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 INTERNATIONAL DAY FOR ELIMINATION OF RACIAL DISCRIMINATION

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 accredited 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