

Mr. WATKINS. Let's don't put in anything that we heard about. Let's make it part of the record.

Mr. COHEN. I don't have any document.

Mr. MOSS. A copy has been directed to me from American Home Products Corp. If there is no objection the telegram will be included in the record at this point.

Mr. WATKINS. No objection.

Mr. MOSS. With no objection the telegram is made a part of the record.

(The telegram referred to follows:)

[Telegram]

AMERICAN HOME PRODUCTS CORP.,
New York, N.Y., June 28, 1968.

Hon. JOHN E. MOSS,
Rayburn House Office Building,
Washington, D.C.:

Understand Subcommittee on Commerce and Finance has scheduled hearings on H.R. 14475, S. 510 and companion bills for Monday, July 1. As major listed corporation, find provisions which would require us to give advance disclosure of number of shares to be purchased and price to be paid therefore are totally unreasonable. They would have effect to setting a floor on market price and therefore would compel guaranteed market price fixing.

This seems contradictory of alleged antimanipulation purposes of legislation. Request you consider exempting from purview of proposed subsection issuer's purchase of own securities which do not in any 1 year exceed 2 percent of its then outstanding shares of class involved. Such provision already in subsections 13(d) and 13(f) of S. 510 and would remove our objections to proposed subsection 13(e) if such exemption incorporated therein. If this not possible, respectfully request opportunity on reasonable notice to testify or file statement opposing this legislation.

GILBERT S. MCINERNEY,
Vice President and General Counsel, American Home Products Corp.

Mr. WATKINS. Mr. Chairman, I yield to Mr. Keith, if I have any time left.

Mr. KEITH. Mr. Chairman.

Mr. MOSS. I will see that you have the time.

Mr. WATKINS. Thank you.

Mr. KEITH. Are there other witnesses that are going to appear and comment critically on the proposal that might speak to the point that is made by American Home Products Co.?

Mr. MOSS. None requested to appear.

Mr. KEITH. I understood that Johnson & Johnson did not request to testify but just to put the information in the record.

Mr. WATKINS. If the gentleman will yield, Johnson & Johnson were unable to be here and asked that their statement be filed.

Mr. COHEN. If I may interpolate here, with the chairman's permission, we have not been aware of any opposition to the bill except from a couple of professors and I was not altogether sure whether opposition was the right word to describe their position. I think the bill has been supported by all segments of the securities business and representatives of industry generally. This point that was raised I thought I might advert to because I had heard about it. It may also be in the Johnson & Johnson letter. I think Phil Loomis can speak to it and give you the provision of the bill.