

claims brought only to enrich the lawyers, however we keep protections against real fraud. In fact, the Securities and Exchange Commission, I believe, is in a much better position to judge where there is merit and where there is not in these cases.

Mr. President, I have nothing further to add on the amendment put forth by my distinguished colleague, Senator BRYAN.

Mr. SARBANES. Mr. President, I will be very brief.

The amendment offered by the distinguished Senator from Nevada [Mr. BRYAN] on the statute of limitations question is a very important amendment. I hope my colleagues will consider it very carefully over the weekend and again on Monday, when we will debate the amendment and have a vote on or in relation to the amendment.

Let me say that Senators DODD and DOMENICI, when they introduced their bill, included a provision on the statute of limitations that closely parallels what Senator BRYAN has offered.

They recognized the statute of limitations problem and they sought to correct it in the package which they introduced. In fact, they apparently thought it was of such consequence that in the title to their bill, they put it first and foremost.

Their bill as introduced is to amend the Securities Exchange Act of 1934 to establish a filing deadline, and to provide certain other things. They put it right up front. That gives Members, perhaps, some indication of recognition of its importance.

That provision was then dropped out in the committee's consideration—very unwisely, some Members think—and the measure now before the Senate does not contain that provision, which was in the original bill as introduced by Senators DOMENICI and DODD. Of course, the amendment offered by the distinguished Senator from Nevada, Senator BRYAN, is trying to correct that situation.

Now, once again, we hear this argument made about the frivolous suits or the strike suits, but that really is not related to the statute of limitations problem.

A shorter statute of limitations may well knock out meritorious suits, as well. Now, we tried to get a distinction between meritorious suits and frivolous suits with other provisions of the bill—provisions that we are not trying to amend here on the floor.

In other words, there has been an acceptance of the proposition that there is something of a problem that we need to try to deal with. Certain provisions in this bill do that, and represent an appropriate change in the existing securities litigation system.

Other provisions, we submit, go well beyond that. They are excessive and constitute overreach, and will in effect, reduce investor protections. We hope, in the course of the consideration of this measure, to change those provisions, to strengthen investor protec-

tions and, in effect, to make this a better bill, and eventually, if one could alter it sufficiently, make it worthy of broad-based general support.

The statute of limitations problem does not reach the question of the distinction between meritorious suits and frivolous suits, unless one is going to assert the proposition: "Well, the more immediate the statute of limitations, the more suits you can knock out."

It makes no distinction whether we are knocking out meritorious suits or frivolous suits. In fact, probably you will more likely knock out meritorious suits, since those usually take time to work out, and if people are responsible, they do not bring the suit until they have asserted a substantial basis for it.

Now, Senator BRYAN earlier today said it takes the SEC itself—with all of the resources that it has, all of the expertise that it has, all of the experience that it has—about 2.2 years to bring a suit once they begin working on it.

That is the SEC. What does that mean for investors who are trying to bring private suits in terms of what constitutes a reasonable statute of limitations for them?

Second, the 2- and 5-year time periods were what was generally applicable throughout a good period of our experience with the Securities and Exchange Act. It worked well. I have heard very little criticism of how it worked over that time period.

I have heard criticisms of other aspects of the litigation system, but not really sharp criticism with respect to the statute of limitations question. As I indicated earlier, in fact, a provision was included in the bill that Senators DODD and DOMENICI are pushing, this effort to revise the securities litigation system, very strongly. They included that in the legislation which they proposed.

The Senate Banking Committee, in 1991, unanimously, just a couple of years ago, unanimously approved a provision that provided for the 2- and 5-year statute of limitations. The 2 years would mean that from the time you learned of the fraud, you would have 2 years to bring your action. These are complicated cases. You want people to bring responsible actions, and bringing responsible actions means it takes time to prepare them.

In some respects, a shorter statute of limitations is an invitation for the filing of, in a sense, not well-grounded suits, because you just want to get in under the wire and you will go ahead and file the suit. The 5-year period would be the statute no matter what, even if you had not discovered the fraud.

Now, unless we change that, it is only a 3-year period. Some of these things are concealed—they are concealed from the victims. In fact, the previous Chairman of the SEC, Mr. Breeden, testified to that effect:

Adoption of these measures will give private litigants a more realistic timeframe in which to discover that they have been de-

frauded, while also accommodating legitimate interests in providing finality to business transactions and avoiding stale claims.

The shorter period does not allow investors adequate time to discover and pursue violations of securities laws. Many of these things are very complicated. There is a lot of deception and concealment involved. The 1- and 3-year limits really break with 40 years of legal precedent.

I just hope that the Senate, when it considers this matter, will adopt the Bryan amendment, and go to the 2- and 5-year limitation period. I think it is reasonable. Some States have longer periods, as a matter of fact. I think it is reasonable to go to the 2- and 5-year standard, which is generally what prevailed over four decades of experience with the security laws.

I am very hopeful my colleagues, in considering this amendment on Monday, will be supportive of it.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BAUCUS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Bryan amendment.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as if in morning business.

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

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 963 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The pending business is the Bryan amendment to the securities litigation bill.

Mr. LEAHY. I thank the Presiding Officer.

Mr. President, I ask unanimous consent to proceed as in morning business.

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

LET US KEEP TRYING TO WORK WITH RUSSIA

Mr. LEAHY. Mr. President, Vice President GORE is going to travel to Moscow this week to meet with Russian Prime Minister Victor Chernomyrdin. The meeting takes place amid a renewed challenge to President Yeltsin and the Prime Minister by conservative elements of the Russian Duma. Certainly just this morning's newspapers gives us a pretty clear understanding of what is happening.

I want our Vice President and their Prime Minister to know that I support their efforts to strengthen cooperation between our two countries. I believe here in the United States, despite our concerns about issues like Chechnya, Russia's continuing efforts to establish democracy and an open market economy actually merit our support. I believe that the American people want to engage the Russians constructively. We want to assist them with reform. Most of all, we want to prevent a return to the authoritarianism of the old Soviet regime.

One topic of conversation between the Vice President and the Prime Minister will be the future of United States aid to Russia. Some Senators have argued that the aid should be terminated, or at least substantially curtailed, and I do not agree.

Indeed, I find that after a slow start 3 years ago, the United States aid program to Russia is now making a significant contribution to advancing political and economic reform. I would like to just lay out a few examples.

The largest element of U.S. aid is to provide technical assistance to help the Russians privatize their state-owned enterprises. Think what we have here. We have people who have lived their entire lives in a centrally planned economy. They do not have any idea how to run a private enterprise. They have never had to sell their products. They have never had to worry about productivity. In fact, when the Berlin Wall fell, there probably were not more than 100 people in the Soviet Union who actually knew how to analyze an honest corporate profit-and-loss statement. They also did not have stock markets, banks or the legal system necessary to support private enterprise. You could not enter a contract in Moscow and have it enforced in St. Petersburg. You could not enter a contract in Moscow and have it enforced in other parts of Moscow.

I think it is in our national interest to help them acquire this know-how. Thanks in large part to our assistance, 50 percent—50 percent—of the Russian gross domestic product now comes from the private sector, and with United States help the Russians are drafting a commercial code, setting up stock markets, and training their police to fight the organized crime that could so easily stifle entrepreneurship.

I support this aid effort. I support the aid effort because I think that the more successful private enterprise Russia has, the more people are going to be resisting any attempt to reestablish Communist dictatorship.

I want to assure other Senators we are simply not shoveling money out the door to them. In fact, many aid dollars are going to Americans. We are sending Americans over to show people how to run a private enterprise economy.

More and more, we are leveraging our taxpayer dollars with contributions from the private sector. There are pri-

vate enterprises that are interested in participating in the assistance program as a part of an effort to sell products. There are also lots of volunteers. In fact, these enterprises and volunteers allow us to multiply what we do.

Another significant element is bringing Russians to the United States. Most of us remember the days of the Soviet Union. The Government prevented most Russians from seeing what life outside their country was like. Unless you held a special privileged position in academe or the government, you could not leave. Most people only had a vague notion of the advantage of living in an open society. I think that the more Russians actually visit the West, talk to Americans, see how we live, the more likely it is they will resist a return to totalitarianism.

Some have suggested that we suspend all aid to show our objections to the sale of nuclear reactors to Iran, or Russian actions in Chechnya. Of course, I am intensely concerned about what is happening in Chechnya. Russian military violence against civilians has far exceeded accepted standards of civilized behavior, regardless of what they claim was the provocation by Chechen separatists. Use of landmines aimed primarily at the civilian population is just one of the egregious things they have done.

By its actions in Chechnya over the last 6 months, the Russian Government shows it still has a lot to learn about democratic values and respect for human rights. I hope now with the current negotiations they are finally learning. In fact, that is why I joined with Senator MCCONNELL this spring in insisting on shifting some of our proposed aid to Russia to provide humanitarian assistance to the Chechens as a token of our disapproval.

Let us think about what we are talking about as far as aid to Russia is concerned. We are talking about \$200-\$300 million overall in aid. Think about what we spent in waging the cold war over the years with the former Soviet Union. This does not even cover the interest on what we used to spend. It is also a drop in the bucket compared to the Russian Government budget. If we cut the aid off, nobody in the central government in Russia is going to notice, because the amounts would not be that large. The people who will notice are those reformers and those entrepreneurs and those in the private sector in Russia who are pointing to the West and the United States especially as somebody who is helping them move to democracy. They will notice, because they are the ones who will find their voices not heard as well if aid is cut off.

And so, Mr. President, I support the Vice President's mission to Moscow. I believe that promoting democratization of the second greatest military power in the world enhances U.S. security. I know that the Vice President will convey forcefully to Prime Minister Chernomyrdin America's concerns

regarding Chechnya and the Iran reactor sale. I also know that he will work to strengthen dialog and cooperation between our two countries. And I do not know of any better way to promote world peace.

MAJOR LEAGUE BASEBALL ANTITRUST REFORM ACT

Mr. LEAHY. Mr. President, I note that we are approaching the end of June. We are approaching the July Fourth weekend. I must say, I hear staff and everybody else's sigh of relief, and I agree.

But as we approach the July Fourth weekend, we know the All Star game, featuring the finest major league baseball players, cannot be all that far behind. It looks like the All Star game will actually be played this year and the year-old dispute about player pension fund payments has now been resolved.

We should also note that this year the major league season did not begin until a Federal judge granted an injunction, and the owners and the players, who shut the game down last August and robbed the fans of pennant races and the World Series, finally declared a cease-fire in their ongoing hostilities. They then had to scramble to begin a shortened 144-game schedule.

Another unfair labor practice proceeding against the owners is still pending, although that hearing has now been postponed. I hope that this is a sign that the owners and the players will finally do the right thing, finally be responsible, finally get back to the bargaining table and reach a collective bargaining agreement that will remove the cloud that is hanging over the rest of the season and all of major league baseball.

I am not the only one who expresses that concern, Mr. President. Look at the fans. Interest in major league baseball is undeniably down. Attendance figures show it. They are down between 20 and 30 percent. I suspect the viewership figures show it and certainly advertising and merchandising revenue show it as well.

In fact, in another major blow to the grand old game this morning, both NBC and ABC have indicated that they are not even going to bid on broadcast rights for baseball in the future.

When I go to a baseball game this evening, I suspect for the first time in years I am going to see empty seats. I think that is really something we should all be concerned about, those who love baseball.

Older fans have been turned off, and the younger ones have decided to spend their time and attention on other pursuits.

Of course, injuries to some of the star players have not helped. Those injuries are not the cause of baseball's decline, however. Indeed, other players and teams are having outstanding seasons and major league rosters are full of bright, young, talented players.