

Statement of Peter T. King  
before the  
Committee on Financial Services  
Subcommittee on Capital Markets, Insurance and Government Sponsored  
Enterprises

“Reviewing U.S. Capital Market Structure: The New York Stock Exchange and  
Related Issues”

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Mr. Chairman, I want to thank you for holding this important hearing today on the topic of market structure. My understanding is that this is the first of a series of hearings to examine the strength, resiliency, and regulatory structure of our capital market structure and I commend you for your commitment to strengthening the already preeminent market place in the world.

Mr. Chairman, as a senior New York member on the Committee, I am compelled to weigh in with regard to the New York Stock Exchange (NYSE) and what that institution means to our state, the city itself, and my constituents.

As you know, Mr. Chairman, the NYSE is the key to New York City’s dominant status as the “financial capital of the world.” As the home to almost fifteen trillion dollars of market value—over six times the value of any other market—the Exchange is also crucial to the New York economy. It employs some 3,000 traders and clerical staff on the trading floor itself, 1,500 Exchange employees, and countless other jobs associated with the NYSE.

Obviously much has been made in the press over the last few months concerning internal issues of compensation and the functionality of the NYSE board. I am confident that NYSE will do what is necessary to work through this and we will likely hear today from Mr. Reed efforts to that end. I am, however, concerned that others would use this opportunity to suggest that somehow the NYSE as a market place is broken or dysfunctional to the point of needing a complete regulatory overhaul. Mr. Chairman, given the fact that in the last eight years over 1500 new companies have listed on the NYSE and that market cap during that time has more than doubled, it would seem that businesses see value in the NYSE.

Mr. Chairman, those of us from New York have a special connection to the NYSE. I trust that as the committee moves forward in examination of the various structural mechanisms that make up our U.S. market, the committee will be mindful of the “Big Board’s” successful record. I look forward to working with you to ensure that market participants and investors have the strongest market place to conduct reliable, efficient business.

I yield back my time.