before a panel of adult judges on constitutional topics. The students' testimony is followed by a period of questioning by the judges who probe their depth of understanding and ability to apply their constitutional knowledge.

It is inspiring to see these young people advocate the fundamental ideals and principles of our government. These are the ideals that bind us together as a nation. It is important for our next generation to understand these values and principles which we hold as standards in our endeavor to preserve and realize the promise of our constitutional democracy.

On behalf of all Rhode Islanders, I would like to congratulate Najiya Abdul-Hakim, Janice Abueg, Peter Calci III, Kristin Capaldo, Elizabeth Champagne, Tara Cooney, Tara Czop, Paul DiMartino, Thomas Driscoll, Christopher Ellis, Tinisha Goldson, Kenneth Halpern, Sarah Johnson, Alyssa Lavallee, Robert Martin, Michael Muschiano, Lindsay Nagel, Michael Ouellette, Anthony Politelli, Michael Ryan, Kendall Silva, Sarah Smith, Corey St. Sauveur, Kate Studley, Erin Watson, Shane Wilcox, and their teacher Marc Leblanc. I would also like to acknowledge Rhode Island State Coordinator Henry Cote and District Coordinators Carlo Gamba and Michael Trofi for their dedication to this program over the years. These students truly represent the future leaders of our Nation.●

TRIBUTE TO DEPUTY COOPER STEELE

● Mr. BUNNING. Mr. President, I rise today to pay tribute to a true hero; Deputy Cooper Steele of Kenton County, Kentucky. The Northern Kentucky Police Chiefs Association recently recognized Deputy Steele as the 2002 Outstanding Police Officer of the Year for his performance in the line of duty. Today, Court TV in conjunction with the Women's Caucus and several congressional members recognized Deputy Steele and six other heroic individuals around the Nation as a part of Court TV's ''Everyday Heroes'' Initiative. This is certainly a special day for Deputy Steele and the entire Commonwealth of Kentucky.

On November 2, 2001, while on what appeared to be a routine patrol, Deputy Steele observed black smoke coming from an apartment building. Without hesitation or fear, Deputy Steele immediately stopped his patrol car in front of the building and noticed a woman on the third floor desperately screaming for help. Deputy Steele attempted to enter the apartment building but was violently driven back by the thick and suffocating smoke. With complete disregard for his own well-being, Deputy Steele heroically climbed onto a second story balcony and directed the evacuation of the four member family from the third floor balcony by handing them down one-by-one to anther officer and out of harms way. There were many other families still trapped in the burning building, but they refused to attempt a floor-to-floor transfer as the first family had done. Once again demonstrating his selfless and heroic nature, Deputy Steele refused to leave the scene, continuing to place himself in harm's way. He remained with the other tenants advising, encouraging and keeping them calm until the fire department equipment arrived to safely extricate the people from the building.

I am truly honored and humbled to be representing amazing individuals such as Deputy Cooper Steele in the United States Senate. In these trying and turbulent times, men like Deputy Steele should serve as an inspiration to us all. His heroic actions saved lives. His selfless nature shed a ray of light on a seemingly hopeless situation. I ask that my fellow colleagues join me in thanking Deputy Steele for having the instincts and the heart to do what he did. This man is a true hero and deserves our sincerest admiration.●

RECOGNITION OF OLDER AMERICANS MONTH

● Mr. SARBANES. Mr. President, in 1963, President Kennedy began an important tradition of designating a time for our country to honor our older citizens for their many accomplishments and contributions to our Nation. I rise today to continue that tradition and recognize May as ''Older Americans Month.'' Those of us who have worked diligently in the U.S. Senate to ensure that older Americans are able to live in dignity and independence during their later years, welcome this opportunity to pause and reflect on the contributions of those individuals who have played such a major role in shaping our great Nation. We honor them for their hard work and the countless sacrifices they have made throughout their lifetimes, and look forward to their continued contributions to our country's welfare.

Today's older citizens have witnessed more technological advances than any other generation in our Nation's history. Seniors today have lived through times of extreme economic depression and prosperity, times of war and peace, and have seen incredible advancements in the fields of science, medicine, transportation and communications. They have not only adapted to these changes remarkably well, but they have continued to make meaningful contributions to this country.

Recent Census figures reveal that the number of older Americans continues to grow. The population of those 85 and older grew 37 percent during the 1990s, while the Nation's overall population increased only 13 percent. Approximately 35 million people 65 and older were counted in the 2000 Census as well as 50,500 Americans who were 100 or older. Baby boomers, who represented one-third of all Americans in 1994, will enter the 65-years-and-older category over the next 13 to 34 years, substantially increasing this segment of our population.

At the same time the number of older Americans is skyrocketing, they are in much better health and far less likely than their counterparts of previous generations to be impoverished, disabled or living in nursing homes. Older Americans are working and volunteering far beyond the traditional retirement age to give younger generations the benefit of their wisdom. In 2000, those 65 and over comprise 14 percent of the U.S. labor force.

These positive figures show that commitment to programs such as Medicare and Social Security, and investment in biomedical research and treatment are improving the quality of life for older Americans. One of our national goals must be to ensure all older Americans benefit from these improvements. In Congress, we must ensure our legislative priorities reflect the dedication that older Americans have provided to this country. This includes expanding and strengthening those programs that effectively aid older Americans, and addressing those that fall short of assisting this valuable and constantly expanding segment of our society.

By 2020, Medicare will be responsible for covering nearly 20 percent of the population. Though Medicare meets the health care needs of millions of Americans, it was created in a different time before the benefits of prescription medicines had become such an integral part of health care. Three in 5 Medicare beneficiaries lack affordable, prescription drug coverage. Although people 65 and older are 12.5 percent of the population, they fill 34 percent of all prescriptions. Today it is difficult to imagine quality healthcare coverage without including medicines that treat and prevent illnesses.

I have and will continue to fight for Medicare prescription drug coverage for all seniors. As a cosponsor of the Medicare Prescription Drug Coverage Act of 2001, I recognize the predicament of many older Americans as they struggle to live independently on a fixed income and afford costly prescription drugs. The huge advances in biomedical research that have led to the life saving drugs and treatment are of little use if the population that stands to benefit the most cannot afford them. It is imperative that we address the needs of the Americans who have devoted so much of their life experience and achievement to better our society. Like all Americans, they deserve access to comprehensive health care.

One of the strengths that I admire most about older generations is their devotion and concern for younger Americans. As we face the dilemma of funding Social Security and investigate proposals to privatize the program, older Americans have been the most outspoken advocates of ensuring its existence for future generations. Their determination to preserve this important social insurance program is not weakened by reports that privatization proposals would not alter or reduce their benefits. Instead, they fight on, trying to ensure the benefits of Social Security will be there for others for years to come.

I have always been impressed with the degree to which our elders contribute to American society. Our Nation's older generations are an ever-growing resource that deserve our attention, our gratitude, and our heartfelt respect. As observance of Older Americans Month comes to a close, I look forward to working with my colleagues in the Senate to implement public policies that affirm the contributions of older Americans to our society and ensure that they all live their later years in dignity.●

FALLOUT FROM ENRON: LESSONS AND CONSEQUENCES

● Mr. HOLLINGS. Mr. President, when I was chairman of the Senate Budget Committee I worked closely with Henry Kaufman, who has, in my judgment, the most respected opinion on the economy. We can all benefit from his views, and I encourage my colleagues to read this speech that he gave last month to the Boston Economic Club, entitled ''The Fallout from Enron: Lessons and Consequences.''

I ask that the speech be printed in the RECORD.

The speech follows.

THE FALLOUT FROM ENRON: LESSONS AND CONSEQUENCES—AN ADDRESS BY HENRY KAUFMAN, PRESIDENT, HENRY KAUFMAN & CO., INC. TO THE BOSTON ECONOMIC CLUB, APRIL 3, 2002

Today I would like to talk about an event that has rocked the financial community: the collapse of the Enron Corporation. Much has been said and written about Enron in recent weeks, but it seems to me that too little attention has been paid to either the underlying issues posed by the demise of the Enron Corporation, or to the likely consequences of this failure for financial markets.

Not very long ago, Enron was widely heralded in the business and financial community for its spectacular growth, its innovative achievements, and its future potential. All of that changed suddenly and dramatically late last year. Since then, many pundits have pointed the finger of blame at Arthur Andersen. But it would be wrong to conclude that Enron's failure stemmed chiefly from the accounting shortcomings of its outside auditors. To be sure, Andersen probably was derelict in carrying out its responsibilities. No accounting firm should have the kind of intimate and conflicting relationship that Andersen had with Enron. Auditing and concurrent consulting arrangements with clients just don't mix, for they pose very real conflicts of interest that compromise objectivity and independence.

Even so, I am not convinced that a complete dismantling of Arthur Andersen would serve the larger interests of all stakeholders. To be sure, any senior officers and managers at Andersen found to have compromised sound accounting standards should be fired. But from a social perspective the thousands of Andersen employees who were innocent of high-level misdeeds do not deserve to be displaced.

The issue here is even more complicated. On the one hand, dismantling Andersen would push forward by a giant step the concentration in the accounting business that already is quite high. On the other hand, no business organization should be considered to be too-big-to-fail. Otherwise, competition, which should be the market equalizer, will be distorted. In addition to these considerations is the fact that focusing on Andersen simply deflects the spotlight away from the misdeeds of Enron itself. It offers Enron's officials and all the others involved in the Enron relationship, from the private sector to people in government, a convenient scapegoat, and increases the likelihood that we will fail to learn important lessons form the energy trader's debacle. That would be very unfortunate.

The failure of Enron is a drama with many dimensions. It encapsulates a remarkable number of the kind of misbehaviors, shortcomings, and excesses that have plagued business and financial life in the last few decades. Even if we look back over financial crises in the half-century since World War II, it is difficult to find one with as many salient elements as the Enron failure.

Consider, for example, the volatile decade of the 1970s. The calamities began in 1970, with the staggering collapse of the Penn Central Railroad. The Pennsy was derailed by its excessive short-term borrowing, mainly in the form of commercial paper, supported by weak earnings. Later on, the Hunt brothers succeeded in cornering the silver market, but financed their manipulations with heavy short-term borrowings. Many of their lenders used silver as collateral, which led to a massive sell-off in the silver market when the hunts exhausted their borrowing capacity. Then there were the oil crises of the 1970s, which set off a crippling around of defaults among key Latin American nations that had borrowed heavily from large money market banks. Because these banks had failed to exercise prudent credit judgment, the financial pressure of the oil shocks plunged debtors and creditors alike into serious trouble.

The 1980s had its share of financial excesses. The decade's economic boom had been fed in large measure by the liberal lending policies of banks—especially savings and loan associations—and by the massive leveraging of many corporations through junk bond financing. These financial splurges later made it initially difficult to jumpstart the economic recovery in the early 1990s.

As for the 1990s: the serious financial strains in Mexico and in several Asian countries, as well as the recent debt default of Argentina—all remain fresh in our memories. Then, as the decade drew to a close, the financial world was rocked by a financial debacle that threatened the very viability of key money market institutions. I am referring here, of course, to the dramatic fall of Long Term Capital Management in late 1998. Enron's collapse, however, did not pose a *systemic* risk to the financial system the way LTCM's failure did, although some of Enron's senior managers and creditors have suggested as much during their negotiations with government officials. To their credit, regulators and central bankers did not step in to rescue the faltering energy giant from its own misdeeds.

Which brings us back to the lessons to be derived from the Enron case. It seems to me that Enron—by bringing together a range of issues and problems that have plagued the U.S. financial system for decades—raises a host of questions that we simply must address:

How effectively do boards of directors discharge their responsibilities?

What are the inadequacies of senior managers?

Are lenders conducting effective due diligence?

Are sell-side analysts objective in their analysis, or are they compromised?

Should employees be permitted to invest a high portion of their pensions in the equity of the corporations that employ them?

Is official oversight adequate?

Can elected officials be objective in dealing with financial excesses given that they may be conflicted by contributions?

Should the public accounting firm serve a client a both an auditor and a consultant?

These vexing questions lie at the heart of the Enron debacle. To a large extent, they point to a fundamental problem that has been festering for some time, namely, the separation of corporate ownership and control. This problem has become more acute in recent decades because of structural changes in finance and investments. But this issue hardly is new. In fact, it is a symptom of advanced industrial capitalism, in which firms become too large to be owned and managed by individuals or even wealthy families.

One of the most penetrating critiques of the concentration of corporate control appeared back in 1932, when Adolf Berle, a law professor and reformer, and economist Gardiner Means published their landmark book, The Modern Corporation and Private Property. As Berle and Means noted vividly:

''It has often been said that the owner of a horse is responsible. If the horse lives he must feed it. If the horse dies he must bury it. No such responsibility attaches to a share of stock. The owner is practically powerless through his own efforts to affect the underlying property. The spiritual values that formerly went with ownership have been separated from it. . . . [T]he responsibility and the substance which have been an integral part of ownership in the past are being transferred to a separate group in whose hands lies control.''

In the financial markets of the last few decades, this problem has become more acute with the rise of hostile takovers, leveraged buyouts, golden parachutes, green mail, and many other financial innovations that are associated with corporate control. Many corporate raiders have become instant celebrities.

At the same time, there have been some significant changes in the role that senior managers play within the corporation. In recent years, many are given incentives that encourage them to strive to achieve near-term objectives through a variety of compensation schemes. Rarely is management actually penalized for failing to achieve their objectives. Their cash bonuses may be reduced, but they still are entitled to stock options. If the price of the company's stock is down, many firms in the past lowered the exercise price of the outstanding options. More recently, many corporations simply issue more options at the lower prevailing price level. The gatekeepers for many of the compensation awards are outside consultants who rarely exercise strong control over the compensation process. Very often they merely codify what others are doing in the industry.

For their part, equity investors rarely are involved in the affairs of a corporation. Indeed, portfolio practices today have a short-term fuse. Portfolio performance is measured over very short-term horizons—monthly, quarterly, or at most yearly. Underperformance is penalized very quickly. Today, day trades and portfolio shifts based on the price momentum of the stock are commonplace. Institutional investors now