PREFERENCING ON SECURITIES EXCHANGES

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. KELLY. Mr. Speaker, on May 9, 1996, 18 of my colleagues and I sent a letter to the SEC regarding that agency's recent approval of preferencing on the Cincinnati Stock Exchange or CSE. In the letter, we expressed concern that the SEC had acted precipitously to permit this questionable practice on a securities exchange without an adequate empirical or legal basis.

Preferencing enables a broker-dealer to take the other side of its own customer orders, to the exclusion of other competing market interest. In practice, CSE operates as a pure dealer market, depriving customers of the opportunity for their orders to be executed against each other. The ability of customer to meet customer is one of the hallmarks of the agency auction system, and frequently results in improved prices. In spite of the central place that customer order interaction plays on a true exchange, the SEC's order approving preferencing on the CSE leaves unanswered many questions about the practice's effect on customers. For example, the order does not examine whether customers whose orders are preference on the CSE are receiving the best prices for their transactions. Given the excellent job that the SEC has done over the years in safeguarding customers and pressing for fair treatment of customer orders, it is indeed surprising that the order approving the CSE preferencing program does not address so basic an issue.

Mr. Speaker, today we take up H.R. 3005, the Securities Amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake a detailed study of preferencing on exchange markets. I believe that such a study could be most helpful in addressing, among other issues, the quality of customer executions on the CSE. I urge support for such a study in conference. If the study identifies no tangible benefits to investors and the capital formation from preferencing on exchanges, I would support action to ban this practice.

SILVIO O. CONTE NATIONAL FISH AND WILDLIFE REFUGE EMINENT DOMAIN PREVENTION ACT

SPEECH OF

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. FAWELL. Mr. Speaker, I rise in opposition to H.R. 2909, the Silvio O. Conte National Fish and Wildlife Refuge Eminent Domain Prevention Act. This bill seeks to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to require that the Fish and Wildlife Service may only acquire lands for the refuge through donations, exchanges, or otherwise through the consent of the landowner.

As a former practicing attorney involved in eminent domain cases, I have concerns about the precedent set by this legislation. The Fish and Wildlife Service, like any other agency, has the power of eminent domain. This power, derived from the fifth amendment, assures citizens that their land will not be taken for public use, without just compensation. Current Fish and Wildlife Service policy directs such acquisitions only from willing sellers. In the last 10 years, less than 2 percent of the Service's acquisitions nationwide were acquired through the use of eminent domain. The Fish and Wildlife Service is not abusing the power of eminent domain. I see no reason why Congress should take away the legitimate power of the Fish and Wildlife Service to act in the public interest.

Mr. Speaker, I am opposed to this bill. I strongly support the establishment of the Silvio Conte National Fish and Wildlife Refuge, and the enactment of cooperative efforts to preserve the Connecticut River watershed. However, I urge Members to reject this measure which ties the hands of the Government to act in the public interest.

TRIBUTE TO JOSÉ RAMON QUIÑONEZ

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Mr. José Ramon Quiñonez, who was honored on Saturday by the members of the Holy Family Parish Council for his outstanding service to be community as the chairman of the board, at the Church of the Holy Family, in my South Bronx congressional district.

Ray Quiñonez, as he prefers to be called, was born in Puerto Rico and raised in South Bronx. He completed studies in metallurgy at the U.S. Marine Corps Institute of Technology, in Washington, DC and at Del Mar Technical College, in Oceanside, CA. Later on, he started working for Seandel Studios, Inc., in New York City.

Mr. Quiñonez served the country in the Third Marine Division in Vietnam. After his return from Vietnam, he married his wife, Edmee, with whom he has three children.

Ray Quiñonez has dedicated his life to helping our youngsters develop their full potential as community leaders of tomorrow. His service includes volunteer work at the Castle Hill Little League, where he was the field cleaner, coach, manager, treasurer, and vice president. He also served as a member of the league's board of directors, as well as moderator of the Holy Family Youth Leadership Group. Through the youth group, he inspired high school students from parochial and public schools to develop a sense of leadership and to strive for excellence.

Other community service includes his work as chairman of the Center for Catholic Lay Leadership Formation and as a member of the Community Planning Board 9.

Mr. Speaker, I ask my colleagues to join me in recognizing Mr. José Ramon (Ray) Quiñonez for his outstanding commitment to the service of our youngsters, the Church the Holy Family, and our South Bronx community.

THE IMPORTANCE OF CITRUS TRISTEZA VIRUS RESEARCH TO THE FLORIDA CITRUS COMMUNITY

HON. CHARLES T. CANADY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CANADY of Florida. Mr. Speaker, citrus is a major food crop in terms of nutrition, generation of income, foreign exchange, and employment in the United States.

There are approximately 1.2 million acres of citrus in the United States, and the annual retail value is over $17 billion. The citrus industry in the United States exceeds $19 billion in gross revenue.

Florida has 850,000 acres in citrus groves, 70,000 people employed in the citrus industry and 74,000 people employed indirectly, which means on-tree revenues of $9 billion to Florida.

Citrus is the No. 1 fresh produce commodity grown in California and Florida and there is substantial acreage in Arizona, Louisiana and Texas. Hawaii and Puerto Rico are also increasing their citrus industry to reduce their dependence on imports.

The American citrus industry produces table quality navel and Valencia oranges, and my home State of Florida, grows oranges for fresh juice and juice concentrate. Florida is also one of the world leaders in export quality oranges, lemons and grapefruit.

Unfortunately, this vital industry is being threatened by the brown citrus aphid, which is the most efficient transmitter of the citrus tristeza virus. This virus threatens the entire U.S. crop.

Arizona, California, Florida, Louisiana, and Texas have formed a research council to study the eradication of the brown citrus aphid and the citrus tristeza virus. This research is supported by the industry, the U.S. Department of Agriculture, and the land grant colleges.

The farm bill, which the Congress passed earlier this year also, recognized the importance of eradicating this disease before it takes over and destroys the American citrus crop. The legislation authorized $3 million to be spent on Citrus Tristeza Virus research.

Mr. Speaker it is extremely important for us to supply the 1997 funding needed to carry out this research and keep out citrus industry healthy in Florida and elsewhere in the United States.

TURKISH GOVERNMENT REPRESSION: TAKING LESSONS FROM BEIJING

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of New Jersey. Mr. Speaker, the United Nations Habitat II conference on sustainable urban development has concluded in Istanbul, Turkey. While most observers will point to the conference's focus on the pressing challenges of urbanization, the repression employed by the host Government of Turkey in response to criticism of its human rights

record has cast a pall over the meeting and should be protested at an international level.

While Turkey cannot be compared to China in terms of democratic development, Ankara seems to have taken some lessons from Beijing when it comes to stifling dissent. As Habitat was just convening, Turkish police forcibly evacuated the headquarters of 35 NGO's organizing an ''Alternative Habitat.'' These NGO's were protesting the government's destruction of some 3,000 Kurdish villages and the creation of 3 million refugees in southeast Turkey. These groups rightly believe that such policies were incompatible with the spirit and goals of Habitat II.

Mr. Speaker, last week, Turkish authorities detained hundreds of peaceful demonstrators, including a Habitat NGO representative, and a handful of TV journalists filming the police actions. The demonstrators were protesting government policies, and the reaction of Turkish security forces was reminiscent of China's action during the UN Beijing Conference on Women.

These attacks on free speech and the right of free assembly are cynical attempts by the Government of Turkey to deflect international scrutiny of their policies in southeast Turkey. Yet, Mr. Speaker, these heavy-handed tactics bring even greater scrutiny to the government's repressive, undemocratic activities. Mr. Speaker, I have to imagine that the thousands of NGO's and officials from around the world who attended Habitat II have taken home a distinct impression that Turkish democracy is severely lacking.

Mr. Speaker, the Turkish Government tried to prevent its repressive policies in southeast Turkey from coming to light, but a group of mayors from towns and villages in the region did submit a revealing report to the conference. The report linked human rights abuses in the region directly to Habitat issues and the urban ills facing Istanbul and other large cities in Turkey. The mayors believe that crowding, poverty and instability in Istanbul originated in the towns and villages of southeast Turkey, where economic deprivation and the government's war on terrorism had forced millions from their homes to urban centers unequipped to meet their needs.

Mr. Speaker, I fear Turkey is headed down a road of increasing instability and upheaval. As long as the government stifles the protests of its own people and refuses even to allow open debate of these problems, there will be scant hope for resolving such tough issues.

Mr. Speaker, I would like to enter into the RECORD an article from the Turkish Daily News, June 14, 1996, edition, which further spells out the problems faced by those attempting to bring human rights issues before the Habitat II meeting.

[From the Turkish Daily News, June 14, 1996]

THE OLYMPIC STRUGGLE FOR HUMAN RIGHTS?

(By David O'Byrne)

ISTANBUL—''Turkey is dedicated to advancing the cause of human rights despite the presence of malign element-terrorism-pinching the Turkish nation from within and without.''

This rather ungainly quote is taken directly from the introduction to a brochure on human rights published by the Turkish Minister of Foreign Affairs. One of a package of material prepared for participants in the UN Habitat II conference, this heavily qualified and ungrammatical statement is fairly typical of the document as a whole. For a country like Turkey with a more than dubious record in the human rights department and aspirations to host the 2004 Olympics, this government publication is far from unequivocal acceptance of widely accepted standards.

In fact, the tone of the brochure is decidedly defensive. Much of the brochure is concerned with alleged criticisms of the Turkish human rights record by the Kurdish Workers' Party (PKK) and its supporters. But as a terrorist organization the PKK is certainly not noted for its human rights record, so it's indeed strange that their opinions should carry such weight. Shorter mention is made of other religious and ethnic minorities, again aimed at countering what the Foreign Ministry sees as unwarranted criticism from, apparently, foreign sources.

The unfortunate implication is that human rights are something only demanded by ''minority groups'', and then only at the bidding of 'outside' forces. Despite giving details of numerous amendments to the Turkish constitution and listing Turkey's many accessions to international treaties, nowhere are human rights referred to as something to which the Turkish population as a whole should be concerned with.

At the Habitat NGO forum however, there was no sign of Turkish people ignoring the human rights issue. In fact many of the stalls were occupied with Turkish groups whose sole concern was human rights. Chilling photographs and texts in several languages detail terrible human rights' abuses in several different countries. Turkoman people in Iraq have, not surprisingly perhaps, suffered terribly under the despotic regime of Saddam Hussein. In western China—or eastern Turkistan as it is also referred to—native Turkomens have been remove from positions of authority as the region has been settled by increasing numbers of Han Chinese moved in by the Chinese government.

Continued nuclear testing in the region has left many parts uninhabitable and has led to the predictable increases in cancers. Displays showing the results of Russian occupation of Chechenya and the occupation of parts of Azerbaijn by Armenian government forces were equally disturbing.

The Turkish speaking minority from Greece were also represented. Greek government policy has long centered around moving the Turkish Muslim community from Western Thrace to areas where it can more easily assimilated. The closure of schools and mosques coupled with continued harassment by the police and civil authorities has forced many to Turkish Greeks leave. Another Foreign Ministry brochure available to people attending Habitat details these and other human rights abuses.

Groups concerned with minorities inside Turkey received no such official sanction however. This in spite of the government statement reprinted above. On the contrary, foreigners attending the NGO forum complained constantly about the presence of plain clothes policemen. One utterly innocuous seminar on the ''colorful life of dark people''—ie gypsies—attracted 11 people, two of whom were plain clothes police. While one of the policemen dominated the discussion with loud irrelevant contributions, the other attempted to interview the three Turkish participants and ascertain why they were interested in gypsies.

Outside of Habitat too further Turkish interest in human rights issues made itself evident. The Turkish human rights group IHD organized an ''Alternative Habitat'' conference, only to find it closed down practically before it started. Further interest was shown by the friends and relatives of the 400 or so people who, since 1979, are alleged to have ''disappeared'' whilst in police custody. Their silent peaceful protests have been taking place outside Galatasaray school for the past year. Coverage by the press was minimal, with journalists attending dutifully in case of incident.

Last Saturday they were rewarded (sic). Although officially banned the demonstration went ahead anyway with predictable results. A larger than usual but none the less peaceful group of people attempted to sit down in Galatasaray Square but were immediately set upon by the legions of waiting police. Journalists, photographers and even delegates from the Habitat conference were arrested, many being severely beaten in the process. Television pictures of the unwarranted brutality were shown all over the world and photographs were published in many of the world's leading journals. A press conference held the following day to protest at the arrests was also broken up by the police with many arrests.

There were by this time an estimated 1500 people in custody. As releases began—without charge—groups of people congregated outside police stations to welcome their friends. Prominent human rights lawyer Serpil Kaya emerged from her incarceration to find a group of her friends being harassed by the police. On pointing out that they weren't breaking the law she was immediately rearrested. Judging the reaction of shocked delegates to the Habitat conference was not difficult, they were only too happy to express their anger at what they had witnessed. As a spokesman for the NGOs explained in a press conference, ''We have witnessed that hundreds of individuals have been beaten, arrested and detained while demonstrating peacefully on the city streets. We will not forget what we have seen.''

During the whole length of the Habitat conference another demonstration has been going on, largely unnoticed. Teams of runners have been jogging along the Bosphorus bearing Olympic flags. Turkey's bid for the 2000 Olympics failed to make much impression. The Habitat conference is one of the first major international events to be staged in Turkey. The current bid for the 2004 Olympic games has been making good use of Habitat to show the international community what Turkey is capable of. Those efforts now appear sadly wasted.

Until a Turkish government can make a statement regarding human rights that is both unqualified and is seen to be put into practice it is most unlikely that the international community will see fit to trust Turkey with another event of major significance. After the events of the past two weeks the effort required to bring the 2004 games to Istanbul would seem to be more herculean than olympic.

PERSONAL EXPLANATION

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, due to business in my district, I was absent for rollcall votes 245, 246, and 247. Had I been present, I would have voted ''no'' on rollcall 245, ''yes'' on rollcall 246, and ''yes'' on rollcall 247. I ask unanimous consent that my statement appear at the appropriate place in the RECORD.