

Sometimes they will buy it directly and it becomes treasury stock, but that is just the legal status of it. Frequently the stock is put in the name of another entity so that the stock can be voted because in almost all States a company is prohibited from voting its treasury stock and this, too, is the subject of litigation from time to time.

Sometimes the stock is bought in friendly hands. It is the acquisition of the stock and its use in the contest that is dealt with in the bill, but its particular status, once the company acquires it, I think, is unimportant here.

Mr. KEITH. How much notice was given with reference to these hearings, Mr. Chairman, to the industry as such?

Mr. MOSS. I think that they have been anticipating the hearings for some time, and specifically this was probably sent out Wednesday or Thursday.

Mr. KEITH. Late last week. Apparently Johnson & Johnson is a Washington-based firm and should have expertise in this area. I wondered.

Mr. WATKINS. Would the gentleman yield?

Mr. KEITH. I yield.

Mr. WATKINS. I can say to you, Mr. Keith, that I think and agree with our chairman that they expected hearings on this bill, and to pass on the information that I have had from Johnson & Johnson and also with the permission of the chairman, I would like to add the name of Wyeth Laboratories in concurring, the information that I received from Mr. Elias as the vice president of the Wyeth Laboratories was that he concurs in the thinking of Johnson & Johnson's statement filed by counsel, Mr. Arthur S. Lane.

I would say that not in defense of anyone that they did anticipate hearings, but this was rather put to surprise.

I would perhaps concur with our chairman that we are drawing to the end, and if this is an important matter, perhaps it should be acted upon with more expediency than we intended. I don't like to protect John Moss.

Mr. KEITH. I would just like to ask if there is anybody here from Johnson & Johnson, American Home Products, or Wyeth International.

Mr. COHEN. There must be some coincidence. All three companies sell drug products. Maybe they are thinking of another committee or some other subject.

Mr. KEITH. I don't think so.

Mr. COHEN. I am kidding.

Mr. WATKINS. I think they are very much interested from the information I received.

Mr. COHEN. Seriously, Mr. Keith, in order to put your mind at rest, this matter has been the subject of discussion with the industry. I have discussed it with them—in fact, with most of industry—and I am talking about the securities industry, as well as industry generally, have felt that in this area this legislation is not only desirable, but it is essential and the sooner the better, and they have been aware of it for at least 3 or 4 years.

Mr. KEITH. I concur in your objectives, but if we can uncover a flaw—