

DISTRICT OF COLUMBIA
APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. The motion to proceed falls, and the clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (S. 1156) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill

Pending:

Coats modified amendment No. 1249, to provide scholarship assistance for District of Columbia elementary and secondary school students.

Graham/Mack/Kennedy amendment No. 1252, to provide relief to certain aliens who would otherwise be subject to removal from the United States.

Mack/Graham/Kennedy modified amendment No. 1253 (to amendment No. 1252), in the nature of a substitute.

MODIFIED AMENDMENT NO. 1253

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MACK. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second for the yeas and nays? There does not appear to be a sufficient second. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment No. 1253. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 99, nays 1, as follows:

[Rollcall Vote No. 269 Leg.]

YEAS—99

Abraham	Feingold	Lott
Akaka	Feinstein	Lugar
Allard	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grans	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brownback	Hagel	Reed
Bryan	Harkin	Reid
Bumpers	Hatch	Robb
Burns	Helms	Roberts
Campbell	Hollings	Rockefeller
Chafee	Hutchinson	Roth
Cleland	Hutchison	Santorum
Coats	Inhofe	Sarbanes
Cochran	Inouye	Sessions
Collins	Jeffords	Shelby
Conrad	Johnson	Smith (NH)
Coverdell	Kempthorne	Smith (OR)
Craig	Kennedy	Snowe
D'Amato	Kerrey	Specter
Daschle	Kerry	Stevens
DeWine	Kohl	Thomas
Dodd	Kyl	Thompson
Domenici	Landrieu	Thurmond
Dorgan	Lautenberg	Torricelli
Durbin	Leahy	Warner
Enzi	Levin	Wellstone
Faircloth	Lieberman	Wyden

NAYS—1

Byrd

The modified amendment (No. 1253) was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, October 6, 1997, the Federal debt stood at \$5,413,432,617,300.15. (Five trillion, four hundred thirteen billion, four hundred thirty-two million, six hundred seventeen thousand, three hundred dollars and fifteen cents)

Five years ago, October 6, 1992, the Federal debt stood at \$4,060,002,000,000. (Four trillion, sixty billion, million)

Ten years ago, October 6, 1987, the Federal debt stood at \$2,378,537,000,000. (Two trillion, three hundred seventy-eight billion, five hundred thirty-seven million)

Fifteen years ago, October 6, 1982, the Federal debt stood at \$1,128,772,000,000. (One trillion, one hundred twenty-eight billion, seven hundred seventy-two million)

Twenty-five years ago, October 6, 1972, the Federal debt stood at \$435,152,000,000 (Four hundred thirty-five billion, one hundred fifty-two million) which reflects a debt increase of nearly \$5 trillion—\$4,978,280,617,300.15 (Four trillion, nine hundred seventy-eight billion, two hundred eighty million, six hundred seventeen thousand, three hundred dollars and fifteen cents) during the past 25 years.

MESSAGES FROM THE HOUSE

At 10:39 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1026) to reauthorize the Export-Import Bank of the United States, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. LEACH, Mr. CASTLE, Mr. BEREUTER, Mr. LAFALCE, and Mr. FLAKE, as the managers of the conference on the part of the House.

At 2:45 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate.

H.R. 1703. An act to amend title 38, United States Code, to provide for improvements in

the system of the Department of Veterans Affairs for resolution and adjudication of complaints of employment discrimination.

H.R. 2206. An act to amend title 38, United States Code, to improve programs of the Department of Veterans Affairs for homeless veterans, and for other purposes.

H.R. 2571. An act to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 1703. An act to amend title 38, United States Code, to provide for improvements in the system of the Department of Veterans Affairs for resolution and adjudication of complaints of employment discrimination; to the Committee on Veterans' Affairs.

H.R. 2206. An act to amend title 38, United States Code, to improve programs of the Department of Veterans Affairs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2571. An act to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes; to the Committee on Veterans' Affairs.

ENROLLED BILL SIGNED

The following enrolled bill, previously signed by the Speaker of the House, was signed on today, October 7, 1997, by the President pro tempore [Mr. THURMOND]:

H.R. 2378. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1159. A bill to amend the Alaska Native Claims Settlement Act, regarding the Kake Tribal Corporation public interest land exchange, and for other purposes (Rept. No. 105-100).

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 1266. An original bill to interpret the term "kidnapping" in extradition treaties to which the United States is a party (Rept. No. 105-101).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAMM (for himself, Mr. DODD, Mr. DOMENICI, Mrs. BOXER, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. HAGEL, Mr. REID, Mr. WYDEN, Mr. ALLARD, Ms. MOSELEY-BRAUN, Mrs. MURRAY, and Mr. LIEBERMAN):

S. 1260. A bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. FRIST:

S. 1261. A bill to establish the Education Scholars Block Grant Program; to the Committee on Labor and Human Resources.

By Mr. FAIRCLOTH:

S. 1262. A bill to authorize the conveyance of the Coast Guard Station, Ocracoke, North Carolina; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN:

S. 1263. A bill to establish requirements regarding national tests in reading and mathematics; to the Committee on Labor and Human Resources.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. LEAHY, and Mr. JOHN-SON):

S. 1264. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through enhanced enforcement; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DODD:

S. 1265. A bill to amend the Occupational Safety and Health Act of 1970 to expand the provisions to include construction safety requirements; to the Committee on Labor and Human Resources.

By Mr. HELMS:

S. 1266. An original bill to interpret the term "kidnapping" in extradition treaties to which the United States is a party; from the Committee on Foreign Relations; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAMM (for himself, Mr. DODD, Mr. DOMENICI, Mrs. BOXER, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. HAGEL, Mr. REID, Mr. WYDEN, Mr. ALLARD, Ms. MOSELEY-BRAUN, Mrs. MURRAY, and Mr. LIEBERMAN):

S. 1260. A bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1997

Mr. GRAMM. Mr. President, I send a bill to the desk on behalf of myself, Senator DODD, Senator DOMENICI, Senator BOXER, Senator FAIRCLOTH, Senator FEINSTEIN, Senator HAGEL, Senator REID, Senator WYDEN, Senator ALLARD, Senator MOSELEY-BRAUN, Senator MURRAY, and Senator LIEBERMAN.

Mr. President, on December 22, 1995, the Senate took an extraordinary action in overriding President Clinton's veto of the Private Security Litigation Reform Act, Public Law 104-67. This major reform legislation was an effort to try to do something about frivolous lawsuits that were filed on a class-action basis against basically new, innovative companies.

These abusive lawsuits were literally a multibillion dollar tax imposed on new and innovative companies. They

were invariably filed on a class-action basis, where there was no real client. The cost of defense against such litigation was so high that normally the cases ended in large settlements out of court.

We passed a comprehensive bill to try to deal with that problem in Federal court. That bill made a combination of five major changes in the law. It said, first, that there had to be real clients; that if a lawyer was going to file a class-action suit, he had to be filing it on behalf of real shareholders, encouraged by a set of procedures where the largest shareholder in the class-action suit was in fact in charge of that suit.

Second, the legislation required that there be specificity with regard to what the company was alleged to have done wrong.

Third, it required a discovery process designed to get the facts out on the table, rather than a discovery process that was a tool for harassing defendants into settling the case.

Fourth, the legislation set up a system of proportional liability so that you could not simply sue in order to reach where the deep pockets were; you had to go after the real perpetrators of fraud.

Finally, it contained an attorney misconduct provision, which said that if the judge made a judgment—we require an initial judgment by law—that this was an abusive lawsuit, then the parties who had engaged in this abusive conduct would be forced to pay for the legal expenses of the company that was defending itself.

So strong was the support for this bill that we were able not only to pass it on a bipartisan basis, but we overrode the President's veto of the bill.

We held a hearing on July 24 of this year in the Securities Subcommittee, which I chair, to gauge whether or not the law was achieving its purposes. What we discovered from the nine witnesses, a broad cross-section of people—State regulators, companies that were subject to these suits, a former SEC Commissioner—was that while we had dealt with the problem in Federal court, we now were seeing a migration of these lawsuits to State courts with a real effort and apparently a successful effort to circumvent what we had done.

So, Mr. President, I have introduced this bill, with Senator DODD as my principal cosponsor—he is the ranking Democrat on the subcommittee—and with a broad cross-section of Republicans and Democrats to try to correct this problem. What our bill does is very simply this. It sets national standards for stocks that are traded on the national markets. What it says is that in the case of class-action suits, and class-action suits only, if a stock is traded on the national market, if it is a national stock, then the class-action suit has to be filed in Federal court. This does not apply to individual lawsuits. It applies only to class-action lawsuits, and it applies only to stocks that are traded nationally.

Legislatively, we have been moving toward national standards for national securities. The National Securities Markets Improvement Act, enacted overwhelmingly last year, created national rules for many aspects of our national securities markets. This is an important step continuing in that direction, a step in line with the principles lying behind the commerce clause of the Constitution.

Mr. President, I would also like to take this opportunity to notify my colleagues that, even though we have a relatively short amount of time left in this session of Congress, the Securities Subcommittee will move quickly on this legislation, beginning with legislative hearings before we adjourn for the year.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Securities Litigation Uniform Standards Act of 1997".

SEC. 2. LIMITATION ON REMEDIES.

(a) AMENDMENTS TO THE SECURITIES ACT OF 1933.—

(1) AMENDMENT.—Section 16 of the Securities Act of 1933 (15 U.S.C. 77p) is amended to read as follows:

"SEC. 16. ADDITIONAL REMEDIES; LIMITATION ON REMEDIES.

"(a) REMEDIES ADDITIONAL.—Except as provided in subsection (b), the rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist at law or in equity.

"(b) CLASS ACTION LIMITATIONS.—No class action based upon the statutory or common law of any State or subdivision thereof may be maintained in any State or Federal court by any private party alleging—

"(1) an untrue statement or omission of a material fact in connection with the purchase or sale of a covered security; or

"(2) that the defendant used or employed any manipulative or deceptive device or contrivance in connection with the purchase or sale of a covered security.

"(c) REMOVAL OF CLASS ACTIONS.—Any class action brought in any State court involving a covered security, as set forth in subsection (b), shall be removable to the Federal district court for the district in which the action is pending, and shall be subject to subsection (b).

"(d) DEFINITIONS.—For purposes of this section the following definitions shall apply:

"(1) CLASS ACTION.—The term 'class action' means any single lawsuit, or any group of lawsuits filed in or pending in the same court involving common questions of law or fact, in which—

"(A) damages are sought on behalf of more than 25 persons;

"(B) one or more named parties seek to recover damages on a representative basis on behalf of themselves and other unnamed parties similarly situated; or

"(C) one or more of the parties seeking to recover damages did not personally authorize the filing of the lawsuit.

"(2) COVERED SECURITY.—A security is a 'covered security' if it satisfies the standard