

He commissioned a study by McKenzie and Company to try to figure out what the economic challenges are that we are confronting. Their survey, which was announced on Monday, showed that approximately 45,000 workers in New York City whose jobs were affected continue to suffer an income loss of more than 25 percent. Approximately 28,000 are still unemployed. In other words, we got down to about 45,000, and of those 45,000, about 17,000 did get a job, although it cut their income considerably, and 28,000 are still unemployed.

It is clear, despite the very best efforts of private charities and very extraordinarily generous people, we just cannot make up the losses of income and joblessness that we are still confronting.

The New York State Department of Labor confirmed these figures from the McKenzie study, but, in fact, theirs are even more dire, and they are the official figures. They show that 105,000 people were on unemployment insurance as a direct result of the World Trade Center attacks. We have an increasing number who are running out of time. Nearly 7,000 of the 24,000 are still unemployed, looking for jobs, and have exhausted all their benefits. There is no job in sight.

The disaster unemployment assistance expired, dropping 1,100 people who still have not found a job, who have not been placed anywhere else because their companies, if they are still in New York—as many, thankfully, are—have downsized, have moved, and have not been able to provide all the jobs that were once there.

I have provided these statistics just to give you some insight. But, of course, the personal stories are what are most wrenching and what I encounter every time I am in the city, or my caseworkers and staff, as they field phone calls, e-mails, and letters from people who worked at jobs for 18 years, 25 years, who put two children through college, and now have nothing to fall back on, who are on the brink of being evicted from the apartment they have lived in for decades, or are about to be foreclosed on in the homes they have struggled to buy.

I know that it is sometimes difficult to think about these faceless people out there, but we have tried very hard to do the right thing in the wake of the World Trade Center. We certainly tried to provide the resources that businesses needed to get back on their feet.

This body and the President and the House were extremely generous to provide the public funds that we needed to begin the rebuilding process, to clean up the debris, to do what we needed to get back on the right track in Lower Manhattan. But I just do not want to see our workers—people who were gainfully employed, doing the right thing—forgotten.

Certainly, I have a great deal of sympathy for people in other parts of the country who are really caught up in this so-called jobless recovery as well.

I am introducing two pieces of legislation, along with Senators SCHUMER and KENNEDY, to extend both unemployment insurance and disaster unemployment assistance for an additional 13 weeks. It is our hope that the jobs will start coming back into the economy.

In fact, experts certainly agree that extending unemployment insurance is more likely than anything else we can do to get money into the economy that people will have to start spending because they do not have any choice.

Over the last five recessions, every \$1 spent on unemployment benefits generated a \$2.15 increase in the gross domestic product. I went back and looked. What did we do the last time we were in any kind of comparable period?

Mr. President, the period of 1990–91 was the most recent time in which to compare this. In the early 1990s, benefits were extended four times, for it became clear, in the absence of that safety net, that lifeline, we would have even greater problems with which to deal.

What are we going to do with people who get foreclosed on and evicted? Not everybody has a family to go to and crowd on to a sofa bed or into a spare room. We are going to have increases in homelessness. We are going to have all kinds of problems that at least we can try to forestall and, hopefully, eliminate.

These benefits would be extended for just an additional 13 weeks—half the time they were extended back in the early 1990s.

Clearly, I think we need systemic changes to the unemployment insurance system. I think it is kind of an odd position for us all to be in: Coming back, asking to extend it whenever it is needed, that we have to have new congressional action. There ought to be some ways where we can also be more sensitive to different parts of the country.

I know there are parts of the country—there are parts of my State—that are below the national average in unemployment. But there are concentrated pockets that we don't, frankly, want to spread and have more expensive problems to deal with, which is one of the additional reasons I hope the Senate will support this action.

I am very appreciative of all of the support that New York and New Yorkers have received over the last many months. This has been obviously a traumatic and terrible time for many families. Certainly nothing we can say or do will bring back a loved one or even bring back a job that was there for 20, 25 years. But we do have to continue to try to send out this lifeline, the help that is needed, so people can try to get themselves back on their feet and that we don't claim more victims because of the horrific attack on September 11.

Mrs. CLINTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REED. 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. REED. I ask unanimous consent the time be equally charged to both sides during the course of the quorum calls.

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

INVESTOR CONFIDENCE

Mr. REED. Mr. President, I rise in strong support of the Sarbanes legislation.

We have been buffeted over the last several months on a daily basis with news of companies with accounting practices that have led them to bankruptcy, have left them without the means to carry on their business, have left their workers without jobs, and have devastated their pension funds. Day after day after day, a litany of accounting irregularities surface on the front pages of America. It has translated into a growing lack of confidence in our markets.

We are here today with the critical role of reassuring the American public that we will pass legislation quickly that will restore their confidence in our financial system.

This crisis is deepening with each day. Therefore, we must move forward deliberately, carefully but very quickly, to ensure that we can communicate with the American people and let them know we are aware of these problems and we are correcting them.

I just came from a press conference to which we invited representatives who manage public pension funds. It is a staggering sense that we are seeing out there, not just problems on Wall Street but problems on Main Street. Essentially what has happened is that the American public has become invested heavily in our capital markets, in our equities, not just individually but particularly through pension funds. Sixty percent of the assets of defined contribution plans are invested in equities or mutual funds. About 70 percent of all of these funds together is creating a situation in which, when Wall Street has a problem, it translates to every corner of the country.

We have to step forward. We are stepping forward. The Sarbanes bill is a strong bill. It has been made even stronger with the adoption yesterday, in a bipartisan vote, of the Leahy amendment. We are going to create an oversight board for accountants that will truly be independent and will have the force and the teeth to get the job done.

The Sarbanes bill also proposes the serious separation of the auditing function and other consulting functions that accountants can perform. If you

are going to be an auditor, you have to be an auditor, not an auditor and consultant. This is an important step forward.

Also importantly, the Sarbanes bill will require that the SEC receive the necessary resources to get the job done. There have been for decades extensive security laws on our books. Unless these laws are enforced, they are not effective. Frankly, some of what we are discovering is a lack of enforcement. You have the SEC that is overwhelmed with filings and not capable of reviewing all those filings, not capable of taking the kind of proactive action which is necessary to avert the crisis we have seen.

We are indeed at a critical moment in our history. We have seen the market over the last few days take huge losses. That suggests that not just the American public but the world is growing more and more concerned with our accounting practices, our transparency, whether or not a financial statement by an American publicly traded company can be relied upon.

One of the ironies of this is a year or 2 ago, 3 or 4 years ago certainly, we were out offering our market to an emerging economy in Russia as the model; in a way, sort of looking at them, saying: Boy, if only they would adopt our accounting practices, the kind of tough rules we have, it would be a huge step forward in their development as a market economy.

Well, ironically, today we have discovered that what we thought was a very thorough, comprehensive system is not as thorough and comprehensive as we thought and did not have the kind of integrity we need to ensure investors that when they read a report from an American company, that report is accurate. That used to be the standard.

I mentioned previously that I had the occasion to attend a press conference with representatives of public pension funds. One of the individuals was the first comptroller of New York City.

Let me give you an idea of the dimension of a problem we are talking about. On an annual basis, the city of New York has been contributing about \$600 million a year to their pension funds in order to make sure those pension funds are actuarially sound, that they can pay the benefits for all of their retirees. They still can do that today, but the pricetag has gone up to over \$1 billion in a year. They estimate, if the market continues, that they will be paying on the order of \$3 billion in a few years. That money comes from taxes paid by the people of New York, and it comes from cutting other programs. It is a huge problem.

At the core of the problem is this lack of confidence, the daily spate of news reports saying essentially that the accounting practices of major publicly held companies are absolutely erroneous. We have to reverse that tidal wave, and we have to do it quickly. We can begin to do that by strong support of the Sarbanes bill.

Many people have called this an investors' bill of rights. I think they are correct. I commend and compliment the chairman of the Banking Committee, Senator SARBANES.

This is an example of how legislation should be done. This is an example of a careful, thoughtful process through the committee. I know the Presiding Officer, as a member of that committee, contributed substantially to that process. It was a delight and pleasure to work with Senator SARBANES on the Banking Committee, to see that careful, thoughtful approach—with 10 hearings, witnesses from every sector of our economy, including perspectives from those who manage pensions, those who are security experts, and those who are business leaders. All of those perspectives were brought together in this legislation, which is thorough, comprehensive, and, in my view, outstanding.

Then, also, to be able to fashion a bipartisan group of support was critical here and throughout our country. This is a textbook example by a master of how to move legislation through this body, but, more importantly, how to respond to the compelling needs of the American public. I commend and thank Senator SARBANES and his staff for their great effort.

We are at a point we can begin to see—if we move forward in the next few days—a new regime of securities laws that will feature an independent, full-time professional oversight board to monitor the behavior of accountants. We will also see guidelines on which nonaudit services are prohibited, so there will be a separation between the audit and nonaudit services. That should prevail. This is very important.

I was an attorney in private practice and did corporate work. Frankly, I assumed that what I saw in that report, signed by a distinguished auditing firm, was gospel and not to be contradicted; that it was the final judge about disputes on costs and facts about what the company was doing and what they were disclosing and what they didn't have to disclose. I always assumed that it was the accountants who were answering those tough questions. They were literally the bad guys. There were a lot of creative CEOs, CFOs, and lawyers. In fact, they were often satirized, and the most uncreative part of the management was that auditor who was telling you, no, you cannot do this. That, obviously, over the last few years, has eroded tremendously.

With the Sarbanes bill, we will clearly delineate those activities that can and should be performed by an auditor. It will also shore up tremendously corporate responsibility and require CEOs and CFOs to certify the accuracy of the company's financial statements. It will also increase the amount of the financial disclosure that a company must conduct in the course of their business.

Many of the exotic arrangements that brought down Enron were never disclosed to shareholders and the in-

vesting public. As a result, those entities, when discovered—such as CHEWCO—were the instruments of the demise of that company. Those kinds of off-balance-sheet transactions will have to be disclosed if the bill passes, and I think it is necessary to do that.

We are also dealing with the very real need for increasing funding for the SEC. That is a critical component of the legislation.

The President was in New York City making a speech, calling for \$100 million—or probably closer to \$300 million, or more—that we need to ensure that the SEC has to conduct their activities. So we are moving forward and ensuring that, I hope, we do this.

Our record over the last several years has not been as aggressive as I would have liked it to be. I supported a measure a few years ago—in fact, I think last year—in which we passed legislation that lowered various fees that are involved in securities transactions, with the idea that we would, at the same time, increase the pay within the SEC to attract better workers and more sophisticated individuals there, to complement what is going on in the private market where legal salaries are very high. The transaction reduction fee went down, but the pay parity never went into effect. So I think we have to follow through not only with this authorization but also with appropriations to make sure that can occur.

So we have a situation where we are moving forward and in which the Sarbanes legislation, I hope, will be complemented by legislation proposed by Senator KENNEDY to directly affect pension operations in the United States. These two pieces of legislation—hopefully brought together quickly, passed through this body and by the other body, and signed by the President—will send a signal to the American public, the investing public in the U.S. and around the world that our markets are the best in the world, that they can rely upon every word in a financial report, and to have fully disclosed the financial conditions of publicly held companies in the United States. If we do that, it will be a huge benefit not just to Wall Street but to Main Street.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. 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. GRAMM. Mr. President, I support the McConnell amendment. I think it is a good government amendment. I think it is a full disclosure amendment. I don't even see why we are voting on it. I am convinced it will be defeated because any good government amendment that has anything to do with plaintiffs' attorneys is routinely defeated in the Senate.

Having said that, I make note of the fact that the Dow is down again today. I do not believe the primary problem in the markets today is the disease we are fighting. The primary problem we have now is fear about the absurd prescription of the doctor. I believe there is concern that in this frenzy, things are going to be done that will have a long-term negative impact on the capital market.

If you take the bill the House has already passed and the Senate bill as it is now, and you take the President's position reiterated yesterday by the Secretary of the Treasury, we have the makings of a good bill that can be broadly supported.

I reiterate my hope and desire that we bring this debate to a close. We could, by unanimous consent, have a vote on cloture today. We could deal very quickly with germane amendments. We could pass this bill tonight, and next week we could be going to conference. That would be prudent policy.

We are going to have a lot of amendments offered, if my list is indicative, that if anyone really believed they would be adopted, would be terribly frightening to investors.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. GRAMM. I ask unanimous consent for 1 additional minute.

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

Mr. GRAMM. If anybody took this list of amendments seriously, they would not be willing to risk thousands, millions, or billions of dollars. But they should not take this list seriously because these amendments are not going to become law.

The sooner we bring this debate to an end, the sooner we pass this bill in the Senate, the sooner we go to conference, the sooner we put together a bill that will represent a compromise, the more certainty there will be on Wall Street and the quicker we will rebuild equity values in America and rebuild confidence in our market.

I urge my colleagues, let's move ahead. Nothing good is going to happen today to this bill. Nothing bad is going to happen either, I make that clear, but it will not be clear to people watching this debate. The sooner the debate ends, the better off we will be. The sooner we get to conference, the sooner we will have a bill. That cannot come soon enough to suit me.

The PRESIDING OFFICER. Who yields time?

The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I expect shortly my amendment will be tabled. That will be further evidence that there is not a majority of the Senate willing to confront the issue of either union corruption as we discovered yesterday or, in the case of the amendment about to be voted on, plaintiff's lawyer misconduct.

The underlying amendment, the Edwards-Enzi amendment, addresses the

issue of corporate counsel, defense counsel misconduct, and it seemed only appropriate to me that we deal with the other side of the equation; that is, the lawyers who represent plaintiffs in Federal claims and in Federal courts.

This is a long overdue matter to be dealt with. If not now, when? My good friend from Maryland said this is an inappropriate bill to deal with it, so I suggested maybe he would support me in bringing up my matter freestanding with a time agreement; he smiled, but clearly the answer was no.

Mr. SARBANES. Will the Senator yield?

The answer was no. I didn't smile. I said no and smiled along with it.

Mr. MCCONNELL. Mr. President, I respectfully correct the observation, in case the Senator from Maryland misunderstood. I didn't doubt that his answer was no. He doesn't want to deal with this at any point, ever—not now, not tomorrow, not ever.

The issue before the Senate is whether it is appropriate to deal with client misbehavior when they are representing plaintiffs, as well as when they might be representing defendants.

My amendment is very simple. I would love to have gone further. My amendment does not cap fees, does not cap damages. It simply deals with the following: Providing, for the client, information about the arrangements under which the client is retaining the lawyer at the beginning, in the middle, and at the end of the case so the client fully understands the terms of the arrangement; second, that there be a 45-day bereavement rule established 45 days after the occurrence of the accident where the victims and their families would not be harassed by those seeking to represent them. It is just a 45-day bereavement rule which we already did under Federal law for airplane accidents.

I hope this amendment will be adopted. It is very reasonable and very appropriate to this bill.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Maryland.

Mr. SARBANES. Mr. President, what is the time situation? I have 2 minutes?

The PRESIDING OFFICER. The Senator from Maryland has 2 minutes and the Senator from Wyoming has 2 minutes. The Senator from Maryland.

Mr. SARBANES. Mr. President, I urge my colleagues to table this amendment. I do not know what amendment the Senator from Kentucky will come with next out of his grab bag, but he has obviously got a whole set of pet projects that he has been husbanding there in his committee and that he will seek to offer. They are not relevant to this legislation.

Here we are again trying to deal with an issue that is relevant. I suggest to the distinguished Senator from Kentucky that he allow the second-degree amendment staffer to take the week-

end off so we do not have to continue to go through this exercise of being confronted with these second-degree amendments not relevant to the legislation. We have important legislation to deal with here. We have some good amendments pending out there. This repeated effort to just gum up the works is difficult to understand.

In any event, I urge my colleagues on the vote that is shortly to come to vote to table the McConnell amendment.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, we have, I think, before us, about 60 amendments. I join my ranking member, the Senator from Texas, in his comments about how we need to get this bill done as quickly as possible. The stock market is dropping. It may be because of what we are doing. It may be because of the need to have this bill done. Either way, getting this bill done will give some assurance to the stock market both that we are not dabbling in it anymore, and that we have completed our work and have provided a solution.

As a result—and I regret that it is on this amendment with my friend from Kentucky—I will begin making tabling motions on amendments that do not have a direct aspect to the bill. I also would be doing that to amendments that put specific accounting language into the bill, even if it is relevant. This bill is not designed to put in specific accounting language; it is designed to set up a process for getting to specific accounting language. That is a very fine distinction and a very important one if we want to have the kind of stock market and the companies that we envision.

With those comments, at this time I move to table the McConnell amendment.

The PRESIDING OFFICER. The Senator from Nevada.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. I ask unanimous consent we be permitted 1 minute to make an introduction.

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

INTRODUCING THE HONORABLE PAT COX, PRESIDENT OF THE EUROPEAN PARLIAMENT

Mr. DASCHLE. Mr. President, one of the privileges accorded the majority leader is the opportunity to welcome and introduce our fellow legislators from the European Parliament. This is a tradition that was begun in 1972, and has continued every year since.

I find it especially meaningful, because although the Atlantic Ocean separates us from our European friends, we are connected by a belief in the rule