

investments that Greek-Americans have made in the business community are unsurpassed. Through the utilization of the American tradition of small, family owned businesses the Greek-American community has prospered.

Madam Speaker, the eighth congressional district of Maryland, which I represent, has a large population of Greek-Americans. I am proud of the many contributions that they have made to Montgomery County and our nation. I join them in celebrating Greek Independence Day and urge my colleagues to join me in recognizing the achievements of Greek-Americans.

MARCH 21, 2002 DESIGNATED AS
UNITED NATIONS INTER-
NATIONAL DAY FOR ELIMI-
NATION OF RACIAL DISCRIMI-
NATION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 2002

Mr. LANTOS. Mr. Speaker, tomorrow, March 21, 2002, has been designated as the United Nations International Day for the Elimination of Racial Discrimination. I think it is very important for us, here in the United States to mark this critical day. Racial Discrimination is a universal, global scourge. Confronting it and finding ways to defeat it are in the critical interest of every nation including the United States. Racial discrimination, xenophobia and other forms of intolerance are one of the principal root causes of international conflict. Our global war against terrorism cannot be won until we root out the global affliction of hate and intolerance. America's experience with slavery and our long struggle to advance civil rights also compels us to play a leading role in the international effort to cleanse humanity of the stubborn and shameful stain of racism.

Tragically, in the last several years, the global community has been beset by a new wave of racial hatred. This new wave includes widespread discrimination against migrant workers in Europe and the Middle East; institutionalized racism against indigenous peoples and peoples of African descent in the Americas; and discrimination against women in the Islamic world. New forms of racism, often tied to the social and economic dislocations caused by increased globalization, are being spread by new technologies including proliferating hate sites on the internet.

Mr. Speaker, for me as the only Member of Congress who is a survivor of the Holocaust, it is particularly painful to note that the current increase in racial hate includes an intense spasm of anti-Semitism. As a delegate to the UN's World Conference Against Racism (WCAR) in Durban South Africa last summer, I witnessed a particularly vivid demonstration of this new round of hatred for Jews.

The conference's NGO forum, featured anti-Jewish rallies attracting thousands in the streets of Durban. One flyer, which was widely distributed at the rallies showed a photograph of Hitler and the question "What if I had won?" The answer: "there would be NO Israel . . ." At a press conference held by Jewish NGO's to discuss their concerns with the direction the conference was taking, an accred-

ited NGO, the Arab Lawyers Union, distributed a booklet filled with anti-Semitic caricatures, frighteningly like those seen in the Nazi hate literature printed and distributed in the 1930's. It was the most unabashed display of anti-Jewish hate that I have seen since that period. Similar images and messages can be found again and again in newspapers and other media in the Middle East, and on hate sites on the internet.

Mr. Speaker, if the tragic events of September 11th have taught us anything it is that we cannot turn a blind eye to hatred and evil. We must actively take effective measures to eliminate racism at home and to defeat it abroad. We must make sure that our government takes effective action to prevent and punish racism in the United States. In prosecuting the global war against terror, we must demand that our coalition partners confront hate in their own societies and in their regions.

I commend our distinguished colleague and friend from California, Congresswoman LYNN WOOLSEY, for focusing our attention on this important day and on this issue. I also want to commend our distinguished colleague, Congressman JOHN CONYERS of Michigan, for introducing the bipartisan Local Law Enforcement Hate Crimes Prevention Act, which would give local law enforcement the tools and resources needed to prevent and prosecute hate crimes. I urge all Members of this House to support this legislation.

INTRODUCTION OF A BILL TO
"END THE DOUBLE STANDARD
FOR STOCK OPTIONS ACT"

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 2002

Mr. STARK. Mr. Speaker, I rise to introduce legislation to plug a corporate tax loophole that allows companies to hide stock option expenses from their Securities and Exchange Commission (SEC) earnings reports, but allows those same companies to take the deduction on their Internal Revenue Service (IRS) tax filings. My bill would force companies to report the stock option expense on their financial earnings records if they want to continue to take the deduction on their income tax filing. I'm pleased to be joined by Reps. BARNEY FRANK and LYNN RIVERS in introducing this important bill. Senators LEVIN and MCCAIN have introduced companion legislation in the Senate.

Under current law, companies can deduct stock option expenses from their income taxes as a cost of doing business, just like employee wages. However, companies are not required to report these business expenses on their SEC financial statement to stockholders. The Financial Accounting Standards Board (FASB), the self-regulated accounting board with SEC reporting oversight, recommends that companies record stock options as an expense on their financial earnings statement, but does not require that stock options be treated as an earnings expense. In fact, stock options are the only form of compensation not treated as an earnings expense at any time. Nearly all companies relegate their stock option expenses to a footnote in their SEC report, yet these expenses are not reflected in

their bottom line earnings. Among the S&P 500 companies, only Boeing and Winn-Dixie follow the advice of FASB and actually record the cost of options on both the tax and earnings ledger.

Right now, companies can replace wage compensation with stock option compensation without having to show reduced earnings on their financial statements. This loophole misleads investors, financial analysts, and workers who have their pension funds tied up in companies that offer stock options. Since companies costs are not reported on the financial earnings statement, companies' earnings appear greater than actual earnings should reflect.

Let's take the case of Enron as an example of how misleading this loophole can be. According to a study by Citizens for Tax Justice, from 1996-2000, Enron took a \$600 million tax deduction for stock options. Over that same five-year period, Enron showed \$1.8 billion in earnings. However, this earnings figure did not completely reflect Enron's true earnings. As we know, Enron used a number of accounting gimmicks to artificially inflate their earnings report, one of which was the decision to list all stock option compensation as a footnote in its earnings report and then exclude this compensation from its total expenses. Had Enron accurately recorded its stock option compensation it would have had to report a decrease in earnings by one-third! Furthermore, had Enron been required to report that one-third of its earnings were attributed to stock options, then employees and stockholders could have seen that company profits weren't based on real growth. According to an analyst with Bear Stearns, the earning reported by firms in the S&P 500 would have been 9 percent lower in 2000 if stock options were treated as an expense.

As Enron leaders clearly realized, company executives can prosper by means other than simply building a great company. Executives can often increase their personal wealth by creating unrealistic expectations of their company from Wall Street, rather than the old fashioned way of consistently delivering impressive growth. Consider the following two hypothetical companies. One company has a stock price that has appreciated slowly. It started at \$20 and gained \$2 each year for five years, raising its price to \$30 today. The second company's stock also started at \$20 five years ago, then zoomed to \$100 after a few years but has since fallen back to \$20. By any reasonable measure, the leaders of the first company have done a better job at growing a solid company, worthy of its stock price. Their share price has grown 50 percent, and they have avoided making grandiose predictions that cause Wall Street analysts to set silly targets. The second company's stock has under-performed over the long run, and scores of workers and investors have been burned by false hopes.

If the top executives of both hypothetical companies had received similar amounts of stock and both sold their shares on a regular schedule, the executives of the second company would have earned more. These executives would have made so much money selling the stock when it was trading near \$100 that they would become instant multimillionaires, despite the stock's ensuing, rapid decline. Thus, the practice of failing to report stock options on earnings reports could actually encourage executives to take stock options as a

form of compensation. That way, they can earn millions of dollars, claim it as a tax deduction, and then hide it from investors. My bill corrects this perverse incentive and seeks to discourage reckless executive behavior. My bill also gives companies an incentive to report their stock option expenses in order to continue to take the tax deduction.

If stock options are a cost of doing business for tax purposes, then they should be a cost of doing business for earnings purposes. But don't just take my word for it. In a March 7th Senate Banking Committee hearing, Alan Greenspan, Chairman of the Federal Reserve Board testified:

"The truth of the matter is that if you do not expense the granting stock options or their realization in the income statement, as, indeed, we are required in our tax forms, then you will get a pre-tax income which is higher than one can argue you really had . . . Is income being properly recorded? And I would submit to you the answer is no."

Arthur Leavitt, former Secretary of the Securities and Exchange Commission, favors reporting publicly held stock options on SEC earnings reports. He told NPR:

". . . If we decide to account for public stock options in a way that I think is in the public interest, I do not believe for a moment it would be the end of capitalism, nor do I believe it will have a significant negative impact on America's corporations."

Deloitte & Touche, one of the nation's premier accounting firms, as well as Arthur Anderson, Enron's disgraced accountant, both say options should be charged to a company's income statement. Many Wall Street analysts agree. Eighty-three percent of U.S. financial analysts who responded to a survey by the Association for Investment Management Research (AIMR) also support listing stock options in the financial income statement.

The evidence is clear: this loophole should be closed. My bill to "End the Double Standard for Stock Options" is a much-needed fix to help prevent companies from misrepresenting their financial status to stockholders and employees. I urge my colleagues from both sides of the aisle to cosponsor this important bill and to support its enactment this year.

PERSONAL EXPLANATION

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 2002

Mr. BARRETT of Wisconsin. Mr. Speaker, because I remained in Milwaukee last week to undergo hernia surgery (for which I was granted an official leave by the House), I was unable to vote on rollcall Nos. 53 through 64. Had I been present, I would have voted: "aye" on rollcall No. 53; "aye" on rollcall No. 54; "no" on rollcall No. 55; "aye" on rollcall No. 56; "aye" on rollcall No. 57; "aye" on rollcall No. 58; "aye" on rollcall No. 59; "aye" on rollcall No. 60; "aye" on rollcall No. 61; "no" on rollcall No. 62; "aye" on rollcall No. 63; and "aye" on rollcall No. 64.

RECOGNITION OF JACOB LIGHT OF WEST HARTFORD, CONNECTICUT

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 2002

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to commend and recognize the achievements of a remarkable young man, Jacob Licht of West Hartford, CT. Jacob, a student at William Hall High School in West Hartford, CT, won second prize and a \$75,000 scholarship in the 61st Intel Science Talent Search competition in Washington, DC on March 11, 2002.

Jacob, a 17-year-old senior, was awarded second place based on his extraordinary work in developing a new mathematical theory based on the Ramsey Theory of disorder. His work manages to reinvent this theory by looking for pockets of complete disorder in sets of numbers that appear organized. Math experts have described Jacob's research as profound and groundbreaking. As a reward for his research, Jacob was granted an audience with President Bush and an asteroid will be named after him.

Yet despite all of Jacob's success and fame, he is still a modest and unassuming young man. At Hall, Jacob is not only the captain of the math team, but a volunteer math tutor as well. He is an avid sports enthusiast and loves to impersonate Elvis Presley, often entering and winning local talent competitions.

Mr. Speaker, Jacob Licht is to be applauded for his dedication, his intellect, and his humility. The Intel Talent Search competition has identified a gifted young man with the potential to change the world. Jacob, who has already been accepted to both the Massachusetts Institute of Technology and the California Institute of Technology, is clearly an exceptional and wonderful person and we applaud his achievements.

GIRL SCOUTS OF THE USA CELEBRATES 90TH ANNIVERSARY

HON. THOMAS H. ALLEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 2002

Mr. ALLEN. Mr. Speaker, this month marks the beginning of the celebration of Girl Scouting's 90th anniversary. During this time, more than 50 million girls have participated in this wonderful program.

One of those who benefited from years as a Brownie and Girl Scout was my wife, Diana. She recalls with great fondness the happy times she spent in troop meetings making crafts and other projects and the weeks in summer camp where she met counselors from all over the country.

Girl Scouts of the USA has kept up with the changing and expanding challenges facing girls today. At each level of Girl Scouts, girls have the opportunity to embrace traditions and learn about the changing world. The program challenges girls to develop into healthy women strengthened by strong values, a social conscience and belief in their own self-worth.

In my District, girls participate in programs overseen by the Girl Scouts of Kennebec

Council. The jurisdiction of this Council is very large, encompassing one-third of the State of Maine and two-thirds of the population. The Council serves a highly diverse population—girls living in cities, small towns, and in isolated coastal areas and islands. Girl Scouting successfully meets the needs of all kinds of girls.

Girl Scouting succeeds because of its volunteers, who serve as troop leaders, trainers, cookie supervisors, trainers, and a host of other positions. Their generosity and dedication has kept Girl Scouting strong and relevant. Thanks to them, Girl Scouts of the USA will continue to help girls grow into productive citizens.

GREEK INDEPENDENCE DAY

SPEECH OF

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 2002

Mrs. LOWEY. Madam Speaker, I am honored to rise today to commemorate the 181st anniversary of Greece's independence from the Ottoman Empire, and to celebrate the shared democratic traditions of Greece and the United States.

On March 25, 1821, Greece declared its independence, ending nearly 400 years of domination by the Ottoman Empire and restoring a democratic heritage to the very cradle of democracy.

Throughout our history, the people of the United States and Greece have forged a strong friendship built upon the foundation of shared values of democracy and freedom. Our Founding Fathers established this nation based on the teachings of ancient Greek philosophers and their struggle to build a democratic society. And, in turn, the American experience inspired the Greek people in their struggle for independence 181 years ago.

Our shared democratic ideals have formed the basis of a strong and sustained friendship between Greece and the United States, and today, Greece remains one of our most important allies and trusted partners in the global community.

Nowhere is this more evident today than in the war against terrorism. Greece is an important member of the international coalition fighting this war. U.S. aircraft have made use of Greek airspace and airbases, Greek aircrews serve in NATO surveillance planes, and Greece has been a key partner in multilateral relief efforts for Afghanistan and Afghan refugees.

The United States has also benefited greatly from the contributions of Greek-Americans to shaping our society and building our cultural heritage. I am proud to represent a district in New York with a strong and active Greek-American community.

I am delighted to join my colleagues in commemoration of Greek Independence Day, and in celebration of the many contributions of Greece and Greek-Americans to the United States and the world.