

and the names of the parties thereto, except that where a source of funds is a loan made in the ordinary course of business by a bank, as defined by section 3(a)(6) of this title, it will be sufficient so to state; *if the person filing such statement so requests, the name of the bank shall not be made available to the public;*"

Mr. Moss. Our first witness this morning is the Honorable Manuel F. Cohen, Chairman of the Securities and Exchange Commission.
Mr. Cohen.

STATEMENT OF HON. MANUEL F. COHEN, CHAIRMAN, SECURITIES AND EXCHANGE COMMISSION; ACCOMPANIED BY PHILIP A. LOOMIS, JR., GENERAL COUNSEL

Mr. COHEN. Good morning.

Mr. MOSS. Good morning.

For the record will you identify the gentleman accompanying you.

Mr. COHEN. Gentlemen, I am accompanied by Mr. Philip A. Loomis, Jr., General Counsel of the Commission. At the outset I would like to express my appreciation for the opportunity to appear before you with regard to this proposed amendment to the 1934 act which in our opinion is very important and fills a gap in the existing scheme of investor protection, a gap which incidentally has been dealt with in other countries of the Western World for some time. I should also add, in particular, the most recent legislative action in this area is that which occurred in Canada. As you indicated, Mr. Chairman, I am here to testify on H.R. 14475 and S. 510, bills to amend the Securities Exchange Act of 1934. To repeat, the purpose of this legislation is to fill a gap in the existing scheme of investor protection with respect to the increasingly important area of so-called "takeover bids." These involve situations where someone makes a general offer to purchase the shares of a publicly owned corporation from the shareholders, usually with the objective of obtaining control and often as a prelude to a merger. I have a detailed statement which explains the reasons for this legislation, the need for it, and the manner in which it deals with the matter. In order to save the time of this committee I would like to introduce this statement for the record and to summarize briefly certain pertinent considerations, particularly recent development. With the permission of the chairman I will hand the full statement to the reporter for inclusion in the record.

Mr. Moss. Without objection, the full statement will be received for inclusion in the record at this point and you may proceed to summarize it.

(Mr. Cohen's prepared statement follows:)

STATEMENT OF HON. MANUEL F. COHEN, CHAIRMAN, SECURITIES AND EXCHANGE COMMISSION

Mr. Chairman and Members of the Committee, I am Manuel F. Cohen, Chairman of the Securities and Exchange Commission. I am here at your invitation to testify on H.R. 14475 and S. 510, bills to amend the Securities Exchange Act of 1934.

The bills are designed solely to fill a gap in the provisions of the Securities Exchange Act to cover planned acquisitions of large blocks of securities of publicly-held companies, where control of the company may be at stake. It is not intended to encourage or to discourage such activity or to provide management or any other group with special privileges over any other. This has become an