

very proud of him. He's there at home and he's the one that we see more often. But that's the family, that's the evolution, but we're family, all of us Hispanics. That's what our life has been about. Family. Unity. Any primo can find a place . . . we don't have any homeless among the Hispanic community. There's always a relative to go and take them in. (Applause) There are many people in Texas who got me where I am tonight. (Applause)

(Break in recording)

. . . When my wife and I go there and they can't hug me much more above my waist, but they come and hug me and all of them are so happy that we're there. I'm . . . That's the only school named after someone that's not dead. So they're glad to see me, "Yes, that's Kika de la Garza, yes, oh boy." (Laughter) But they're learning and that's the future. That's who we're working for. Those of you who are in the corporate world, those of you who help us with the interns and the fellows. I just got a call today from a former fellow of the Hispanic Institute who is a dean at Cornell University. (Applause) And that, my friends, is what it's all about. That we include la familia . . . Unfortunately we're having hard times in this country, and there's no perfect country. We're probably the closest one to perfection, with all our faults, of all the countries in the world. And what we have from Mexico all the way to Chile and Argentina and through the Caribbean, that's the extended family. That's la familia. But because of an accident of history, many of us became American citizens and let me tell you that when we became American citizens we transferred the loyalty. We transferred all of our interest and we have pledged allegiance to the flag of the United States of America. But I respect the Mexican flag because that was part of my family history in the beginning. And that's something that (Applause) . . . that some people would not understand, but we served. I served in the navy. I served in the army. And this is something that . . . "We can't spend our money on the youngsters because he's illegal." There is an illegal dead marine whose family has the Congressional Medal of Honor at home. That, my friends, . . . (Applause) . . . And we served. We have some Congressional Medal of Honor winners here. I saw the winner, Mr. Rojo. Where are you? Will you take a bow? (Applause) . . . And from Mission, Texas, we had Sergeant Lopez and we're going, October the 12th, we're going to commission the U.S.S. Freddy Gonzalez, a new cruiser, and Freddy died in Vietnam. And got the Congressional Medal of Honor, which his mother has, and my uncle Bobby, my mother's youngest brother, died in World War II. And for those that may doubt, let me tell you, I grew up in el barrio en el escuela Católica. We all lived around the Catholic school. Let me tell you. Joaquin Castro, buried somewhere in the Pacific ocean, only the good Lord knows where he is at, Roberto Gonzalez, killed after 65 missions as an aerial gunner, came and died in an accident, his plane fell in Utah. Around the corner, Ricardo Alaniz, Cayo we called him, died in the Battle of the Bulge. Next to him Daniel Garcia, somewhere in the bowels of the Pacific ocean, only the good Lord knows where he's at. My uncle Bobby that lived with us for some time after my grandmother died. Around the corner Merced Salinas, 28 years in the army waiting for thirty, dead in Vietnam. And Panchito Bentania, 18 years old, dead in Vietnam. My friend, this is our family, this is our neighborhood—el barrio y la escuela Católica—that's our contribution: everyone served. (Applause) And so I truthfully tell you we don't want any handouts, we just want to be treated as every other American should be treated. And hopefully

we will get the same respect and treatment as everyone else. And we'll work. Because Lyndon Johnson came to my district once after he'd left the Presidency for something they had for me and he was asked by the media "What has been your philosophy of life? What have you tried to do in politics as president?" He said, "Very simple—a job for every person able to work, a decent home for his family, and a good school for his children. Beyond that, they can take care of themselves." And that's what I have tried to do my friends.

We are la familia. We are la familia. We have been able to garner a coalition to stop legislation—not to pass—but we can garner our coalition to stop almost any bit of legislation if we can get that coalition going. And we have passed some good legislation. So let me say that as we celebrate Hispanic month, as we look around us at la familia—who the Hispanics are—whatever color, whatever shade of face or hair or how much hair, we know that we have worked together, we know that we have the love that every family has for their children and want to see their children achieve and prosper and succeed in life. We want to see that every child becomes your child—that every child becomes my child—and that together we gather that family and we work to see that the doctor, lawyer, or engineer. It was so great the other night to see in the baseball, in the arts, in education, those that were recognized as having been leaders and having achieved beyond the norm the greatness of these individuals. In my area you know, our brethren and our brothers in the Black College Fund have a saying that a mind is such a terrible thing to waste. My friends, this is true. I grew up—Don Baltisario Guzman could play 5 musical instruments, could write poetry. He was photographer at funerals and weddings if there wasn't anybody to delivery the speech he would be there. This man who was a genius never went to school. Can you imagine had he had a formal education what he could have achieved beyond what he did? And this is what we're talking about. That everyone be able to fulfill their good-given ability and this is . . . Don Baltisario was to me was one of my heroes. There was a scientist, Ben Villalone, and he tamed the wild jalapeño. No one had been able to do that. He's a research scientist at Weslaco and head of that Texas A&M experiment station in Doctor José Amador who is here with us tonight and we're very proud of him, that he's here with us.

And so, let me just put it all together, my friends, that as we achieve, we shouldn't disregard . . . there's a saying "No see me olvida de donde vine ni quien me puso donde estoy.—I don't want to forget where I came from nor who placed me where I'm at." And this is it. I brought them with me tonight. (Applause) I brought them with me tonight. The Freddy Gonzalez, and the Cayo Alaniz, the migrant who worked in the fields, the sailors in those galleons that came across the vast ocean to begin what we celebrate tonight. The mothers who worked in the fields and reared the children, the teachers who worked for free in the neighborhood, the priests, the nuns, the preachers, all of those that came to people of low economic resources. I bring them all with me tonight and any tributes that you give me, really belongs to them. They're here. (Applause)

They are here, my friends, and I hope that you can visualize that they're here, my friends from the migrants, my friends the campesinos, my friends who worked and toiled, my friends who are able to say "I never went to school but all my kids have graduated from college." That's what it's all about. (Applause) And so let me say, you're saying what is this guy doing? (Laughter)

I'm waiting for the President to come. (Laughter) (Applause) May I can tell the submarine story.

So let me just end with this, my friends. A long time ago, when the explorers were going to the North (Laughter) they stopped in the evening near a big mountain. And one of the soldiers said "I wonder if anybody will ever know we came this way." And his commander said "Well, I'm going to take care of that for me." So he got his saber and he carved his name on the side of the rock and put the date and below it put "Pasó por aquí." So my friends I contributed my little grain of sand to the vast ocean of what is the legislative field, but I wanted you to know that hopefully someday somehow the world and our friends and especially my Hispanic family will know that someone named Eligio de le Garza, otherwise known as Kika pasó por aquí. Thank you. (Applause)

CONFERENCE REPORT ON H.R. 3005, NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996

SPEECH OF

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 28, 1996

Mr. BLILEY. Mr. Speaker, in connection with the historic passage in the House of Representatives and the Senate of the National Securities Markets Improvement Act of 1996, I offer the following remarks to clarify the congressional intent underlying certain provisions in the act.

PREEMPTION OF STATE AUTHORITY OVER SECURITIES ISSUERS

Section 102 of the National Securities Markets Improvement Act of 1996 eliminates State regulation of securities offerings by a variety of securities issuers, while preserving State authority to police against fraud and to require notice filings and fees. The legislation's express preservation of State authority to require securities issuers to file documents with the States for notice purposes only is intended to allow States access to information that is routinely filed with the Commission and is not intended to extend to documents that are not filed with the Commission. This would not, however, preclude a State that, consistent with the legislation, has legitimate cause to commence an investigation pursuant to its anti-fraud authority from requesting such documents as it might be entitled to pursuant to such authority.

The preemption effected by section 102 also extends to securities that are listed on the New York Stock Exchange, the American Stock Exchange, or the National Market System of the Nasdaq Stock Market. This preemption is intended to apply to securities that are nationally traded and list or have been authorized for listing on any of these three markets. In the past, disparate regulatory treatment of these markets by State laws has unnecessarily hindered the competition that improves the markets for investors. This legislation is designed to provide a level playing field for those markets by eliminating duplicative or unnecessary State regulation equally for securities that are listed or authorized for listing on any of the New York Stock Exchange, the American Stock Exchange, or the National Market System of the Nasdaq Stock Market.

Furthermore, the preemption effected by the act applies to a security that is a "covered security" or will be a "covered security" upon completion of the transaction. Thus, for example, the preemption effected by section 102 applies to initial public offerings that are authorized for listing on the National Market System of the Nasdaq Stock Market and are sold in advance of the effective date of their registration statements.

Generally, States regulate securities offerings through laws administered by State securities administrators or, in certain cases, State insurance regulators. The preemption provided in section 102 of the act applies to any State authority, whether a securities administrator or an insurance regulator.

EXCEPTIONS FROM THE DEFINITION OF "INVESTMENT COMPANY"

Section 209 of the act provides a new exception from the Investment Company Act for investment pools that sell their shares only to "qualified purchasers"—qualified purchaser pools. This section provides a grandfather provision enabling private investment companies that qualify for the exception from the definition of "investment company" in section 3(c)(1) of the Investment Company Act—"Section 3(c)(1) pools"—to qualify under the qualified purchaser pool provision notwithstanding that such a section 3(c)(1) pool might have investors that are not "qualified purchasers" under the provision, so long as the pool complies with certain requirements, including providing notice to its beneficial owners of its intent to use the qualified purchaser pool exception.

Section 209 includes a requirement that the Securities and Exchange Commission prescribe rules defining the term "beneficial owner" for purposes of this notice requirement. I would expect the Commission to promulgate rules pursuant to this provision that will ensure that this notice requirement is not unnecessarily burdensome, especially for sec-

tion 3(c)(1) pools that have shareholders that are themselves section 3(c)(1) pools, investment companies, or other institutional shareholders. The notice requirement was intended to ensure that direct shareholders of section 3(c)(1) pools seeking to convert to qualified purchaser pool status would be notified of the imminent change in their investment. The notice requirement was not intended to cause a section 3(c)(1) pool seeking to convert to qualified purchaser pool status to have to provide notice of the impending change to the underlying shareholders of the converting pool's institutional shareholders, such as shareholders that are section 3(c)(1) pools, investment companies, or other companies, so long as those institutional shareholders are not under common control or controlled by the converting pool. The purpose of this notice is to ensure that the investor in the converting pool is aware of the imminent change in the nature of the pool so that the investor may choose whether to divest from the pool or not. Thus, notice to the person making the investment decisions for an institutional shareholder should suffice to carry out this congressional intent. In the event the institutional shareholders of a converting section 3(c)(1) pool are under common control or controlled by the converting pool, it might be appropriate to require the converting fund to provide notice of its intent to the underlying shareholders. I would expect the Commission to act expeditiously to promulgate rules to implement this congressional intent with respect to the notice requirement.

In addition, the Commission should act as soon as practicable to promulgate the rules defining "investments" under section 209 of the act in order to expedite the effective date of that section.

SEC EXEMPTIVE AUTHORITY

This act grants the Securities and Exchange Commission the authority to issue exemptions from the provisions of the securities laws. We

intend that the Commission use this exemptive authority responsibly and flexibly. We are certain that the Commission will not use the exemptive authority to undermine the basic goals of the federal securities laws. However, in the past, Congress tied the hands of the Commission: for example, it limited the Commission's ability to decide when a prospectus should be delivered. I expect that the Commission will use the exemptive authority granted by this legislation to provide for greater flexibility in the administration of the securities laws. The Commission has used its existing exemptive authority, such as its authority under section 10(b) of the Securities Exchange Act of 1934 to define deceptive or manipulative conduct, to further the Federal securities laws by creating exemptions and safe harbors in order to make the letter of the law consistent with the spirit of the law. Similarly, in section 21A(c) of the Securities Exchange Act of 1934, Congress granted the Commission authority to exempt, in whole or in part, either unconditionally or upon specific terms and conditions, any person or transaction or class of persons or transactions from the provisions allowing the Commission to seek certain civil penalties for insider trading.

The exemptive provisions in this legislation are intended to expand such existing exemptive authority, so that the Commission will be able to create exemptions from any provision of the securities laws where the Commission finds it appropriate to do so, consistent with this provision. The Commission will have the ability to adapt rules to the needs of all types of issuers, investors, and broker-dealers. The provisions will afford the Commission the ability to tailor rules to new technology, evolving products, and differing investor needs. We further intend that this exemptive authority will be used for the protection of investors and the public, as well as to promote efficiency, competition, and capital formation.