

We have the strongest economy in the world, because our commitment to free enterprise is strengthened by a system of open markets. Those markets—fed by free-flowing, reliable financial information—channel investment into new ideas and new enterprises. Working at its best, our free enterprise system has generated durable economic growth, wealth, and opportunity that are the envy of the world.

The corruption of one of these pillars threatens the other. The weakening of either threatens our Nation.

This week's news from MCI WorldCom was the latest in a series of disclosures that have shaken confidence in American business.

Recently, we have seen Enron collapse under the weight of inflated earnings and hidden debt. We have seen Halliburton face charges of improperly recording revenue. We've seen Tyco accused of falsifying merger information, and its CEO indicted. Arthur Andersen has been convicted of obstructing justice.

The list goes on: CMS Energy, Computer Associates, Dynegy, Global Crossing, ImClone, Kmart, Lucent, MicroStrategy, Network Associates, PNC Financial Services, Qwest, Reliant Resources, and Xerox are all facing serious questions about their business practices.

This string of disclosures threatens our economy to its core. They undermine investor confidence, scare off foreign investment, and slow an already shaky recovery.

And the impact is much more than some economic abstraction. Thousands of honest, hardworking people have lost their jobs. Millions more have seen their savings, their nest eggs, and their retirements gutted.

When corporate fraud leads to corporate failure, people get hurt.

I am not arguing that the corruption we have seen is systemic. America has some of the world's most innovative executives, people of tremendous energy, skill, and integrity.

They are the vast majority of corporate executives, and they should be the most outraged about the recent news. In my own discussions with corporate leaders, that is actually the case. They are the most outraged. They resent the notion that the corruption is systemic, that the deception is pervasive, and that "everyone is doing it."

I know—and most Americans know—that everyone is not doing it.

But the growing list of corporations under question makes clear that we aren't just talking about one or two isolated cases, or rogue executives.

The problem, instead, is a "climate"—a deregulatory, permissive atmosphere that has relied too much on corporate America to police itself. It is as if the line between right and wrong, legal and illegal, acceptable and unacceptable was so little enforced that it became blurred. Bringing it back into focus—as Enron's collapse did—revealed more than a few businesses standing on the wrong side.

The evidence rolling in is now unambiguous. Self-policing is no replacement for a vigilant cop on the beat. It is time to reform and strengthen the system.

Unfortunately, the desire for reform is not to be found in the approaches taken by the White House, the House, and the SEC.

This game of corporate dominoes we are watching is a wake up call. It is time to abandon this laissez-faire attitude and take action.

For starters, we need to make sure that the laws currently on the books are enforced. The SEC and Justice Department need to do more to aggressively and consistently investigate and prosecute cases of corporate fraud.

But enforcement alone isn't enough. We are now seeing cases where the law itself doesn't stand in the way of these egregious actions.

It is time for us to reform our system of accounting and do more to protect investors.

That is exactly what the Sarbanes bill does. And that is why it will be our first order of business when we return from recess. The Sarbanes bill makes six key improvements over our current system.

First, it creates an independent audit oversight board with the authority to set standards, conduct investigations, and impose punishment if those standards aren't met.

Second, it restricts the nonaudit services that an accounting firm can provide to public companies it audits. In other words, it keeps auditors out of the business of being a company's consultant or tax advisors in addition to being its auditor—the roles that can lead to conflicts of interest.

Third, it holds CEOs and CFOs responsible for the accuracy of operating and financial reports. If it turns out that an earnings report is deliberately misstated, those executives would forfeit profits and bonuses earned after that information was released.

Fourth, if corporate insiders sell stock, those sales must be reported to the SEC within 2 days.

Fifth, it would make sure that investment banking firms that also provide investment analysis don't mix those two functions. It also protects analysts from retaliation if they make unfavorable stock recommendations.

Sixth and finally, this bill includes expanded resources for the SEC. This will help them become more thorough investigators and enforcers. I have called the SEC a toothless tiger. This bill gives the agency some teeth.

In a message to Congress calling for the creation of the Securities and Exchange Commission, President Roosevelt said he sought to "give impetus to honest dealing in securities and thereby bring back public confidence."

It is time for us to again, "give impetus to honest dealing, and bring back public confidence."

That is what this bill does. It strengthens both our democracy and our system of free enterprise.

Senator SARBANES has done a masterful job in moving it through committee with broad bipartisan support.

For the sake of America's economy, America's workers, and the two pillars on which our nation's greatness rests, I look forward to debating it when we return.

PROGRESS IN THE SENATE

Mr. DASCHLE. Madam President, from time to time I have come to the floor to discuss our progress since we became the majority as Democrats in the Senate. I wanted to talk briefly about the accomplishments during this work period and the list of items we have attempted to address over the course of the now virtually 1 year that we have been in the majority. We took over officially during the month of July of last year. Technically, we are not quite there. But for all intents and purposes, we have now completed 1 year as a majority in the Senate.

We began June with work on the supplemental appropriations bill, a key piece of legislation. That legislation passed in the Senate a couple of weeks ago.

We then moved on to terrorism insurance. We passed that bill out of the Senate with an overwhelming vote.

We passed legislation which expedites the extradition of terrorist suspects. The antiterrorism legislation passed about 10 days ago.

We increased the debt limit on an overwhelmingly bipartisan basis.

We passed the Defense authorization bill, thanks to the extraordinary leadership of our colleague from Michigan, Senator LEVIN.

I might add that all of these issues—the supplemental appropriations, the terrorism insurance bill, the antiterrorism bill, the debt limit, and the Defense authorization bill—passed with overwhelming bipartisan majorities.

I am pleased to be able to announce that because I feel quite confident that is what the American people are expecting—that we attempt to work together, and that these priorities which are certainly their priorities as well be addressed in the way that allows us to enact them into law sometime very shortly.

I will say, having done as much as we can on a bipartisan basis, that I was disappointed by our colleagues on the other side of the aisle when they objected to the passage of the hate crimes legislation. We failed to achieve the 60 votes necessary to obtain cloture on hate crimes.

For the life of me, I am troubled by that. I would think that would be a 100-to-0 vote dealing with hate crimes in this country. It is something that is pernicious, and it is something that we must address in a meaningful legislative way.

We will continue to make the effort to assure that 1 day we will pass meaningful hate crimes legislation.

I also say there was another matter that was not bipartisan. That involved the Republicans' attempt to permanently repeal the estate tax.

I am very proud of the fact that we did not do that. I think that is a good fiscal policy. It is good tax policy, and I am confident that any effort to repeal the estate tax permanently would fail in the future.

Let me hasten to add that the Democrats certainly support reform of the estate tax. We supported an increase in the overall exemption to \$7 million, and we are very appreciative of the widespread effort within our caucus and hopefully within the Congress itself to continue to work to reform the estate tax over a period of time. But blocking the permanent repeal of the estate tax saves the Treasury \$60 billion a year when it is fully implemented, \$600 billion over the course of a 10-year period of time. So we look upon this actually as an accomplishment, as we have with all of the other accomplishments during the month of June.

But I might say, as we look at accomplishments, the list has become quite significant over the course of the last 12 months.

Right after the Democrats took the majority, we passed a Patients' Bill of Rights. After the tragedy of September 11, we passed an antiterrorism use of force resolution and an immediate \$40 billion response to the terrorist attacks, the Defense and homeland security appropriations bill, and the USA Patriot Act to deal with the extraordinary challenges we have with regard to law enforcement.

We passed increased airport, border, and port security. We passed terrorism insurance. We passed additional support for the airline industry, which was really struggling after the tragedy of September 11. We passed economic stimulus and unemployment insurance legislation. We passed the campaign finance reform bill. We passed an election reform bill.

We passed 57 judicial confirmations. That is more than any recent Congress has passed in the same period of time, either Republican or Democrat, even in those cases when the Senate was of the same party as the President at that particular time.

We passed clean water and brownfields revitalization legislation. We passed a sweeping comprehensive education reform bill. We passed an energy bill. We passed a farm bill. And as I just noted, we have passed the Defense authorization bill.

I would say, as we look at this list of accomplishments, it would be hard for anyone to argue we have not accomplished a good deal in our first 12 months as members of the majority.

I look with great satisfaction, with great pride, and am very grateful to all of my colleagues for the extraordinary job they have done in working through the committees—and in most cases all of this legislation has come through

committees—to address the needs of America in public policy and the tremendous challenges we face as a nation.

We will continue to add to this growing list of accomplishments over the course of the next several months as we complete our work in the 107th Congress. Certainly, the 107th Congress has been historic for so many reasons, but I would say that when all is said and done, at the end of the session we will be able to look with great satisfaction, with great pride, and, I might say, with a certain degree of confidence that we have done what the American people have expected of us.

Passing this legislation is a recognition of what Democrats in the majority can do in the broad array of issues with which we have done it.

So I thank my colleagues. I thank all of those who are responsible for the work on these bills, especially our legislative leadership, the chairs of each committee where these bills have been produced, for the work within the committee, and certainly the management they have demonstrated on the Senate floor as these bills have been passed here on the floor and sent either to the House or to the President.

I see my colleague from Michigan on the floor. I will yield the floor at this time. But I again appreciate the work done by our caucus, and, I might say, in concert, on many occasions, with our Republican colleagues, to achieve the long list of accomplishments we have listed here.

I yield the floor.

The PRESIDING OFFICER (Mr. KENNEDY). The Senator from Michigan.

Mr. LEVIN. Mr. President, before the majority leader leaves the Chamber, let me say he is always giving credit to others for the accomplishments of this body—which have been many—and what he, in his traditional modesty, of course, does not make any reference to is his own leadership and the role of that leadership in these accomplishments. But there is not a Member of this body on either side of the aisle who does not recognize the extraordinary leadership of Senator DASCHLE. And that list is a tribute to his leadership. It obviously involves a lot of other people, as he pointed out. Nonetheless, it is his leadership that has led the way to a successful and long list of achievements so far in this Congress.

Mr. DASCHLE. Mr. President, if the Senator will yield, I am grateful for his kind words. We have always had a tremendous team effort within our caucus and within the legislative leadership of the Senate but I recognize that the workhorses are the chairs. And I am speaking to one as we stand here this morning.

I thank him for his kind words. I thank the Senator for yielding.

THE SHOOTING DEATHS OF DETROIT-AREA CHILDREN

Mr. LEVIN. Mr. President, children are being killed in our cities in record

numbers. This year, in Los Angeles, 25 have been killed. The rates are the same in Houston, New York, Chicago, and in every other city where illegal drugs are plentiful and good jobs are scarce, where access to a better life is hard but access to a gun is easy.

Parents put their children to sleep in bathtubs where they might be safer from driveby shootings. Children find guns in homes and on playgrounds, with tragic results. Drug dealers go gunning for each other and don't care who gets killed in the crossfire.

So far this year, 22 children have been wounded by gunfire in my hometown of Detroit, in the metropolitan area. Ten children have been shot and killed. Statistics alone cannot convey the extent of this ongoing tragedy. But here, briefly, are some of the sorrowful and grim stories of these children, their families, and their pain.

On February 25, Ajanee Pollard, 7 years old, was shot and killed, allegedly by a man who was upset that he had just purchased—with two counterfeit \$20 bills—a defective radio from a friend of Ajanee's uncle. Ajanee, her uncle, her mother, and three siblings were getting ready to go shopping when one of the three men charged with the murder allegedly fired shots from an M1 rifle into the car Ajanee's mother was driving.

Ajanee was a second grade student at Thomas Houghten Elementary School in northwest Detroit. Ajanee had been named Student of the Month, was a midfielder in the local youth soccer league, and enjoyed going to Bible school at Genesis Evangelical Lutheran Church.

Ajanee's 6-year-old brother Jason had to have his pancreas and part of his intestines removed from the wounds he suffered as a result of the shooting. Both of Ajanee's sisters suffered gunshot wounds to the legs, and her mother was treated for injuries as well.

On March 23, Destinee Thomas, 3 years old, was shot and killed in her home while watching Mickey Mouse cartoons. A man armed with an AK-47 riddled the house with bullets.

Two men have been arrested and charged with the murder. According to police and press reports, they had been involved in a "turf battle" with two drug dealers from a rival street gang.

On March 28, Alesia Robinson, 16 years old and a junior at Kettering High School, sat on the front porch of her home on Detroit's east side while her boyfriend played with a gun. According to police, Alesia—who wanted to become a pediatrician—asked her boyfriend to put the gun away. Instead, he pointed it at her face and pulled the trigger.

On April 3, Christopher James, 11 years old, was killed by a single gunshot wound to the head. His 12-year-old half-brother has been charged in juvenile court with manslaughter. According to family members, the two were playing with a .22 caliber revolver they had found on a playground and that the shooting was an accident.