Mr. STUCKEY. All right. What if Company C comes in and makes an offer to Company B, knowing that within the 7 days they can take it out at $11 a share, and a lot of this is happening now. Actually you could encourage bidding among companies trying to take over Company B.

In this I think you are getting yourself into a lot of trouble because we have a problem with it now.

Mr. CALVIN. I think it is written into the bills now that if there is a subsequent offer, the 7-day provision begins to run again. I think that is the way the bill is drafted now.

Mr. STUCKEY. Say that one more time.

Mr. CALVIN. In other words, if there is a subsequent offer at a higher price, then the 7-day provision, the right of withdrawal during the 7 days, runs again. They are not committed after the expiration of the first 7 days. This is, in effect, a new offer.

Mr. STUCKEY. I know, but I am saying that this is what you are encouraging, and I think this is something we ought to get away from.

Mr. CALVIN. What we are interested in here is that shareholders have ample time to make an informed decision. That is the reason for the 7 days.

Mr. STUCKEY. I am for the same thing, but I am still saying, let's say that the person has 5 or 6 or 7 or 10 days to know of the offer and you will never stop the rumors. In fact, it is probably better that you can't, but let's say a person does have notice of an offer. He puts his stock up, and another company says, "Look, for $1 more we can take it away from him."

So that really you are encouraging this because they know that within that 10 days they can pull out their stock and take the higher offer.

Mr. CALVIN. That is true.

Mr. MOSS. Does Mr. West want to comment?

Mr. WEST. We think competition is the life of trade, and if they want to increase it, let them do it. It is a healthy thing.

Mr. CALVIN. We did object to one thing on the Senate side. It was a proposal that the tender be revocable during the whole period of the offer. In other words, if it was made to run for 60 days, any shares deposited could be withdrawn during that whole period.

We objected to that because it would lead to the point I think you are making, total uncertainty and no commitment at all. We thought the 7-day requirement was a realistic one and a reasonable period of time for people to become informed.

Mr. STUCKEY. Would it be in order to ask the Chairman of the SEC to comment on some of this at this time?

Mr. MOSS. Without objection.

Mr. KEITH. I have no objection.

Mr. WATKINS. I have no objection.

Mr. MOSS. Mr. Cohen, would you respond to this?

FURTHER STATEMENT OF HON. MANUEL F. COHEN

Mr. COHEN. I would be glad to.

We think that competition is the life of trade, too. We don't always ...d that statement coming from the industry, but I have to admit that ... believe in that very, very firmly.