

CYRUS A. ANSARY
1725 K STREET, N. W.
WASHINGTON, D. C. 20006



March 1, 2004

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Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

File No. S7-03-04

Dear Mr. Katz:

This letter is written on behalf of the independent directors of Washington Mutual Investors Fund in response to the Commission's request for comments on its proposals concerning investment company governance set forth in Release No. IC-26323 (January 15, 2004). Washington Mutual Investors Fund is one of the 29 mutual funds that comprise the American Funds Group. As of December 31, 2003, the Fund had net assets of approximately \$64 billion.

In Release No. IC-26323 (the "Governance Proposal"), the Commission has proposed a series of new requirements "designed to enhance the independence and effectiveness of fund boards." In general, we support such rulemaking initiatives. We do note that today most mutual funds, including ours, have at least a majority, if not a supermajority, of independent directors. As independent directors, we do have the authority to act as we believe to be in the best interests of fund shareholders.

The Commission has proposed, among other things, to require that the chairman of the board be an independent director. The Governance Proposal indicates that an independent board chairman might promote four goals: to free a fund board of potential domination by the investment adviser, to allow the independent directors to set the board agenda, to establish the board's culture, and finally, to better position the independent directors to negotiate fees.

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We believe that the Commission should consider, as an alternative to requiring that the chairman of the board be an independent director, adopting the following board structure, which will advance all of the Commission's stated goals. The fund's board would be required to put in place a committee, which might be called the governance committee. This committee would have the following attributes:

- All independent directors of the fund would be members;
- Only independent directors could be members;
- The chair of the committee would be selected by the committee members;
- The committee would be responsible for approving the advisory agreement, administration agreement, underwriting agreement and distribution plan;*
- The committee would be required to review and approve all of those matters for which the Investment Company Act or a Commission rule requires approval by a majority of the independent directors;*
- The committee would select and nominate all independent directors for the fund and make committee assignments for other committees;
- The committee would be authorized to review any matter which its members wished to consider and could call meetings, engage experts, hire special counsel and in general to meet in executive session or otherwise.
- The committee could choose an independent director as chairman of the board if in its collective judgment this appointment served the best interests of the shareholders.

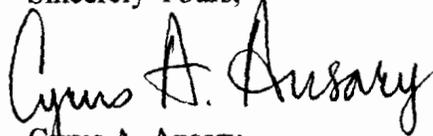
Please note that committee approvals, in the instances noted above by asterisks, would be in addition to, not in place of, full board approval.

We believe that this governance committee structure, which we have employed for several years, gives the independent directors the authority and the ability to act independently of management. In our view, the Commission's proposal to require an independent board chair could involve an independent director more deeply in the day to day management activities. We believe that independent directors should remain focused on oversight, scrutiny of conflicts of interest, and the independent evaluation of fund programs, services, service providers and performance.

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We appreciate the opportunity to comment on this important
rulemaking proposal.

Sincerely Yours,

A handwritten signature in black ink that reads "Cyrus A. Ansary". The signature is written in a cursive style with a large, prominent initial "C".

Cyrus A. Ansary
Chairman of the Governance Committee
Washington Mutual Investors Fund