

a comprehensive legislative solution that protects workers. Currently, congressional delay protects corporate interests while leaving rank and file workers at risk. I wish to reverse that dynamic.

I believe that it is a matter of simple fairness that corporate insiders should not have greater freedom to sell their stock than the freedom that those insiders decide to grant to their employees.

#### ELIMINATE TAX SUBSIDIES FOR INACCURATE ACCOUNTING

The Wall Street Journal in an article on Monday, January 14, noted that “some of the world’s leading banks and brokerage firms” provided Enron with crucial help in creating the intricate—and, in crucial ways, misleading—financial structure that fueled the energy trader’s impressive rise but ultimately led to its spectacular downfall.”

The article failed to note that tax lawyers also provided crucial assistance by their creation of hybrid instruments that are treated as equity for shareholder reporting but are treated as debt for tax purposes. Those instruments permit companies, in effect, to borrow money with tax deductible interest while excluding the borrowing from total liabilities when reporting to shareholders.

Companies use these hybrid instruments, rather than traditional borrowing, only because the hybrid instruments permit the company to understate its liabilities when reporting to shareholders. The hybrid instruments typically have greater underwriting costs and interest rates than those that would have occurred on a traditional borrowing.

Enron used these instruments to a fairly large extent. The footnotes to the balance sheet in Enron’s last financial statement disclosed that it had somewhere between \$700 million and \$2 billion of these instruments. In addition, press reports indicate that Enron also had at least an additional \$1.2 billion of these transactions that were not disclosed in the financial statement.

In 1996 and 1997 the Clinton administration proposed eliminating tax deductions for interest on debt instruments when the corporation showed the instruments as equity on its books. If the congressional Republicans had permitted action on that budget proposal, we might not have seen the spectacular rise and collapse of Enron.

My bill would deny the deduction for interest on instruments that the company treats as debt for tax purposes but does not include in its liabilities when it reports to shareholders. The bill would apply only when the proceeds of the borrowing are included in the assets of the corporation for shareholder reporting purposes. Therefore, it does not apply to borrowings by off-balance sheet entities where both the liability and the proceeds of the liability are not shown on the company’s balance sheet. The bill only applies to corporations that file certified financial statements with the SEC, and it is prospective.

Providing workers with the right to freely transfer employer stock is not sufficient if the employer’s financial statements do not accurately reflect the company’s financial position. I do not understand why the tax laws should subsidize companies attempting to hide liabilities when reporting to shareholders.

I am open to other ideas and solutions. I welcome additional suggestions and promise to work with any Member of Congress who want to protect workers and shareholders. I

urge that we move quickly to provide some protections now while we study additional measures we may wish to undertake in the future.

#### THE INTRODUCTION OF THE ENRON EMPLOYEE PENSION RECOVERY ACT

#### HON. MAXINE WATERS

OF CALIFORNIA

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Ms. WATERS. Mr. Speaker, today I rise to introduce the Enron Employee Pension Recovery Act. This legislation will enable Enron employees who lost their retirement savings to recover more of their lost assets.

When the Securities and Exchange Commission brings an action against a company or individual, any ill-gotten gains are placed in a disgorgement fund, and the proceeds are distributed to the victims of the wrongdoing. It is very likely that the disgorged profits of Enron executives will not begin to cover the losses experienced by Enron employees.

These employees were encouraged to heavily invest in Enron stock, and were not permitted to divest when the stock value was plummeting. My legislation would provide that the Enron disgorgement fund contain not only the disgorged profits of the wrongdoers, but also any civil penalties that are levied. In addition, my bill alters the Federal Election Campaign Act to permit elected officials to contribute to this fund from their campaign accounts. In this way, the hundreds of thousands of dollars that were contributed by the officers of Enron can be used to benefit the employees.

My legislation would work within an existing structure to ensure that real relief is granted to these employees who lost both their jobs and their retirement savings while the officers and directors profited. In addition, the staggering sums that were contributed to politicians by the officers and directors of Enron, can be redirected to benefit these employees. I urge all of my colleagues to join me by cosponsoring the Enron Employee Pension Recovery Act.

#### A TRIBUTE TO REVEREND BARBARA CRAFTON

#### HON. JERROLD NADLER

OF NEW YORK

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mr. NADLER. Mr. Speaker, I rise today to honor Rev. Barbara Crafton, Rector of St. Clement’s Episcopal Church in New York City, for her consummate service to the Hell’s Kitchen community. During her 6 years at St. Clement’s, Rev. Crafton has consistently and passionately served this community with grace and compassion. As a member of the Mayor’s Office of Midtown Enforcement and a member of the Board of Directors of Integrity, an organization of gay and lesbian Episcopalians, Mother Crafton is an extremely valued and well-respected community leader.

In response to the tragic events of last year, Rev. Crafton has been an active volunteer at Ground Zero, providing meals and ministering

to the needs of rescue workers. Included among the many programs and events initiated by Rev. Crafton is “A Celebration of Heroism and Strength,” which benefited the families of the heroes of September 11. In addition to providing unwavering support to her community, Mother Crafton is also a nationally acclaimed author, actress and director.

Barbara Crafton is a passionate, empathetic, and caring priest as well as a devoted and loving mother, wife, and grandmother. Her dedication to our community has been felt far from the confines of St. Clement’s. Due to issues of health it is no longer possible for Rev. Crafton to serve as the Rector of St. Clement’s. We know that the recuperation of Mother Crafton is of the utmost importance at present, and we wish her a full recovery and the best of luck in all her future endeavors.

#### AWARDING A CONGRESSIONAL GOLD MEDAL TO SAMMY DAVIS, JR.

#### HON. ALCEE L. HASTINGS

OF FLORIDA

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mr. HASTINGS of Florida. Mr. Speaker, Sammy Davis, Jr., was more than a brilliant entertainer, he was a showbiz iconoclast—a breaker of barriers and a man who proved that talent, sheer talent, is the measure of greatness.

Mr. Speaker, Sammy Davis, Jr., has left behind a rich body of work, such as his legendary “Candy Man”, from his various film credits—including his portrayal of Sportin’ Life in the 1959 film “Porgy and Bess” and his role as a veteran hooper in his last move “Tap” in 1989. Also to his credits can be added some 40 albums and appearances in more than 20 films.

Mr. Speaker, Sammy Davis, Jr., was a versatile and dynamic singer, dancer, and actor who for over 60 years overcame extraordinary obstacles to become a leading American entertainer. He will forever be missed and remembered for years to come.

#### AMERICA’S NEED FOR MISSILE DEFENSE

#### HON. BOB SCHAFER

OF COLORADO

#### IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mr. SCHAFER. Mr. Speaker, though America boasts the world’s most lethal and sophisticated military, the U.S. is unable to defend itself against even one long-range ballistic missile. Should an offensive missile launch be perpetrated against America today, the public could only stand by helplessly as each missile streaks toward its target. In the case of a nuclear attack, the devastation would be unlike anything the world has ever seen.

This reality should be the cause for prudent action, not hysteria. The recent decision by President George W. Bush to withdraw the United States from the 1972 Anti-ballistic Missile (ABM) Treaty was a thoughtful, balanced decision, however overdue. The ABM Treaty was conceived under different international circumstances with a country that no longer exists.

The treaty was ratified with the Soviet Union which posed the singular nuclear threat. Thirty years later, we are more concerned about rapid nuclear proliferation by so-called "rogue" nations like North Korea, Libya, Iran and Iraq that neither abide by norms of diplomacy nor engage tangible commitments toward peace. These unstable countries have exhibited the capacity to attack defenseless American civilians. In addition, Chinese military officials have publicly threatened to use long-range missiles against the United States. One Chinese officer even named Los Angeles as a target.

Americans do not have to accept this vulnerability. The United States Congress has for years expressed its desire to develop and deploy an effective missile defense system—one that provides multiple layers of protection against a potential missile attack from anywhere in the world.

The technology exists, and has been perfected for many years. What has been missing, up until now, are national leaders with the political will to get the job done. Some in Washington, D.C., still believe we can simply talk our enemies out of harming Americans or placate their hostility by giving them cash from the U.S. Treasury.

Building upon President Bush's announcement, twenty-three of my colleagues in the United States Congress cosigned a letter I authored assuring President Bush we are ready to help him make missile defense a key funding priority in the Congress. Incredibly, even though the need for a national missile defense system was proven back in 1981, funding for one has fallen far behind. Where billions of dollars have been urgently needed, the Congress has only been willing to spend token amounts to keep the research on life support.

The first responsibility of the federal government is to provide for the nation's defense. As a father of five, I am not content with America's past decisions to remain vulnerable to tyrant leaders of unstable rogue nations. When I tuck my children into bed at night, I want to know they will wake up safe in a country that values their liberty and is prepared to defend it.

U.S. defense spending is enduring one of its lowest levels since before Pearl Harbor. President Bush is right to make missile defense a priority. Weakness is no longer an option.

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RECOGNITION OF STEVEN GARFINKEL'S 31 YEARS OF SERVICE

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**HON. CONSTANCE A. MORELLA**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mrs. MORELLA. Mr. Speaker, I am pleased to honor one of my constituents, Steven Garfinkel, of Silver Spring, MD. Mr. Garfinkel retired from the Federal Government on January 3, 2002, after 31 years of faithful and dedicated service.

Mr. Garfinkel has been the Director of the Information Security Oversight Office (ISOO) since 1980. He was appointed by President Carter in May 1980 and served under each administration since. During his time in ISOO, he has become a leader on security classification policy. His expertise has allowed him to

create a system that has produced the largest number of declassified pages in the history of the Government's program—more than 800 million. This system will provide researchers and historians with new information that will help write our Nation's history for years to come.

Currently, Mr. Garfinkel is the Chair of the Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group (IWG). During his chairmanship, the IWG has secured the release of more than 400,000 pages from the Office of Strategic Services and of the Strategic Services Unit, forerunners of the Central Intelligence Agency.

In addition to being a member of the District of Columbia Bar, Mr. Garfinkel has served in the Office of General Counsel of the General Services Administration (GSA) for almost 10 years. His positions in that office included Chief Counsel for the National Archives and Records Service, Chief Counsel for Information Privacy, and Chief Counsel for Civil Rights.

Mr. Garfinkel has received numerous honors and awards for his service to the Federal Government, including 18 commendations or citations from President Ford through President Clinton. Congratulations Mr. Garfinkel on a long and distinguished career. I wish you and your family best wishes during your retirement.

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TRIBUTE TO FLORENCE JONES

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**HON. MARION BERRY**

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a great American citizen, and I am proud to recognize Florence Jones in the Congress for her invaluable contributions and services to northeast Arkansas and our nation.

Florence devoted much of her 50-year nursing career to efforts to bring hospice care for the terminally ill as well as home care to northeast Arkansas. She helped to provide healthcare to the indigent and uninsured through a non-profit clinic, and served as a "hospice ambassador," spending time and personal assets to take her work abroad and share her knowledge of these services with other countries.

For all of these remarkable accomplishments, Florence was recognized this month with the Distinguished Service Award from the Arkansas Hospital Association.

A graduate of St. Joseph's Hospital School of Nursing in Chicago, Florence began her nursing career working with the Visiting Nurses Association, the U.S. Navy, and St. Bernard's Medical Center in Jonesboro.

Florence also has been actively involved in philanthropic service through the United Way, Arkansas Hospice Association, St. Bernard's Hospice, American Heart Association, March of Dimes, Arkansas State Nurses Association, and other organizations.

On behalf of the Congress, I extend congratulations and best wishes to this faithful servant, Florence Jones, on her successes and achievements.

A TRIBUTE TO PEGGY KELLY

**HON. ELTON GALLEGLY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mr. GALLEGLY. Mr. Speaker, I rise in tribute to Peggy Kelly, who has been named the Santa Paula, CA, Citizen of the Year for 2001.

It's unusual for a journalist to be named a city's Citizen of the Year, but then Peggy Kelly is an unusual journalist. Peggy believes that when a journalist picks up a notebook she does not simultaneously give up her civic responsibility to actively improve her community. Her rich and thorough reporting on the people and activities in Santa Paula reflect her profound understanding of the community—an understanding she cultivated through passionate and personal interactions with her neighbors throughout the 13 years she has called the city home.

In a sense, I followed Peggy to Santa Paula. When I was first elected to Congress, Peggy lived in Thousand Oaks, which was then in my district. In 1992, I lost the majority of Thousand Oaks and picked up Santa Paula, ensuring that I would once again represent Peggy in the halls of Congress.

And Peggy is the model of why I am proud to represent the people of the 23rd Congressional District of California. She is active in the local Rotary Club and has hosted many fundraising events for local nonprofit organizations, activities she undertakes with an ever-present smile and a sharp wit. When I attend an event in Santa Paula, I know Peggy will be there as well. When she talks to you, you know you have her full attention—a fact that's underlined when she puts it in writing.

As a freelance journalist who works primarily for the Santa Paula Times, Peggy covers every aspect of the city—City Council, Planning Commission, and School Board meetings; Chamber of Commerce events; and virtually every other event where the people of Santa Paula gather. Her reporting has been described as being wrought by "professionalism, balance and heartfelt love and admiration for the people she writes."

Mr. Speaker, Peggy Kelly is a credit to her profession and a godsend to her community. She is very deserving of the honor of being named Santa Paula's 2001 Citizen of the Year. I ask my colleagues to join me in congratulating her for a job well done.

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HONORING THOSE WHO ARE HELPING VICTIMS' FAMILIES

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**HON. JERROLD NADLER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 24, 2002

Mr. NADLER. Mr. Speaker, I rise today to congratulate Trial Lawyers Care on the opening of its headquarters in my district, located at 80 Center Street in New York City. As the city itself works to rebuild, I commend the thousands of volunteer lawyers who are helping victims' families start to put their lives back together in the aftermath of September 11's senseless tragedies.

Experienced trial lawyers from across America are generously providing free legal services to eligible September 11 terrorist attack