

**OPENING REMARKS OF RAY GARRETT, JR.,
CHAIRMAN OF THE SECURITIES AND EXCHANGE
COMMISSION,
AT THE PUBLIC, FACT-FINDING INVESTIGATION IN THE
MATTER OF BENEFICIAL OWNERSHIP, TAKEOVERS AND
ACQUISITIONS BY FOREIGN AND DOMESTIC PERSONS**

November 13, 1974

The Commission has ordered this public, fact-finding investigation with respect to beneficial ownership, takeovers and acquisitions by foreign and domestic persons to determine whether it is necessary or appropriate to adopt or amend rules and regulations under the Securities Act of 1933 and the Securities Exchange Act of 1934, or to recommend legislative amendment of these statutes.

I would like to thank, in advance, those interested persons who will be submitting written views and comments, and those who will be making oral presentations. Their cooperation and participation in developing a meaningful proceeding will assist the Commission in its consideration of these complex policy issues.

This is a particularly appropriate time for the Commission to examine many of these areas. The depressed state of the markets, historically low price-earnings ratios and general economic conditions have created an

environment conducive to an increasing number of cash tender offers, as well as to corporate repurchases of their own securities. Where publicly owned companies or their controlling persons purchase such securities or use other devices in an attempt to "go private," questions have been raised concerning the adequacy of the protections which state and federal law currently provide to minority securityholders. This fact-finding investigation will consider these concerns and the need for possible administrative or legislative action.

This hearing also will examine the operation of the 1968 and 1970 "Williams Act" amendments to the Securities Exchange Act, and the rules and regulations adopted thereunder, relating to the disclosure of significant acquisitions of securities and relating to the disclosure and regulatory protections provided in connection with tender offers. In addition, this investigation will review the adequacy of the various disclosure requirements relating to principal securityholders and the beneficial ownership of securities in general.

Although it is not likely that I or my colleagues will be able to attend all these sessions, the full Commission will apprise itself of the views, data and proposals presented.