, and as indicated on page 11 of the memorandum, the Commission would not object at this time if the oil and gas amendment in Section 3(b)(5) of the Committee's bill, H.R. 11995, were deleted, since the Commission is planning with the cooperation of the oil and gas industry representatives to work out a draft of a separate statute for submission to Congress to regulate oil and gas funds in a reasonable manner consistent with investor protection.

The Bureau of the Budget has advised that there is no objection to submission of this report from the standpoint of the Administration's program.

With kind regards, I remain

Sincerely,


Hamer H. Budge
Chairman

Enclosures (3)