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SECURITIES LAWSUIT BILL MAY HURT  
INVESTORS

(By Christine Dugas)

A securities law aimed at reducing frivolous lawsuits also may make it harder for investors with legitimate claims.

The bill, approved by Congress this week and awaiting President Clinton's signature, means "investors are going to have to take a lot more responsibility for their own welfare," says Philip Feigin, Colorado Securities commissioner. "It will be harder to get a case started and more difficult to prevail."

Among the bill's provisions:

Companies would be able to say anything about future performance if they include some cautionary statements.

The amount of damages reckless wrongdoers would pay generally would depend on their share of liability. So a victim may not fully recover his or her damages if the main lawbreaker has claimed bankruptcy. In the case of Charles Keating's savings-and-loan fraud, Keating claimed bankruptcy, so damages to victims were paid mainly by accountants and lawyers who might not pay so much under this bill.

A judge would require investors or their lawyers to pay defendant's legal fees if a lawsuit were considered frivolous.

Investors would have to have specific evidence of fraud before they could go to court.

Investors still would have only one year after fraud was discovered, or three years after it occurred, to file suit.

"Now more than ever, investors must go beyond what companies tell them, and do some independent checking," says Maureen Thompson, legislative adviser for the North American Securities Administrators Association.

Because efforts to stretch the statute of limitations failed, investors still would have to check their investment account statements promptly for irregularities. They also would have to carefully document problems and consult a lawyer quickly, says Gerri Detweiler, policy director of the National Council of Individual Investors.

But it might be hard to find a lawyer to take investor fraud cases. "The law tells us we can't just have a good case, we must have a great case," says Matthew Kelly, a lawyer who represents investors at Roemer, Wallens & Mineaux in Albany, N.Y.

The Securities and Exchange Commission, mean-while, is unlikely to pursue investors' cases. "It doesn't have the resources," says Kim Schweitzer, counsel for the National Association of Securities and Commercial Lawyers. "Its mandate is enforcement, not recovery for victims."

The measure would benefit investors because companies would have to disclose more information, says Louis Thompson Jr., president of the National Investor Relations Institute.

And some investors support the bill because they are fed up with lawsuits that mainly enrich lawyers. The bill is aimed at a small number of "professional investors" and lawyers who file class-action lawsuits and take most of the proceeds.

"The money spent by corporations on frivolous lawsuits would better serve all shareholders if it remained in the company, resulting in higher net profits and earnings per share," says Kenneth Janke, president of the National Association of Investors.

But the legislation doesn't only stop frivolous lawsuits. "It's a balancing act," Feigin says. "Even good cases might not make it."

TRIBUTE TO GENERAL MAXWELL  
R. THURMAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 13, 1995

Mr. SKELTON. Mr. Speaker, I rise with a heavy heart to announce that our country has lost a great soldier and friend, General Maxwell Reid Thurman. General Thurman, a soldier whose career spanned more than 37 years, died on December 1, 1995, at Walter Reed Army Medical Center after a 5-year struggle with leukemia.

General Thurman was a principal architect of the all-volunteer Army and served as the Commander-in-Chief of United States Southern Command during Operation Just Cause in December 1989. He learned that he had an aggressive form of leukemia in July 1990, and retired from the Army 8 months later in March, 1991.

Born in High Point, NC, General Thurman attended North Carolina State University, graduating with a degree in Chemical Engineering in 1953. While at North Carolina State, he enrolled in the Reserve Officer Training Corps and was commissioned an officer in the Ordnance Corps. Early in his career, General Thurman applied for, and received, a regular army commission in the field artillery. His professional military education included attendance at the ordnance and field artillery basic courses, the field artillery advanced course, the Army Command and General Staff College, and the Army War College.

General Thurman held a variety of staff and command positions, both in Europe and the United States. In Europe, he commanded light artillery and rocket units with the 11th Airborne Division, and he saw service in the 1958 Lebanon Crisis. He served in Vietnam, first as an intelligence advisor, and later as commander, 2d battalion, 35th field artillery, during the Tet Offensive. Returning to the United States, he commanded the 82d Airborne Division Artillery. Other assignments included duty as an instructor at the U.S. Military Academy, the Army Field Artillery School, and the Army Training and Doctrine Command.

In 1979, General Thurman was assigned as the Commanding General of the U.S. Recruiting Command. It was during this assignment that he helped shape the post-Vietnam Army and helped transform it into the high quality, ready-to-flight force we have today. Under his leadership, General Thurman advertised the Army as a place where men and women with lots of drive and potential could be all that they could be, not a safe haven for under-achievers. This is still the Army's basic recruiting slogan: "Be All That You Can Be."

Promoted to the rank of lieutenant general in 1981, General Thurman became the Deputy Chief of Staff for Personnel for the U.S. Army. In 1983 he was promoted to full general and appointed Vice Chief of Staff of the Army. He assumed command of the U.S. Training and Doctrine Command at Fort Monroe, VA in 1987. During these years it was largely through General Thurman's inspiration and leadership that the Army's new recruiting and training programs were implemented and the modern, volunteer professional Army fully came into existence.

In September 1989, General Thurman was named Commander-in-Chief of the U.S.

Southern Command, responsible for all American military national security policy and strategy in the region. It was under his leadership that the United States prepared and launched Operation "Just Cause" in Panama, which successfully removed dictator Manuel Noriega, and helped restore democracy to that strategic nation.

General Thurman held numerous awards and honors. His U.S. military decorations include two awards of the Defense Distinguished Service Medal; two Legions of Merit; the Bronze Star Medal with Valor Device (with Oak Leaf Cluster); four Air Medals; Meritorious Service Medals; Army Commendation Medals; and the Joint Service Achievement Medal. Additionally, General Thurman was decorated by the Governments of France, Germany, and Venezuela. He was a master parachutist and held the Army General Staff and the Joint Chiefs of Staff identification badges.

Since his retirement, General Thurman has been a Senior Fellow of the Association of the United States Army's Institute of Land Warfare and an executive-in-residence at North Carolina State University. General Thurman also served on the President's Commission on Women in the Armed Forces and the President's Commission on Panama. In 1992, he received the North Carolina Award for Public Service for a native North Carolinian living outside the State. In 1995, General Thurman was awarded an honorary doctor of humane letters degree from North Carolina State University.

Mr. Speaker, General Thurman was the epitome of selfless service to nation. He was always enthusiastic, and unstoppable tinkerer, sometimes abrasive, and yet humorous and warm when the pressure was off. He was a leader who truly made a difference, and his legacy can be found in the magnificent men and women who make up our trained and ready Army. He has our thanks—he served our Nation well. We will truly miss his leadership and friendship.

THE COALITION BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 13, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 13, 1995 into the CONGRESSIONAL RECORD.

THE COALITION BUDGET

Budget negotiations between Congress and the White House have been difficult, but I am pleased that all parties have agreed to a common goal—balancing the budget in seven years and protecting Medicare, Medicaid, education, and the environment. Thus, the central question to the debate is not "when" the budget is balanced, but "how".

Both sides in this debate deserve credit for making progress on the deficit. Under the leadership of House Speaker Newt Gingrich, Congress passed one budget version, which was vetoed by the President. The President has presented an alternative proposal, and negotiations will continue on a final agreement. Throughout the debate, both sides have moved slowly towards a proposal put forward by the conservative "Coalition", a group of centrist House Democrats.

The Coalition budget is a tough and remarkably sensible budget plan. It meets the

stringent test of balancing the budget in seven years by cutting spending by more than \$850 billion, and it results in even less debt than the plan vetoed by the President. The Coalition budget does not borrow money to pay for tax cuts and it better protects important priorities such as health care, nutrition, job training, education, and infrastructure. Because it does not postpone tough spending cuts, the Coalition plan would leave a national debt of almost \$100 billion less than the Speaker's budget.

I support the Coalition budget for several reasons:

1. It puts deficit reduction first: The Coalition budget makes spending cuts immediately, and postpones tax cuts until the budget is balanced. In contrast, the Speaker's budget would give out \$245 billion in tax cuts early on and delays unpopular spending cuts until after the 1996 and 1998 elections. Under that plan, deficits would actually increase in 1996 and 1997. Congress has passed balanced budget plans before, but most failed because they made popular short-term tax cuts while postponing the tough medicine until many years later. This means that we borrow money to give ourselves a tax cut, leaving our children with the bill. Surely we have learned from recent history that when dessert comes first, we never get to the spinach. The coalition budget begins spending cuts immediately, and makes gradual cuts until the budget is balanced in 2002.

2. It spreads the sacrifice more fairly: The Coalition budget takes a balanced, fiscally responsible approach to major entitlement programs. It trims Medicare costs by allowing recipients to choose private insurance plans and charging upper-income enrollees higher premiums, but it takes \$100 billion less from Medicare than the vetoed budget. These Coalition savings are equal to those necessary to keep the program solvent for the foreseeable future, keeping promises made to both today's and tomorrow's seniors. Medicaid, the program of health insurance for the poor, survives at lower levels than under current law, and with a spending cap that adjusts for inflation and the number of enrollees. It preserves the guarantee of assistance to nursing home residents, the disabled, and lower-income women and children. The Speaker's budget proposal calls for much larger Medicaid cutbacks and takes no account of future enrollment, inflation, or recessions. This approach often hits states like Indiana extremely hard with cumbersome block grant formulas that favor larger states with less efficient health care delivery. Without the Medicaid guarantee, state taxes, local governments, and the middle-class children of nursing home residents will bear the brunt of longterm health care costs. The Coalition plan also proposes cost-of-living adjustments for social security and other federal benefits, but designs those changes so that modest income families will not suffer.

3. It invests in the future: The Coalition budget rejects cutbacks in student loans and job training, choosing instead to create new opportunities for younger Americans. It does not make cuts in research, technology, and export promotion, and it restores funding for education, rural health, research, and economic infrastructure. Overall, the cuts in the Coalition budget are 25 percent less severe than the harsh reductions proposed by the Speaker's budget.

4. It makes work pay, and welfare recipients work: The Coalition budget makes major welfare reform that balances compassion with a sense of personal responsibility. It requires people to move from welfare to work in two years, and provides limited job training and child care to those entering the workforce. The Coalition plan also elimi-

nates the vetoed budget's tax increase on lower-income working families. Welfare should not pay more than work, and this plan helps families make that transition.

5. It enforces strict compliance: The Coalition budget provides the only meaningful enforcement of spending cuts to be found in any of the budget proposals. It uses non-partisan Congressional Budget Office estimates and includes a line-item veto and tough enforcement measures to make it difficult for any future Congress to violate this plan. This honest approach does not rely on "smoke and mirrors" to achieve a balanced budget. It rejects gimmicks like "unspecified cuts", as in the alternative plans.

Conclusion: I am pleased we have agreed to balance the budget in seven years. Congress and the President must now decide how we balance the budget. To have the long-term support of the American people, a balanced budget plan must make tough budget choices while reflecting the values Americans cherish: responsibility, honesty, fairness, compassion, and the promise that the future will be better for our children. Only a budget that is politically and economically sustainable over a period of years will actually achieve balance.

Although differences are large, I believe the American people want us to reach an agreement on the budget. It is the responsibility of Congress and the President to put aside partisan differences for the common good of the nation.

The Coalition plan offers Congress and the President a real opportunity to find common ground and unite the American people behind a tough, honest, compassionate, and fair balanced budget that reflects basic American values and invests in our future. The Coalition plan may not be perfect, but it is a good starting point for real progress on the budget.

#### MAYOR TIERNEY DEFENDS NEW BEDFORD ECONOMY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 13, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, I have been disappointed recently to read a number of very uninformed attacks on Indian-run casinos. A number of people have extrapolated from their own personal opposition to gambling to make unfounded criticisms of Indian casinos, to denigrate the very important economic advantages these casinos have represented for American Indians and to inaccurately claim that they have been a source of legal problems. In addition, in some cases casinos can be a very important source of economic opportunity for people in addition to Indians who live in areas which have suffered economic losses beyond their control.

One such area is the city of New Bedford, MA, which I am privileged to represent in Congress. The proposal to establish a casino run by the Wampanoag Tribe in New Bedford has been overwhelmingly supported by the people of that city, who recently voted for it by a 3-to-1 margin in a referendum. It has unfortunately been the subject of a good deal of unfounded criticism. I was therefore very pleased to read in the Boston Globe for December 12 a very well argued essay by New Bedford Mayor Rosemary Tierney, in which she states the case for allowing New Bedford and the Wampanoag Tribe to go forward with this casino in very persuasive terms.

I have worked closely with Mayor Tierney, with labor representatives, with business leaders, and with a wide range of citizens to support economic development for New Bedford. All of these groups share the mayor's and my opinion that the casino is a very important part of this effort. The very hard working people of New Bedford have been hit by unfavorable international trade trends, and by the conservation driven restrictions on fishing. As we deal with these issues, we agree that the economic development that would result from the casino is essential in our effort to overcome the negative effects of these other trends. As the mayor notes in her well-documented and thoughtful essay,

New Bedford does not look upon gaming as a cure-all or quick fix for the local economy. The impact of the casino falls in two categories: employment and tax revenues. New jobs create new earnings and new spending. New spending, in turn, increases demands on suppliers, vendors, merchants, contractors. Thus new jobs create the need for yet more employment throughout the economy.

Mr. Speaker, because Mayor Tierney speaks with great authority on the need for economic development in the city of New Bedford, and because on this issue in particular she articulates a viewpoint that is shared by virtually all of us who are seriously concerned within the New Bedford area about economic improvement, and because the merits of Indian-run gambling operations are now a subject of some debate in this body, I ask the Mayor Tierney's article from the Boston Globe of Tuesday, December 12 be printed here.

[From the Boston Globe, Dec. 12, 1995]

GAMING AND NEW BEDFORD'S FUTURE

(By Rosemary S. Tierney)

The City of New Bedford is not unique among older New England cities when considering the economic challenges it is confronting as the 21st century approaches. As mayor of this proud and historic city, I believe it is unique in demonstrating a frank willingness to acknowledge those challenges and to develop a systematic, long-term plan for overcoming them.

Throughout its long history, New Bedford has been bound to both national and international economic trends. Whaling and shipbuilding dominated the local economy in the early and mid-1800s. As the whaling industry declined, textiles became the dominant industry. Companies with such household names as Hathaway and Wamsutta made New Bedford their corporate homes. The manufacturing base was broadened by glass and metal-working factories, such as Revere Copper and Pairpoint Glass. In more recent times, the city's economic fate returned to the sea. For several years, New Bedford was the nation's No. 1 fishing port in the dollar value of its fleet's catch. New Bedford also became a site for quality needle trade industries, Polaroid, Aerovox and the Acushnet Co.'s Titleist golf ball plant.

Today New Bedford faces a challenge from the continuing decline in manufacturing, coupled with a fishing industry in crisis. These factors may be beyond local control, but the city can have an impact on the regional economic environment by employing its potential resources to maximum advantage.

Let me cite a few of those advantages being developed in New Bedford: a harbor with potential to handle increased shipping traffic; a location close to major transportation routes; and airport with a foreign trade zone and plans for a \$30 million expansion; a coastal resource laboratory and aquaculture center at the University of Massachusetts at Dartmouth. In addition, plans