



Public Law 90-438  
90th Congress, S. J. Res. 160  
July 29, 1968

### Joint Resolution

87 STAT. 453

To amend the Securities Exchange Act of 1934 to authorize an investigation of the effect on the securities markets of the operation of institutional investors.

Whereas there has been a very significant increase in the amount of securities held and traded by institutional investors both in absolute terms and in relation to other types of investors; and  
Whereas such an increase may have an impact upon the maintenance of fair and orderly securities markets, upon the issuers of securities traded in such markets, and upon the interests of investors and the public interest: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended by adding at the end thereof the following:

Securities market.  
Effect of institutional investors.  
48 Stat. 898.

"(e)(1) The Commission is authorized and directed to make a study and investigation of the purchase, sale, and holding of securities by institutional investors of all types (including, but not limited to, banks, insurance companies, mutual funds, employee pension and welfare funds, and foundation and college endowments) in order to determine the effect of such purchases, sales, and holdings upon (A) the maintenance of fair and orderly securities markets, (B) the stability of such markets, both in general and for individual securities, (C) the interests of the issuers of such securities, and (D) the interests of the public, in order that the Congress may determine what measures, if any, may be necessary and appropriate in the public interest and for the protection of investors. The Commission shall report to the Congress, on or before September 1, 1969, the results of its study and investigation, together with its recommendations, including such recommendations for legislation as it deems advisable.

"(2) For the purposes of the study and investigation authorized by this subsection, the Commission shall have all the power and authority which it would have if such investigation were being conducted pursuant to section 21 of this Act. The Commission is authorized to appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and to pay, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such personnel as the Commission deems advisable to carry out the study and investigation authorized by this subsection, but no such rate shall exceed the per annum rate in effect for a GS-18.

15 USC 78a.  
50 Stat. 468,  
473, 467.

5 USC 5101,  
5101, 5331.

33 F. R. 8641.

"(3) In connection with the study authorized by this subsection, the Commission shall consult with representatives of various classes of institutional investors, members of the securities industry, representatives of other Government agencies, and other interested persons. The Commission shall also consult with an advisory committee which it shall establish for the purpose of advising and consulting with the

Commission on a regular basis on matters coming within the purview of such study.

"(4) There is authorized to be appropriated not to exceed \$875,000 for the study and investigation authorized by this subsection."

Approved July 29, 1968.

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LEGISLATIVE HISTORY:

HOUSE REPORT No. 1665 accompanying H. J. Res. 946 (Comm. on Interstate & Foreign Commerce).

SENATE REPORT No. 1237 (Comm. on Banking & Currency).

CONGRESSIONAL RECORD, Vol. 114 (1968):

June 18: Considered and passed Senate.

July 15: Considered and passed House, amended, in lieu of H. J. Res. 946.

July 17: Senate agreed to House amendment.