

October 16, 2003

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises
Hearing entitled, "Reviewing U.S. Capital Market Structure: The New York Stock
Exchange and Related Issues."

Thank you, Mr. Chairman, for holding this important hearing, the first in a series that will allow us to review conditions in our U.S. capital market. I look forward to our witnesses' testimony and am especially interested in hearing more regarding ongoing reforms within the New York Stock Exchange (NYSE) to deal with recent questions on appropriate corporate governance within the Exchange.

I applaud John Reed, Interim Chairman and CEO of the NYSE, for his commitment to this process and would like to hear more details regarding reported plans to reduce the size of the Exchange Board from twenty-seven members to ten or twelve and the creation of an advisory committee to accommodate Wall Street chief executives separate from the Board. This committee needs to be fully informed on this issue and to discuss whether or not it continues to be appropriate and effective to allow the NYSE to serve as its own regulator.

Over its 211 year old history, the "open outcry" system has remained in use at the NYSE. I am interested in hearing more on the reforms that have been made in the business practices of "specialist" firms throughout the exchange's history as significant advances in technology have taken place. Questions have recently been raised regarding the trading practices of specialists and potential conflicts of interest; I look forward to hearing more from our witnesses on this issue as well.

Thank you again Mr. Chairman for calling us here today and for your leadership in this area. I look forward to an informative session.

