

step. Ultimately, the Congress and a more responsive President must go beyond product-liability reform and must comprehensively overhaul the entire civil justice system. We must repeal the regressive "tort tax" that depletes our economy, raises prices, destroys jobs, stifles innovation, and reduces exports. The "tort tax" created a capricious legal lottery that divides neighbor from neighbor, and causes doctors to add billions to our national health-care costs each year by practicing defensive medicine.

In Arizona, for instance, medical malpractice premiums have increased by nearly 200 percent since 1982. Attorneys' fees and transaction costs are an increasingly large part of this increase in litigation expenses.

The U.S. Department of Commerce has estimated that only 40 cents of each dollar expended in product-liability suits ultimately reaches the victims. A Rand Corp. study showed that 50 cents of each liability dollar does not go to victims, but to attorneys fees and other transaction costs. It is clear that the Product Liability Fairness Act is a small but critical step toward the goal of national legal reform.

It is my understanding that this body will consider more comprehensive legal reform legislation later this year, including Senator HATCH's Civil Justice Reform Act of 1995, and Senator MCCONNELL's, Lawsuit Reform Act of 1995. I am also hopeful that the Senate Judiciary Committee will hold hearings on S. 11, the Medical Care Injury Compensation Act of 1995, a bill I introduced on the first day of the 104th Congress. This legislation caps non-economic damages such as pain and suffering at \$250,000; imposes a limit on attorneys' fees of 25 percent of the first \$150,000 recovered and 15 percent of any amount in excess of \$150,000; provides for periodic payments where damages for future economic loss exceed \$100,000; provides for mandatory offsets for damages paid by a "collateral source"; and reforms "joint and several" liability.

Mr. President, I would like to close by addressing one of the arguments used by the President in his veto message. This argument asserts the unconstitutionality of the preemption of State liability laws under the commerce clause of the U.S. Constitution.

It is clear that no individual State can solve the problems created by abusive litigation. This is particularly true in the case of product-liability litigation: a product is frequently manufactured in one State, sold in a different State, and causes injury in a third State. In fact, Government figures establish that, on average, over 70 percent of the goods manufactured in one State are shipped out of State for sale and use.

It is clearer that a national solution is justified by the fundamentally interstate character of product commerce. The threat of disproportionate, unpredictable, punitive damage awards exerts an economic impact far beyond the borders of any individual State. This

threat reduces investments, dampens job creation, and prevents new products from reaching the marketplace. In an increasingly integrated national and international economy, the confusing, inconsistent patchwork of State liability awards has cut deeply into America's economic strength.

Unfortunately, since the signing of the Constitution, the commerce clause has been stretched and contorted to authorize virtually every activity Congress chooses to regulate—except interstate commerce. Opponents of legal reform profess concern about the preemption of State law and interference with States' rights. And yet it was many of the same interests that favored intrusive Federal regulations imposed on the States by OSHA, FDA, EPA, and other Federal regulators.

In truth, States' rights is not what is being defended here, but rather, the status quo. Otherwise, why is the litigation industry the only segment of the economy that opponents of legal reform believe should remain beyond the reach of Federal law?

Mr. President, legal reform will not cause the creation of a single new Federal program or the expenditure of a single new appropriation; Legal reform will not impose new taxes or regulations on our citizens. Legal reform will simply create clear, consistent legal standards covering civil actions brought in State and Federal courts.

Mr. President, legal reform will enhance the essential principle of due process. As the U.S. Supreme Court has said many times, due process, criminal and civil, is fundamental to our concept or ordered liberty.●

#### SALUTE TO MEDINA LIONS CLUB

● Mr. FRIST. Mr. President, I rise today in support and appreciation of the Medina Lions Club, which will celebrate its 50th anniversary this Thursday. These club members from Gibson County, TN have devoted countless hours of their time and energy over the years to helping their community of Medina, and I would like to take a moment to recognize some of their many achievements.

Since its inception, more than 210 different members have joined the Medina Lions Club. Today, there are 33 active members, including 2 who helped found the club in 1946. Over the years, the club has raised enough money to provide college scholarships to 38 deserving local students and furnish local schools with cafeteria equipment, library books and furniture, and athletic and playground equipment. Many of the club's successful fund raising drives have become yearly favorites among the residents of Gibson County, including a horse show, a minstrel show, and a "haunted" farm.

In addition to education projects, the club has used the money it raises to provide glasses and surgery for local residents, remodel and redecorate a civic center, erect a park pavilion, purchase equipment for the local fire department, erect a community war me-

morial, purchase hospital equipment, and sponsor Little League baseball in Medina. As Little League sponsors, the club members helped furnish lighting, fencing, and concessions equipment for the Little League ballpark. It is also saving money to help build a new city park, which will include a walking track, football field, baseball field, fence lighting, and paved parking.

Mr. President, the members of the Medina Lions Club have a long history of giving back to their community. Their commitment has won the Medina club the Top Club in the State award twice, and the members have received numerous other individual awards. Mr. President, I would like to commend and thank every member—past and present—of the Medina Lions Club for their commitment and their dedication. They have established a long record of service for others to follow, and I wish them all the best as they celebrate the club's 50th anniversary.●

#### CLETIS WAGAHOFF

● Mr. JOHNSTON. Mr. President, I rise today to pay tribute to an outstanding public servant and my friend, Cletis Wagahoff. On March 31, 1996, Cletis will retire from the U.S. Army Corps of Engineers after serving selflessly for nearly 27 years and after a total of 35 years of Government service.

Cletis Wagahoff has served as the deputy district engineer for Project Management in the corps' New Orleans District Office since 1988. If the daily challenges of managing several of our Nation's largest civil works projects were not enough to ask of someone Mr. President, the job of deputy district engineer also requires that Cletis be the liaison for all congressional inquiries from the Louisiana Congressional Delegation. For this alone, he deserves our deepest gratitude, not to mention a medal. In fact, Cletis was recently awarded the Meritorious Civilian Service Award for his performance as a highly skilled engineer and proven leader in his field.

I have had the pleasure of working with Cletis on many of Louisiana's navigation, hurricane, and flood protection projects and have often sought his counsel and advice on critical problems like coastal erosion and protecting our valuable wetlands. His reputation as a consensus builder and a man of unwavering integrity is well known by Louisiana's elected officials and our community and business leaders.

Mr. President, Cletis Wagahoff and his wife, Betty, have given much to Louisiana and our great Nation during their many years of service, and for this we are eternally grateful. On behalf of the Louisiana congressional Delegation and all Louisianians, we wish them every success, good health, and much happiness as they turn the pages of life to begin a new chapter.●