

RICHARD L. KRZYZANOWSKI; DEPARTURE FROM CROWN, CORK & SEAL

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BORSKI. Mr. Speaker, I rise in honor of my dear friend Mr. Richard L. Krzyzanowski, as he retires from his position at Crown, Cork & Seal, where he has served many years with dedication and distinction.

Mr. Krzyzanowski has a long and respectable history of service to the Polish American Community. He was born in Warsaw, and was later naturalized as an American Citizen. He also received education in the countries of France and Italy. Mr. Krzyzanowski graduated from the University of Pennsylvania Law School. Through hard work and loyal and faithful service at Crown, Cork & Seal, he worked his way up to General Counsel, Member of the Board of Directors and Serrate of the Corporation.

Mr. Krzyzanowski was the founder of the Friends of Pope John Paul II Foundation, which devotes its efforts to strengthening the Catholic faith in Eastern Europe in what were formerly known as the Iron Curtain Countries. Through his diligent efforts, chapters have been founded in Philadelphia, West Palm Beach, Houston, New Orleans, Los Angeles, Honolulu, Jakarta and Singapore.

Mr. Krzyzanowski works closely with many charitable foundations, including the Connelly Foundation, established by the late president of Crown, Cork & Seal, John Connelly, for whom his admiration continues unabated. He is a loyal citizen and friend to Crown, Cork & Seal, and America.

Through his service at "Crown," Mr. Krzyzanowski displayed the type of commitment and insight necessary for success, and he will be missed and remembered when he departs the corporation. Richard L. Krzyzanowski exhibits the qualities of a great American citizen, and it is the embodiment of those qualities which serves to make the United States the great country it is today. I thank him for his service and wish him the best of luck in the coming years.

TRIBUTE TO JACK MAHON

HON. JAMES E. ROGAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ROGAN. Mr. Speaker, today, on behalf of the 27th Congressional District; the City of Los Angeles; and the County of Los Angeles, I wish to acknowledge the 70th birthday of a true American, our dear friend, Mr. Jack Mahon.

Born John Francis Mahon, Jr., on December 16, 1929, Jack is the son of Irish immigrants who came to my district in the early part of this century. Jack's parents: John Francis Mahon Sr. from County Offaly; and Katherine Fullerton from County Donegal, came to America and settled in the City of Pasadena where Jack attended St. Andrews Elementary School. Later, Jack attended Loyola High School in Los Angeles.

Jack served our great nation in military service, joining the Army in the 1950's, completing a tour of duty in Korea during the war.

In 1955, Jack married Eileen McGoldrick, also the daughter of Irish Immigrants residing in my district. Shortly thereafter, Jack was accepted to the Los Angeles Police Academy, and embarked on a law enforcement career which would eventually span 30 years.

Jack worked every division within the L.A.P.D., including the prestigious Metro Division, where he rose to the rank of Lieutenant. Before retiring from the police department with 20 years of professional community service, Jack worked as special assistant to Deputy-Chief Daryl Gates. Jack retired to assume the elected duties as Marshall of Los Angeles County, where he diligently served the community for another 10 years.

Jack Mahon's professional reputation is matched by his devotion to politics and sports, as he has been a life long member of the Republican Party, and consistently shoots a round of golf in the 70's.

In 1981, Jack married Betty Allyn. Since his retirement in 1985, Jack and Betty have shared themselves between loving friends, children, and grandchildren, while remaining active in their community.

Descendant from his humble Irish roots, Jack Mahon has lived life committing himself to bettering his family and his community. Surely, we are all better off having known Jack.

On this day we not only say, Happy Birthday, but we thank Jack: for his selfless service to God and country, to family and community.

Happy Birthday, Jack, and may God bless you.

INTRODUCTION OF DERIVATIVES
MARKET REFORM ACT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. MARKEY. Mr. Speaker, today I am joining with the Senator from North Dakota (Mr. DORGAN) in introducing the Derivatives Market Reform Act.

In recent years, over-the-counter (OTC) derivative financial products have become an important component of modern financial markets. They provide useful risk management tools for corporations, financial institutions, and governments around the world seeking to respond to fluctuations in interest rates, foreign currency exchange rates, commodity prices, and movements in stock or other financial markets. While OTC derivatives are frequently used to hedge risks or to lower borrowing costs, they can also be used by dealers or end-users to make risky and highly speculative synthetic bets on the direction of global financial markets. The potential for such derivatives to contribute to excessive speculation or leveraging has raised concerns over the potential for OTC derivatives to increase, rather than reduce the risk of catastrophic financial loss or contribute to a future financial panic or meltdown in global financial markets.

In addition, the concentration of market-making functions in a small number of large banks and securities firms, the close financial inter-linkages OTC derivatives have created

between each of these firms, and the sheer complexity of the products being traded raise serious concerns about the potential for derivatives to contribute to serious disruptions in the fabric of our financial system. The potential for the failure of a key market participant to trigger a meltdown—or the specter of a potential disruption in the financial markets due to highly leveraged and complex investment strategies—was illustrated by last years' near collapse of the hedge fund known as Long-Term Capital Management (LTCM).

The LTCM affair has underscored the need for regulators to minimize the potential for OTC derivatives to contribute to a major disruption in the financial markets, either through excessive speculation and over-leveraging, or due to inadequate internal controls and risk management on the part of major derivatives dealers or end-users. Today, Senator DORGAN and I are introducing legislation in both the House and the Senate which would provide for certain targeted derivatives market and hedge fund reforms in the aftermath of the LTCM affair. Here's what our bill would do:

First, the bill would define "derivative" to include any financial contract or other instrument that derives its value from the value or performance of any security, currency exchange rate, or interest rate (or group of index thereof). With respect to instruments based on currency exchange rates, we would exclude the most common type of derivative instrument—forward rate contracts—but would include foreign currency swaps that have a duration greater than 270 days. Securities traded on an exchange or on the NASDAQ, futures or options on futures, and bank or savings institutions deposits also would be excluded.

Second, the definition of "security" in section 3(a)(10) of the Securities Exchange Act of 1934 ("Exchange Act") would be amended to include derivatives based on the value of any security. While options on securities already are included within this definition, the amendment would bring equity swaps explicitly under the definition of "security" and subject transactions in equity swaps to regulation under the Exchange Act.

Third, persons defined as "derivatives dealers" would become subject to Securities and Exchange Commission ("Commission") regulation. Derivatives dealers that are not (1) registered broker-dealers or (2) material associated persons of registered broker-dealers that have filed notice with the Commission, would be required to register with the Commission and would be subject to Commission rulemaking and enforcement authority. Commission rulemaking would focus on financial responsibility and related recordkeeping and reporting requirements, as well as on the prevention of fraud. Such dealers also would be required to become members of an existing registered securities association, or any registered securities association that may be established for derivatives dealers. Rules adopted by a registered securities association would focus on the prevention of sales practice abuses and the establishment of internal controls.

Derivatives dealers that are material associated persons of registered broker-dealers would be required, as a general matter, to file a form of notice with the Commission. Alternatively, such dealers would be permitted to register as a derivatives dealer. Dealers that file notice would be regulated indirectly

through their broker-dealer affiliate. The risk assessment provisions already in place under the Exchange Act, which would be amended by this bill, would be utilized for this purpose. In addition, the broker-dealer's net capital would be based, in part, on the derivatives activities of its affiliated derivatives dealer. The designated examining authority for the broker-dealer would have rulemaking and enforcement authority with respect to the derivatives activities of both the broker-dealer and the affiliate. The Commission also would be authorized to adopt rules designed to prevent fraud.

Fourth, the bill would require the filing of quarterly reports by hedge funds, including a statement of the financial condition of the fund, income or losses, cash flows, changes in equity, and a description of the models and methodologies used to calculate, assess, and evaluate market risk, and such other information as the Commission, in consultation with the other financial regulators, may require as necessary or appropriate in the public interest or for the protection of investors. The Commission is authorized to allow any confidential proprietary information to be segregated in a confidential section of the report that would be available to the regulators, but would not be disclosed to the public.

Fifth, the bill would also direct the SEC to use its existing large trader reporting authority to issue a final large trader reporting rule. Congress gave the SEC this authority in the Market Reform Act of 1990 in order to assure that the trading activities of hedge funds and other large traders could be tracked by the SEC for market surveillance and other purposes. Nearly 10 years later, the SEC has failed to issue a final rule, and the draft rules it issued years ago are gathering dust. Our bill would change that.

Sixth, the bill would reinstate the intermarket coordination reporting requirements established by Section 8(a) of the Market Reform Act of 1990. This reporting requirement, which expired in 1995, was intended to promote cooperation by the various financial regulators by requiring them to report to Congress on an annual basis on their efforts to coordinate regulatory activities, protect payment systems and markets during emergencies, establish adequate margin requirements and limits on leverage, and other matters affecting the soundness, stability, and integrity of the markets.

Adoption of this bill would close the regulatory black hole that has allowed derivatives dealers affiliated with securities or insurance firms to escape virtually any regulatory scrutiny. It will give the SEC the tools needed to monitor the activities of these firms, assess their impact on the financial markets, and assure appropriate protections are provided to their customers against any fraudulent or abusive activities. It would require hedge funds to provide some public reporting regarding their holdings. It is not a radical restructuring of the derivatives market or of the hedge fund industry; it is focused laser-like on the real gaps that exist in the current regulatory framework that need to be closed in the aftermath of the LTCM affair.

I urge my colleagues to cosponsor and support this important legislation.

A SALUTE TO MAL WARWICK & ASSOCIATES ON ITS TWENTIETH ANNIVERSARY

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Ms. LEE. Mr. Speaker, I rise today to salute, congratulate and honor Mal Warwick & Associates on celebrating its twentieth anniversary.

Mal Warwick & Associates is a fund-raising and marketing agency serving non-profit organizations and socially-responsible businesses. Over the years, they have assisted a wide variety of organizations both large and small; local, state, and national, as well as six Democratic Presidential candidates.

Mal Warwick, founder and Chairman of Mal Warwick & Associates has been a consultant, author and public speaker for non-profits for more than thirty-five years. Mr. Warwick is very involved in the community affairs of the City of Berkeley in California, including serving on the boards of the Berkeley Community Fund and the Berkeley Symphony Orchestra. Prior to Mr. Warwick's move to Berkeley, Mr. Warwick served for three years as a Peace Corps volunteer in the 1960s.

Due to the efforts of Mal Warwick & Associates over the last twenty years, the quality of life of many non-profits and the communities they serve, has been enhanced tremendously. Thanks to these efforts, many voluntary organizations have built the foundation towards a more peaceful, productive and better way of life for citizens throughout the world.

I proudly join my friends, colleagues and clients of Mal Warwick & Associates in recognizing its twentieth anniversary and also join in the celebration of its many years of extraordinary service to people and organizations through the Bay Area and the world.

THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER CONTINUES PIONEERING MEDICAL ADVANCES

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. SPENCE. Mr. Speaker, I rise to bring to the attention of the House exciting medical advances that are taking place at The University of Mississippi Medical Center (UMC), in Jackson, Mississippi. During the last thirty years, UMC has gained an international reputation as a leader in the development of landmark medical procedures. In 1964, the first heart transplant in the world was performed at UMC. In 1988, I received a double-lung transplant there, which saved my life. At that time, the procedure that I underwent was not being performed anywhere else in the United States.

Most recently, UMC Assistant Professor of Vascular Interventional Radiology and Body Imaging, Dr. Patrick Sewell, has pioneered a revolutionary procedure that offers great promise for the treatment of cancer patients. This innovative work combines Magnetic Resonance Imaging (MRI) and cryosurgery techniques to destroy tumors. This "cryoablation" has been successfully performed by Dr. Sewell on cancer patients, with amazing results.

Additionally, Dr. Sewell, and Dr. Ralph Vance, another UMC physician, have traveled to China, to share another new "cutting-edge" technology with medical practitioners in that country. The procedure, which was developed by Dr. Sewell, and which is known as "radio-frequency of the lung tumor ablation," utilizes a radiofrequency probe with an interventional CAT scan to perform lung cancer surgery.

Mr. Speaker, I am very proud to have a connection, through my transplant experience, to the ongoing pioneering efforts at UMC that are making significant breakthroughs in medicine. I would like to include in the CONGRESSIONAL RECORD two articles that elaborate on these impressive efforts, which are changing the way cancer is treated.

[From the Medical Post News 2, Oct. 12, 1999]
NEW MRI GREAT RENAL TUMOUR DESTROYER—OPEN MAGNET MRI PROVIDES ALMOST REAL-TIME IMAGES DURING SURGERY

(By Andrew Skelly)

JACKSON, MISS.—MRI-guided cryosurgery looks like a promising way to destroy renal tumours, say doctors at the University of Mississippi Medical Centre.

The centre is one of only a handful worldwide using a new type of "open magnet" MRI that provides almost real-time images during surgery.

The technique takes advantage of the temperature sensitivity of MRI and the availability of new nonmagnetic cryosurgical equipment.

Doctors at the Centre Hospitalier Universitaire de Quebec are using the same equipment to destroy breast tumours (see the Medical Post, Aug. 11, 1998).

The Mississippi team has treated 13 renal cancer patients so far. All of them had already had one kidney removed and had developed a tumour in the other.

Traditional surgery would have involved removing the entire remaining kidney; but the MRI-guided approach allowed the surgeons to destroy the tumour while leaving the functioning part of the kidney intact, thus sparing the patients dialysis.

"We've been successful in every one so far, without a great deal of difficulty," said assistant professor of radiology Dr. Patrick Sewell in a telephone interview. "We've had no complications, no bleeding, no blood in the urine, and one patient's renal function actually improved. We actually expected everybody's to get a little worse but so far no one's has. We don't quite understand that, but we definitely like it."

General anesthetic was used in all but one patient, who could not tolerate sedation because of pulmonary disease.

The patients are being followed with CT scans at one week, one month, three months, six months and one year post-surgery, and then every year thereafter. Their post-surgical renal function is also being monitored.

The longest followup is only about six months, but so far no patient has shown evidence of residual tumours after the surgery: "Time is the true test, whether the procedure is totally effective or partially effective," Dr. Sewell stressed.

SIGNIFICANT ADVANCE

"The procedure appears to be a significant advance in the minimally invasive surgery field," commented Dr. Joseph Chin, professor and chairman of the division of urology at the University of Western Ontario, when reached by e-mail. "But standardization of techniques, quality control, proper patient selection and longer-term followup are as yet unavailable."

The interventional MRI, manufactured by GE Medical Systems of Waukesha, Wis., resembles a pair of vertical doughnuts—the patient slides through the doughnut hole and