

## SECURITIES LITIGATION REFORM

This bill, which I supported, would limit so-called "strike" lawsuits—class action lawsuits filed by stockholders against companies or stockbrokers for having misrepresented the company's economic position when the class of stockholders decided to buy the stock. Further, the bill limits security fraud suits by individual stockholders for similar claims of misrepresentation.

The problem of frivolous class action lawsuits against a company as soon as its stock drops is a real one. Because their stock prices are so volatile, high technology companies are especially vulnerable. Even so, we do not want to weaken the deterrent to financial fraud. To this end, the House, with my support, approved amendments to promote public disclosure of stock information; narrow exceptions to defendant liability; and define the responsibilities of accountants in reporting cases of fraud to federal regulators.

## CIVIL LITIGATION REFORM

This bill, would make several significant changes in the federal civil justice system. First, it would require losing parties in federal civil cases to pay the attorneys' fees of the winning party under certain circumstances. Second, the bill would restrict the admission of scientific evidence in federal court. Third, the measure would make sanctions against lawyers who file frivolous lawsuits mandatory, rather than leaving the decision to the judge.

I opposed the bill primarily because of its "loser pays" provisions. A key principle of the American system is accessible justice and I do not want to pass laws which prohibit or deter an individual from a meritorious vet risky lawsuit for fear that the penalty would be financial ruin. Everybody wants to curb frivolous lawsuits—and I supported an amendment that would give a defendant the opportunity to seek dismissal of a frivolous suit.

The bill, in contrast, would place average Americans at a disadvantage in disputes with large corporations, for whom the risk of paying opposing attorneys is simply the cost of doing business. A middle-income plaintiff could be forced to accept a small settlement unless he or she is willing to assume the risk of being financially ruined by the payment of the fees of the other side's attorneys, who may be expensive corporate lawyers.

## CONCLUSION

In general, I think the entire legal reform package deserves a searching examination in the Senate. I have been impressed throughout the debate that the House has focused on a tide of anecdotes purporting to show the American legal system as out of control, swamped with frivolous product liability and personal damage suits. I am less sure that the evidence supports the lesson of those anecdotes.

The balance that must be struck is to protect the people's right to sue while at the same time reducing frivolous and expensive lawsuits. That is not an easy balance to strike and the details reaching that balance become very complicated. My hope is that the Senate will improve upon the House-passed bills. I am inclined to think that they are simply too raw to be enacted in their present form.

## IN HONOR OF THE GIRL FRIENDS, INC.

## HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1995

Mr. CLYBURN. Mr. Speaker, I would like to take this opportunity to bring to the attention of my distinguished colleagues the fine record of one of the oldest civic/social organizations of African-American women in these United States—the Girl Friends, Inc. Founded in 1972, its primary focus was to promote friendship and to foster goodwill. Under the legal guidance of the Honorable Thurgood Marshall, the organization was incorporated in 1938.

The Girl Friends, Inc. is a national organization comprised of 1,250 socially and professionally prominent women, including national political figures, Federal judges, medical doctors, college presidents, accountants, lawyers, and teachers.

Presently, there are 40 chapters located in major American cities, representing leaders and spheres of influence with an ongoing commitment to contribute to civic activities that enhance the quality of community life.

The organization has given major financial assistance to community organizations, including the United Negro College Fund, the NAACP legal defense fund, the children's defense fund, and the NAACP.

Through its local chapters, it gives annually to local groups such as the heart fund, the sickle cell fund, the Cancer Research Foundation, the Boys and Girls Club of America, and local theatre groups for children.

I would like to congratulate the national president of the Girl Friends, Inc., Mrs. Virginia Scott Speller of Houston, TX, for giving leadership during these days of extending a helping hand to those in our communities who are in need, especially students who want to complete a college education and senior citizens who need care and attention.

I also salute the more than 1,200 members who take time from their professional duties to give of themselves to help make our country a responsive and caring Nation.

Mr. Speaker, I commend the national officers and all of the 40 chapters of the Girl Friends, Inc. for their 68 years of service to these United States.

## TRIBUTE TO THE MEMORY OF BOBBY CAPÓ

## HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1995

Mr. SERRANO. Mr. Speaker, tomorrow, March 16, the New York Office of the Puerto Rico Federal Affairs Administration will unveil a pictorial stamp cancellation to honor a giant of romantic music and borinquen patriotism, Bobby Capó. I rise to pay tribute to the memory of this extraordinary and beloved individual.

Felix Manuel Rodríguez "Bobby" Capó was born in Coamo, Puerto Rico in 1922. Having moved to New York as a young man in the 1930s, Bobby Capó encountered for the first time a land of cold winters and often chilly

race relations. He set about very early in life to overcome these features with the warmth of his music and personality.

In the course of his 68 years Bobby Capó composed over 2,000 songs and released more than 50 record albums. But these figures do not do justice to the influence of this superb artist. Possessing a lyrical tenor, perfect pitch and supreme grace, Bobby Capó was a dynamic showman whose tours and television appearances in New York, Puerto Rico and the rest of the United States and Latin America were vital to the popularization of the romantic style. His great ballads "Piel Canela," "Juguete" and "Sin Fe," sung by hundreds of artists around the world, are timeless classics that will forever convey the mystery of romantic love.

Mr. Speaker, as the first Puerto Rican to direct his own television shows and appear in Mexican films, Bobby Capó was a theatrical phenomenon as well. But he was much more than an entertainer. A man for all seasons, in his later years he became increasingly involved in public affairs. He served as Director of the New York Office of the Puerto Rico Federal Affairs Administration, he founded and was the first president of the Puerto Rico Guild of Artists, and in numerous capacities promoted a better understanding of Puerto Rican and Hispanic culture. Moreover, in many personal acts of advocacy and political action he proved himself a dedicated and energetic defender of the less fortunate in our society.

Mr. Speaker, I was extremely privileged to have known Bobby Capó, to have had him as an inspiration and a mentor. His romanticism, his devotion to the island of his birth, and his sheer love of life are elements of his spirit which have struck a deep chord with me and with many thousands of others. I remain a devoted fan of his enduring music and memory, both of which will live on forever in the hearts of his admirers. I ask my colleagues to join me in appreciation of the life and legacy of this wonderful man.

## LED ASTRAY BY THE POVERTY "EXPERTS"

## HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1995

Mr. CRANE. Mr. Speaker, Mr. Walter Williams, a professor of economics at George Mason University, has formulated a decorous and forthright theory which reveals the malignant problems caused by American dependence on the welfare state.

Since the 1960's, Federal welfare policies have only resulted in a debilitating reliance by American citizens on a Federal Government not created to function in this area. Unfortunately, this institution—the welfare state—has become a permanent and detrimental fixture in our society.

I commend to the attention of my colleagues the following article written by Mr. Williams entitled, "Led astray by the poverty 'experts'." May we all learn from his insights and wisdom as the 104th Congress embarks on the reformation of the outdated welfare policies plaguing our Nation.

## LED ASTRAY BY THE POVERTY 'EXPERTS'

(By Walter Williams)

Much of what's wrong in our country is the result of heeding the words of "experts" and "intellectuals," whose advice defies every notion of common sense.

Take skyrocketing black illegitimacy. But first, let's put it into perspective. In 1940, black illegitimacy was 19 percent. Today, it's 68 percent and estimated to be 75 percent by the year 2000. As early as the 1870s, up to 80 percent of black kids lived in two-parent families. Between 1905 and 1925, 85 percent of Harlem youngsters lived in two-parent families. Today, fewer than 40 percent of black kids live in two-parent families. The black family could survive slavery and Jim Crowism but not the welfare state.

During the '60s, now-Sen. Daniel Patrick Moynihan wrote a report concluding, "At the heart of the deterioration of the fabric of Negro family." At that time, black illegitimacy was 30 percent. Liberals attacked the report. Civil rights leader Bayard Rustin said, "What may be a disease to the white middle class may be a healthy adaptation of the Negro lower class." Floyd McKissick, director of COPE, echoed that sentiment, saying, "Just because Moynihan believes in middle-class values doesn't mean they are the best for everyone in America."

Those sentiments were supported by many, including supposed intellectuals. Andrew Cherlin, a Johns Hopkins professor and sociologist, argued it had yet to be shown that the "absence of a father was directly responsible for any of the supposed deficiencies of broken homes." Mr. cherlin concluded that the real issue "is not the lack of male presence but the lack of male income." In other words, fathers can be replaced by a monthly welfare check. That's a stupid idea, but we bought it.

When Mr. Moynihan completed his report, according to Rowland Evans and Robert Novak, attempts were made to repress its release. Professors Lee Rainwater and Williams Yancey suggested "it would have been well to reduce the discussion of illegitimacy because of the inflammatory nature of the issue with its inevitable overtones of immorality."

According to William Bennett, writing in the American Enterprise (January-February 1995), "More than 70 percent of black children will have been supported by Aid to Families with Dependent Children payments at one point or another during childhood." He adds, "The most serious problems afflicting our society today are manifestly moral, behavioral and spiritual, and therefore remarkably resistant to government cures." That recognition is thankfully slowly dawning upon us after years of listening to experts and their destructive nonsense.

But the experts are doing their level best to keep us befuddled. They continue to preach nonsense like the proposition that crime and other forms of antisocial behavior are caused by poverty. The truth of the matter is the causal direction may be the other way around: Poverty is caused by crime and antisocial behavior. After all, poverty is the likely result when a person does not respect the rights and property of others and ignores the values of hard work, sacrifice and deferment of gratification.

Congress has put welfare reform high on its agenda. In seeking advice on what to do, they should summarily disqualify all the experts whose advice we've listened to in the past that has resulted in today's calamity. If I had it my way, there'd be a blanket exclusion of anyone from any government agency dealing with poverty and anyone who has received a government grant to do research on poverty.

## DEMOLAY MONTH

## HON. STEVE LARGENT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1995

Mr. LARGENT. Mr. Speaker, March is DeMolay Month, when the Order of DeMolay—an international Masonic-related, fraternal, civic service organization for young men 13 to 21—celebrates its 76th anniversary. DeMolay is a youth development organization based on seven virtues needed in today's society—filial love; reverence for sacred things, such as God; courtesy; comradeship; fidelity; moral and physical cleanness; and patriotism. DeMolay promotes scholarship and provides a full package of leadership, athletic, social, and civic service activities to interest today's young men.

This year Delta Chapter, located in Jenks, OK and 1 of 4 DeMolay chapters in my congressional district, celebrates its 60th anniversary. For the first time in its history, Delta Chapter was recently named 1994 Oklahoma DeMolay Association Chapter of the Year. Last year, the chapter sponsored two recycling drives and a severe weather seminar for the Jenks community and held civic service and charitable projects for the Tulsa and Jenks Community Food Banks, Scottish Rite Childhood Language Clinics, Tulsa Area Book Bank, Big Brothers and Big Sisters of Green County, and the Oklahoma Masonic Home for the Aged.

Several prominent scientists, educators, business leaders, astronauts—and several former or current members of Congress—were active DeMolays in their youth. Distinguished political commentator and Tulsa-native Paul Harvey is a former member of Delta Chapter.

At a time when teenage drug use and gangs command the attention of the media, and teenage violence has reached near-epidemic levels, it is refreshing to recognize the leadership and good citizenship demonstrated by members of the Order of DeMolay.

## THE ECONOMIC IMPACT OF COMMUNICATIONS DEREGULATION

## HON. TOM DELAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1995

Mr. DELAY. Mr. Speaker, Government regulations impose a tremendous burden on our Nation's economy. Excessive regulations result in higher prices for American consumers and fewer jobs for American workers. One of the primary goals of the Contract With America is to reduce onerous Government regulations and break down unnecessary barriers to competition. In that regard, I was especially interested to learn of a new study released by the independent Wharton Econometrics Forecasting Associates [WEFA] Group. Their study documents the positive impact that would result from greater competition in the U.S. communications industry. They conclude that full, immediate, and simultaneous competition in all communications markets would result in more jobs, lower prices, and a stronger economy. I urge my colleagues to carefully consider the results of the WEFA study as we continue to

more forward with our efforts to deregulate our Nation's economy.

ECONOMIC IMPACT OF DEREGULATING THE U.S. COMMUNICATIONS INDUSTRIES—HIGHLIGHTS OF FINDINGS

## OVERVIEW

The 104th Congress is in the process of reforming the nation's outdated communications laws. A fundamental concern in this process involves when and to what extent cable TV, long distance and local telecommunications markets should be opened to competition. Opinions range from opening all markets immediately to creating lengthy approval processes for competitive entry.

A study released by renowned independent economic forecasting firm, The WEFA Group, quantifies the impact that various policy options will have on diverse economic indicators, including job-creation, economic growth, technological innovation, consumer savings and the balance of trade. Specifically, the WEFA study compares three approaches:

Immediate, full competition—removal of legal and regulatory barriers to market entry; change from traditional rate-of-return regulation to price-cap regulation for any noncompetitive service; complete deregulation of competitive services; and, all markets open simultaneously on January 1, 1996.

Competition phased in over two to three years—local competition occurs a year ahead of long distance competition, with full competition by 1998.

Competition phased in over four to five years—local competition occurs a year ahead of long distance competition, with full competition by 2000.

## FINDINGS AND ANALYSIS

## I. Immediate competition means new jobs, economic growth, consumer savings

Full, immediate and simultaneous competition in all communications markets will result in more jobs, lower prices and a stronger economy than any other option. The study finds that immediate and full competition in the telecommunications industry will achieve:

## New jobs

3.4 million additional U.S. jobs would be created over the next ten years as a result of full, immediate competition in all communications markets. These jobs would be spread across all states and all major industry groups, including: 498,000 new jobs in manufacturing; 423,000 new construction jobs; 923,000 new jobs in wholesale and retail trade; 1.4 million new jobs in the service sector.

## Economic growth

Once competition is brought fully and immediately to the communications industry, the benefits of lower prices, enhanced services and newer technology will boost economic activity throughout the economy. Specifically, within ten years, America would experience: \$298 billion increase in annual Real Gross Domestic Product; \$162 billion increase in annual Real Personal Consumption; \$14 billion improvement in annual balance of trade; \$140 billion improvement in the annual national budget deficit; an average increase of \$850 in the per year disposable income of each U.S. household.

## Consumer savings

American consumers would receive substantial benefits from immediate competition in all communications markets. The study concluded that competition, which will bring greater network efficiencies, including bandwidth expansion and increased use of digital services, will result in a 23% decrease in telecommunications prices over