

lawsuits while protecting and strengthening the ability of defrauded investors to sue.

I believe that Americans can be justifiably proud of the substantial benefits we enjoy from the fact that we have the best securities markets in the world. Our stock and bond markets have expanded tremendously over the last several years. This has helped to finance the birth and growth of promising new industries such as telecommunications, computer software, and other high technology companies that create better jobs and promote economic growth.

One of the most critical factors supporting the successful growth of America's market-based capital formation system is the high level of trust and confidence investors have in the fundamental integrity and fairness of our securities markets. Our Federal securities laws help assure stock or bond prices efficiently reflect the values of the companies that have issued them. This is achieved through a system of full disclosure of all material information about public companies, which empowers Americans so that they can make informed investment decisions about which company's stocks or bonds they want to purchase. But disclosure cannot effectively serve the needs of the investing public unless backed up by strong enforcement mechanisms that assure that those who lie, cheat, and steal will be caught and punished.

Over the last decade, we have witnessed horrendous financial frauds involving hundreds of billions of dollars—including Lincoln Savings & Loan, Drexel, Centrust, Phar-Mor, Miniscribe, and ZZZ Best. The "rogues gallery" of financial miscreants and malfactors that were responsible for these crimes were brought to justice through the combined efforts of Federal regulators and individual investors who filed private lawsuits. Such private lawsuits perform functions that Federal bureaucrats cannot accomplish. They provide compensation to investors who have been defrauded and they supplement the SEC's enforcement activities by helping to deter companies that may be contemplating actions that would mislead their investors.

The securities litigation provisions of the GOP Contract With America would give white collar criminals, stock swindlers, and financial con artists a license to rip-off the investing public. Make no mistake about it: H.R. 10, the so-called Common Sense Legal Reform Act, is special interest legislation at its worst. While it purports to take aim against abuses by attorneys, in reality the principal beneficiaries of this legislation will be huge corporations, wealthy Wall Street investment bankers, Big Six Accounting firms, and well-heeled corporate lawyers. Who will lose out? The defrauded investors, pension funds, and State and local governments who are victimized by financial fraud, and every honest business in America which can't get capital to build because a competitor is checking the system.

Individual investors—such as those here today who have suffered financial losses as the result of the Orange County bankruptcy—will face nearly insurmountable new procedural and substantive obstacles in bringing their cases to court. Proposals such as adoption of the English rule on fee shifting, establishment of heightened intent requirements that would eliminate recklessness as a cause of action in securities fraud cases, enhanced pleading requirements, elimination of cases

based on a fraud on the market, and other proposed changes would effectively end securities class action litigation in this country. This would deprive potentially defrauded investors from being able to seek recovery of their lost savings.

Unlike the Republican bill, the legislation I am introducing today would target the real problems and abuses that can occur in the existing litigation process without impairing the ability of defrauded investors to sue wealthy corporations, and the accountants or attorneys who knowingly or recklessly assisted them in perpetrating financial frauds. My bill contains reforms which would:

Ban or restrict a range of abusive practices engaged in by plaintiffs' or defendants' attorneys;

Streamline the securities litigation process by providing for an early evaluation process aimed at weeding out frivolous cases;

Require the SEC to issue new rules to strengthen the safe harbor provided for companies to issue forward-looking statements;

Limit the potential financial risk faced by defendants in securities fraud litigation cases by providing defendants with a right to obtain contribution from their codefendants based on proportionate responsibility;

Assure that the interests of plaintiffs' attorneys are more closely aligned with the interests of their clients by mandating that fees be calculated on the percentage of lost funds recovered, rather than on how many billable hours the lawyers have generated;

Overtune the Supreme Court's Central Bank of Denver decision by fully restoring liability to those who knowingly or recklessly aid or abet securities fraud;

Overtune the Supreme Court's Lampf decision by establishing a statute of limitations for securities fraud cases of 5 years after occurrence or 3 years after the violation was actually discovered;

Strengthen the role of auditors in detecting and reporting evidence of financial fraud; and finally,

Mandate an SEC study on the effectiveness of private enforcement of compliance with the federal securities laws.

This package of reforms represents a balanced alternative to the special interest smorgasbord set forth in H.R. 10. Over the next few days and weeks, I intend to seek cosponsors to my bill and I fully expect to offer this legislation, or amendments derived from it, to H.R. 10 when it is marked up in our subcommittee. While the specifics of this bill may undergo further refinement during the course of discussions with my House colleagues, and some additional or related provisions may be introduced later, the fundamental principles of fairness to investors that this bill embodies will not be altered.

In conclusion, I am proud, as a Democrat, to have supported the evolution of a market system that provides investors with the right to obtain full disclosure of critical investment information. I believe that investors who are defrauded by false or misleading financial statements, or inflated puffery about a corporation's earnings, products or prospects, or the value of its securities, should have a right to sue for recovery. The bill I am introducing today would preserve that right, while eliminating certain abusive or problematic practices that unduly burden the overwhelming majority of compa-

nies who are seeking in good faith to play by the rules and comply with the law.

#### PERSONAL EXPLANATION

### HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1995

Mr. McINNIS. Mr. Speaker, due to travel delays, I was not present to vote for S. 2. As a cosponsor of the Congressional Accountability Act in this session, as well as the 103d, I would have clearly voted in support of this legislation, as I did with H.R. 1, on January 5, 1995.

IN HONOR OF MONO SEN, DISTINGUISHED INDIAN COMMUNITY LEADER

### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1995

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Mono Sen, an Indian community leader. Mr. Sen has made many positive contributions to the Indian community in the 13th Congressional District. He has dedicated himself to helping others, no matter how difficult the task. He has spent his entire career creating opportunities for hundreds of people of all races, creeds and ethnicities.

Mr. Sen came to the United States in 1971 and lived in New York until June of 1974. While living in New York, he dedicated himself to helping senior citizens. He served as the management consultant at the William Hudson Center in the South Bronx and as director of Caring Community Center in New York, which provided quality services mostly to the Jewish and Italian communities.

Mr. Sen has provided jobs for many Indian E.S.L. teachers in Jersey City and is responsible for the hiring of many Indians as income maintenance technicians in the Hudson County Welfare Department. In 1977, Mr. Sen fought for Federal money to help Vietnamese refugees resettle in Hudson County. Mr. Sen is a community leader in the best sense of the word. People come to him with their problems, whether they are financial or personal, and Mr. Sen tries to help them with their problems.

Mr. Sen has expressed great interest in uniting the Asian-American community. He founded the United Ethnic Congress in America in 1980. The purpose of this organization was to promote the election and appointments of Asians to the U.S. Government, so that they could contribute politically. Mr. Sen also joined the American Association and began generating interest among Indians in the community in becoming involved in politics. In addition, he was one of the main speakers of the first Convention of Indians in New York. Also, in 1991, Mr. Sen spoke for almost 2 hours before the U.S. Civil Rights Commission on police abuses on behalf of 9 million Asian people.

Many people in the community depend on Mr. Sen for help in such matters as seeking help from the city, county or State, as well as

legal matters. Mr. Sen has also been generous enough to donate \$30,000 worth of materials to the Hudson County Community College and \$3,000 worth of books to the Jersey City Public Library.

A great many people depend on Mr. Sen's abilities, as well as his kindness, generosity and goodwill. He makes no distinction in helping people. He has worked very hard for many years to help those in need, and has turned no one away. He has never discriminated among Jews, Hindus, Christians, or Muslims.

I would like to take this opportunity to thank Mono Sen for all of his hard work in the community. I am truly proud to have such an exemplary man living in my district. A birthday celebration will be held in Mr. Sen's honor on February 4, 1995, at public school No. 11. Please join me in wish Mono Sen a happy 70th birthday.

RECOGNIZING THE ACCOMPLISHMENTS OF THE BROOKLYN CHINESE-AMERICAN ASSOCIATION

**HON. CHARLES E. SCHUMER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 18, 1995*

Mr. SCHUMER. Mr. Speaker, I rise today to recognize the accomplishments of the Brooklyn Chinese-American Association [BCA]. I am especially pleased to honor this organization at the grand opening of their community service center.

Over the past 7 years, President Paul Mak has worked tirelessly to develop the BCA. BCA can now proudly list the many important services it provides for members of the Brooklyn Chinese-American community; application assistance for entitlements, cultural and recreational activities, health-related workshops and excursions for senior citizens; counseling for at risk youths; career-oriented and academic-related workshops, youth leadership training and summer camps for youths; assisting crime victims. Staff and volunteers at BCA should be proud of their achievements in making their community a richer, more vital place to live.

BCA recognized the needs of the community, and decided to take action. They remind us of the responsibility of every citizen to make our communities and neighborhoods better, safer places. For their work in community service, I salute the members of BCA. I know that all my colleagues in the House of Representatives will join me in wishing them many years of success and growth.

FAREWELL TO DON BLISS

**HON. ED PASTOR**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 18, 1995*

Mr. PASTOR. Mr. Speaker, I would like to take this opportunity to honor and recognize Mr. Donald A. Bliss, who recently retired as the vice president, for U.S. West Communications.

Mr. Bliss began his career with Northwestern Bell in 1961 as a splicer's helper. Working his way through the ranks of the company and

across the country, Mr. Bliss served as northwestern's vice president for North Dakota and Nebraska service areas. Mr. Bliss and his family made Arizona their home in 1987 when he assumed his position as Arizona's vice president for U.S. West Communications.

Through the years, Mr. Bliss has proven to be an asset not only to U.S. West Communications but to the State of Arizona. His activities have included serving on the Arizona Joint Select Committee on Revenues and Expenditures and the Governor's Office of Employment and Training Implementation Task Force. In addition, Mr. Bliss has been recognized with awards such as the Anti-Defamation League's Torch of Liberty Award and the Center City Champion Award.

In retirement, Don will continue to reside in Arizona with his wife Roxanne and plans to stay active in the community. Mr. Bliss will serve as a leader on the 1996 Super Bowl Committee and as an officer on the National Alzheimer's Association Board.

Although a native of Minnesota, I am pleased that Don has chosen Arizona as his home. His leadership will be missed at U.S. West Communications, but we all look forward to his continued work in the community.

INTRODUCTION OF THE TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT CONSENT ACT

**HON. JACK FIELDS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 18, 1995*

Mr. FIELDS of Texas. Mr. Speaker, I am pleased to introduce today a bill that will be the final step in an agreement between the States of Texas, Maine, and Vermont for the disposal of low-level radioactive waste.

In the 1960's, the United States had six disposal sites for low-level radioactive waste. By 1978, all but three of the sites had closed, and the States with the remaining disposal sites announced that they intended to close their facilities. In response, in 1980, Congress passed the Low-level Radioactive Waste Policy Act, making State governments responsible for the disposal of low-level radioactive waste generated within their States. Because most States simply continued to send their waste to the three operating disposal sites, the act was amended in 1985 to require States to open their own disposal sites or enter into agreements—called compacts—to share facilities with other States by the end of 1992.

Mr. Speaker, the compact about which I speak today was carefully negotiated by the Governors of each State and adopted by an overwhelming majority of each State's legislature. As a result, I urge my colleagues to join me in support of the Texas Low-level Radioactive Waste Disposal Compact Consent Act.

PERSONAL EXPLANATION

**HON. TIM JOHNSON**

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 18, 1995*

Mr. JOHNSON of South Dakota. Mr. Speaker. I rise today to inform the House that I was

inadvertently detained on Tuesday, January 17, 1995, from voting on final passage of S. 2, the Congressional Accountability Act, due to bad weather and flights which were postponed as I attempted to return to Washington from South Dakota. Had I not been detained yesterday, I would have voted in favor of final passage of the Congressional Accountability Act, just as I did on January 5, 1995 when the House passed H.R. 1 by a vote of 429-0.

RETIREMENT OF AVON YARBOROUGH

**HON. ROBERT L. EHRlich, JR.**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 18, 1995*

Mr. EHRlich. Mr. Speaker, I rise to pay tribute to a highly respected public servant who has retired after 38 years of serving his country in a number of capacities. Avon Yarbrough most recently was the chief of personnel security division, 497 Intelligence Group at Bolling Air Force Base.

Over the years, Avon Yarbrough has received numerous awards and commendations for his significant contributions to the security community. As chief of the personnel security policy branch, Air Force security police in Albuquerque, NM, he authored regulations which served as the official Air Force document for personnel security policy and procedures.

He also served as the Air Force liaison officer where he represented the Air Force at the Defense Investigative Service and with other Federal agencies in investigating matters. His responsibilities have also included managing the personnel security portion of the Air Force Presidential Support Program and the automated security clearance approval system.

Avon Yarbrough has displayed great skill and devotion all of his life. He began his career when he entered active duty with the Air Force in 1956. His military assignments included tours of Vietnam, Germany, and Japan. Before he became affiliated with the Air Force adjudication operation in July 1977, he held positions as a civilian air technician with the Maryland Air National Guard and security manager for the National Guard Bureau and the Military Traffic Management Command, where he very effectively managed multiple security disciplines.

Born in Louisburg, NC, Avon Yarbrough and his family moved to Baltimore when he was in his early teens. He grew up in Baltimore and graduated from the University of Maryland in 1978. He holds a bachelor's degree in sociology.

Mr. Yarbrough has three daughters, Antoinette, Angela, and April and a stepson, Michael F. Jackson.

Mr. Speaker, please join me in recognizing Avon Yarbrough as a great American who has served his community with skilled devotion for almost 39 years. Also please join me in wishing he and his charming wife, Elaine, great happiness in this new phase of their lives.