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Column by David Prather, Editorial Board Member
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Shelby weighs in on financial reforms

If you were looking for words of encouragement about the economy, U.S. Sen. Richard Shelby, R-Tuscaloosa, wasn't the guy you wanted to be chatting with Monday. Oh, he sees some signs of progress, but he told The Times editorial board Monday that he thinks this year will see more job losses and other problems. In other words, don't think 2009 has seen all the bad it has to offer.

That doesn't mean it's toss-up-your-hands time. Or that Shelby himself is going to just muddle through until, he and we hope, things get better.

The Alabama senator, according to Washington sources, is working with a bipartisan group of senators on that chamber's banking committee -- of which Shelby is the ranking GOP member -- to try to straighten out some of the problems that got us in this mess.

Furthermore, what they are working on won't be an expensive proposition. Even better, it's relatively easy for even slowpokes like me to understand.

A brief history lesson: Until the 1990s, securities laws enabled investors to hold those who committed fraud and abuse accountable for their actions. Now that doesn't sound like the depths of socialism, does it? No, it makes perfect sense.

What doesn't make sense is that Congress in the 1990s, overriding a veto by President Clinton, managed to gut the oversight and restrictions that governed securities laws. Helped along by what can only be described as activist conservative judges, we got where we are now -- in a pickle.

Said pickle has made it almost impossible to sue all the alleged wrongdoers. That's true even in massive scams like Enron or the billion-dollar Refco Derivatives case.

It even -- oh, this is too much to take -- means that there's little chance of suing those who helped Bernie Madoff and market those junk sub-prime mortgage-backed securities as AAA investments.

This won't do. You don't have to be a financial genius to see this isn't fair. You even have to question the sanity of folks who thought looser restrictions were swell ideas in the first place.

The good -- albeit, long overdue -- news is that Shelby and Democrats Christopher Dodd, Jack Reed and Mark Warner are working to draft legislation that would restore lost investor rights and legal protection.

If you think that idea has merit, perhaps you can drop Sen. Shelby a line -- go to his Web site at shelby.senate.gov and use the handy-dandy e-mail form -- to tell him to keep on keeping on.

Of course, if you think the oversight has been hunky-dory and it's OK for folks on Wall Street and in the financial markets to lie to you, you'll want to congratulate folks like Madoff for a job well done.

Sorry, but I'm not going to look to see if there's a Web site to help you with that.

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