understand this bill, to say, no, this really does support the small investor, and the President decided to go with that rhetoric rather than with what I consider to be the true substantive benefit of this bill.

So we are back again. We have gone through this argument in committee. The bill was reported out of committee by a strong bipartisan margin. We are back into it here on the floor. As indicated, the bill was passed by the Senate by a strong bipartisan margin. It has gone through the House. The override vote was 319 to 100, more than 3 to 1. It needed only be 2 to 1, but it was more than 3 to 1. So that makes it very clear there is a strong bipartisan message here.

I am interested that the authorship of this bill began on the Democratic side of the aisle with Senator DODD, joined on the Republican side of the aisle by Senator DOMENICI. It was known as the Dodd-Domenici bill in the previous Congress. Now, given the results of the election, it is called the Domenici-Dodd bill. But it demonstrates the bipartisan nature, rising above partisan bickering, that has marked this entire effort. The effort has taken years, and in the years since Senator DODD began his crusade to get this problem fixed, there have been millions, if not hundreds of millions of dollars wasted, investor dollars wasted in dealing with these frivolous lawsuits. If this veto is upheld, there will be millions, if not hundreds of millions of dollars wasted in the future.

This legislation will ultimately pass. It will ultimately pass because it is the right thing to do and more and more people recognize that it is the right thing to do. The only question is whether it should pass in this Congress and become law in this year. I believe the time has gone long enough for us to debate this and repeat the arguments back and forth. The time has come for us to pass this bill.

So I hope the Senate will respond, as the House has done, with a strong bipartisan majority to override the President's veto. I expressed my concern that I think the President was misguided by his advisers on this one, both those who advised him on the substance and those who may have advised him on the politics. I hope we will help correct this Presidential mistake by what we do here on the floor.

Mr. President, I could go on and repeat all of the arguments that have been made in committee and on the floor on this issue, but I see the senior Senator from Maryland, who was the ranking member of the Banking Committee and who is opposed to this bill, and undoubtedly in support of the President's veto. He is on the floor, and I will be happy to yield to him for whatever opening statement he might have. Then we can go forward from there.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, as I understand it, the distinguished Senator from Tennessee would like to address the Senate for a short period of time. I ask unanimous consent the Senator from Tennessee be recognized, and at the conclusion of his remarks I then be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee.

THE HOWARD H. BAKER, JR. COURTHOUSE

Mr. THOMPSON. I thank the Senator from Maryland, and I thank the Chair.

Mr. President, one of the highest honors that I have in serving in the U.S. Senate is the fact that I hold a seat once occupied by Howard H. Baker, Jr. I have no doubt that this seat will always be known as the Baker seat, and that is how it should be.

This morning I rise and it is my honor to rise in support of the action of the Senate taken last night, just prior to adjournment. The Senate passed H.R. 2547 to name the new U.S. courthouse in Knoxville, TN, in the Senator's beloved east Tennessee, after Senator Baker.

I know that the Howard H. Baker, Jr. Courthouse will always serve as a reminder of the love and respect that all Tennesseans, as well as all Members of this body, have for him.

Mr. SARBANES. Mr. President, let me simply say I am delighted to hear the courthouse has been named for our very able colleague, Howard Baker. I did wonder whether Howard Baker would be able to practice law in the Howard Baker Courthouse, but I guess that issue can be settled when the time arises. But it is certainly a recognition that his very distinguished career here in the Senate makes well deserved.

SECURITIES LITIGATION REFORM ACT—VETO

The Senate continued with the reconsideration of the bill.

Mr. SARBANES. Mr. President, first I want to say that the logic of my colleague from Utah is absolutely right. I think he said right at the end of his remarks that I was against the bill and, therefore, he assumed that I would be in support of the veto. And he is obviously correct. I will not now—I may later—talk a bit about the broader defects which I see in the legislation. But I want to address now the items that were touched upon in the President's veto message as the basis for his vetoing the legislation.

My own view is that there are other reasons as well that go well beyond what the President indicated. But I want to focus on that for the moment since it is the veto message, the veto, that is before us. And the issue, of course, would be whether to override the veto.

I listened to my distinguished colleague from Utah as he talked, and to the various examples that he gave as a reason for why we should pass this legislation in terms of the kinds of suits that had been brought and the frivolousness of the actions. And I want to simply say to him that, if that is all the bill did, if the bill were crafted in a way to get at the kind of examples he was citing, I think the bill would have passed 99–0. So I do not really differ with him in the examples that he cited as being problems and saying that those are problems and measures ought to be taken in order to correct them. The problem is that this bill goes way beyond that. That is the problem.

The President, since the conference report was passed 2 weeks ago, has now vetoed it. That actually reflects, I think, the overwhelming position taken by newspaper and magazine editors around the country who have analyzed this legislation and who have no vested interest in it. There are a number of interest groups who have an interest on either side of this legislation. But these are common indicators outside of that framework. They have by and large strongly come down against it.

The President said in his message, ''Those who are victims of fraud should have recourse in our courts. Unfortunately, changes made in this bill during conference could well prevent that.''

I hope that the Senate will sustain the President's veto so that we could get about the business of crafting legislation better targeted at the goal that I think we all share—deterring frivolous lawsuits. I want to emphasize that again. I know of no one who argues against reasoned measures to deter frivolous lawsuits.

The President's veto message recognizes that this bill is not a balanced response to the problem of frivolous lawsuits. This legislation will affect far more than frivolous lawsuits. As I said at the outset, if the bill dealt only with the problem of frivolous lawsuits, I would be for it, and presumably the President would have signed it.

Unfortunately, this bill that is before us will make it more difficult for investors to bring and recover damages in legitimate fraud actions. Investors will find it far more difficult to bring and to recover damages in legitimate fraud actions.

The editors of Money magazine concluded that this legislation hurts investors, stating in their December editorial as follows: ''Now only Clinton can stop Congress from hurting small investors like you.'' That is Money magazine. The President has tried to do that through the veto. We should do our part now by supporting this veto.

The President's message identified three areas of concern with the bill: The pleading standard, the safe harbor, and the rule 11 provision. On the first point, the President said, and I quote him: ''The pleading requirements of the