grandfather receive his honorary degree. Jean E. and Laura Jones are extremely proud of their grandfather and great uncle and their service to the United States.

Donald Wallice Jones enlisted in the U.S. Navy in January, 1942, at the age of sixteen. His first mission was aboard the USS *Pennsylvania*, which participated in the Coral Sea–Midway Battle. In July, 1943 he was transferred to the newly commissioned Fred C. Davis 136, which eventually received high security radio control jamming equipment that was used during the Invasion of Sicily. Jones later served as gun pointer in Anzio and was responsible for shooting down 13 planes and one mini-submarine. He was next transferred to Guantanamo Bay, Cuba in 1945 and boarded the DE195-Thornhill. The Thornhill traveled through the Panama Canal headed to Pearl Harbor ready to engage again, but before the ship reached its destination, President Truman announced his decision to bomb Japan. When the second bomb was dropped on August 9, 1945, Jones had just reached his 20th birthday. He returned to the United States on a ''victory ship'' and was honorably discharged on October 17, 1945 from the U.S. Navy. Donald W. Jones volunteered almost four years of his life in service to his country.

Jack Jones enlisted in the U.S. Navy in January, 1941, at seventeen years of age. He went to Dearborn, Michigan to the Ford Motor Company to train as a motor machinist. Jack was then transferred to the USS *Tennessee* where he served over 2 years. He survived the December 7, 1941 Japanese invasion of Pearl Harbor, and had the difficult job of burial detail following the attack. He, along with his brother Donald, was in the Coral Sea–Midway Battle. He then continued to serve his country on a Troop Carrier ship during the European Theater in the Mediterranean. He also experienced the Sicily Invasion and Salerno, Italy Invasion. Jack was finally transferred to the *Viviane* in the Atlantic, where he served before he was honorably discharged in Jacksonville, Florida at the end of 1947. He proudly served his country for 7 years.

Mr. Speaker, I want to commend Donald and Jack Jones for their contributions during World War II, and congratulate them as they receive their honorary high school diplomas from Davis High School on June 1, 2002.

HONORING DR. WILLIAM D. LAW, JR.

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 2002

Mr. BRADY of Texas. Mr. Speaker, I am pleased to rise today to honor Dr. William D. Law, Jr., a constituent and more importantly, a good friend. Bill Law has served North Harris Montgomery Community College District and Montgomery College as a president and executive officer with unmatched energy and care since 1992.

Dr. Law created the vision and leadership for the founding and significant growth and success of Montgomery College; oversaw the planning, management and construction of the campus; directed a nationwide recruitment effort for faculty and staff; created the organizational structure and led the development of the college's academic programs.

Dr. Law's commitment to breaking the geographic barriers within Montgomery County to better serve its entire population—uniting the north and south, east and west of the county to create a better climate for economic prosperity for all—will leave a lasting legacy.

Bill Law has provided critical leadership in helping to establish The University Center adjacent to the Montgomery College campus and helping to provide increased access to higher education, including bachelor's and master's degrees.

Bill Law has participated in and provided leadership for many civic, business, political, and community development groups contributing important ideas and energy to all of his affiliations; serving with distinction on the boards of numerous organizations, including Montgomery County Youth Services, the Education for Tomorrow Alliance, The John Cooper School, and the Montgomery County United Way.

Bill Law has made significant efforts to reach the underserved populations in the area, including the growing number of Hispanics in the county, as well as the Tamina community. He created programs and services to better meet the needs of potential first-generation college students.

Dr. Law's success at Montgomery College helped by example to lead to the expansion of the North Harris Montgomery Community College District service area, with the successful elections of Splendora and Willis ISDs in 1996, Klein ISD in 1999, and Magnolia and Cy-Fair ISDs in 2000.

Bill Law has worked tirelessly to establish a much-needed, comprehensive technology training center for all the citizens of Montgomery County; partnering with business, industry and education to create the Center for Business & Technology Training, which will train workers for the kinds of careers on which they can raise a family.

Bill Law has earned numerous recognitions for his service to the community, and was twice selected as Citizen of the Year by the South Montgomery County Woodlands Chamber of Commerce, and Key Person of the Year by the Greater Conroe/Lake Conroe Area Chamber of Commerce.

Dr. Law's vision for Montgomery College has resulted in significant achievements and recognitions for the college, including selection as a ''Showcase College'' by the Consortium for Community College Development, a ''21st Century Learning College Champion'' by the League for Innovation in the Community College, and various other honors.

Mr. Speaker, this statement shall serve as a permanent record in the United States House of Representatives of the esteem and respect accorded to Dr. William D. Law, Jr. by his colleagues, faculty, staff, students, and community. His many contributions to Montgomery College and the North Harris Montgomery Community College District will not be soon forgotten.

Like many others, I consider Bill Law a good and true friend. He is as near to irreplaceable as a leader can be, and I speak for our entire community when I say that he is a well-loved and will be sorely missed. Bill Law enriched our lives by our mere association with this remarkable education leader.

THE SCREENING OF THE TURKISH HOLOCAUST DOCUMENTARY ''DESPERATE HOURS''

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 2002

Mr. LANTOS. Mr. Speaker, I am honored today to mark a special occasion, the screening of the film documentary ''Desperate Hours,'' the story of Turkish assistance to European Jews seeking to flee the Holocaust. Produced and directed by Victoria Barrett, the film will be shown at 7:15 p.m. in room HC–7 in the Capitol. I am proud to be a co-sponsor of this event.

Mr. Speaker, I first visited Turkey as a young man in 1956. My wife Annette and I have returned to enjoy Turkish hospitality many times since. When I first visited Turkey, it was just a few short years after Turkey had made the crucial decision to join NATO, where it has always been a loyal Western ally, first against Soviet tyranny, later against ethnic cleansing in the Balkans, and now against global terrorism.

But what most ennobles Turkey for me is Its role as a savior of so many Jews during the two greatest Jewish tragedies of the past millennium, the Inquisition and the Holocaust. During the Inquisition of the late fifteenth century, the Ottoman Sultan Bayezit invited the fleeing Jews of Spain and Portugal to find comfort in his realm. The 500th anniversary of this episode—both sad and redemptive—was marked by Turkish Jews and non-Jews alike in 1992.

The documentary ''Desperate Hours'' commemorates Turkey's rarely cited role in that other Jewish tragedy—the greatest crime of the bloody twentieth century—the Holocaust. Turkey's efforts were as important and dramatic as they are little known. Turkey offered refuge to hundreds of Germans—non-Jews as well as Jews—during the 1930s. Its diplomats in France, often without waiting for instructions from the capital, conferred Turkish citizenship on thousands of desperate Jews trapped in Nazi-occupied and Vichy France. In some cases Turkish diplomats, at great personal risk, stared down Gestapo officers to protect their new fellowcitizens, as was the case with the saintly Necdet Kent. All this, while Nazi troops stood poised on Turkey's borders.

My wife and I were saved by Raul Wallenberg. I am pleased that the Turkish versions of Wallenberg are at last receiving their due.

The intimate links between Turks and Jews continue, of course, to this day. A community of some 25,000 Jews thrives in contemporary Turkey. Tens of thousands of Turkish Jews living nearby in Israel cherish their links to Turkey. All of this is a testament to the Muslim-Jewish friendship that has been a hallmark of the Turkish historical experience.

In recent times, Turkish-Jewish friendship has been enriched and deepened by the close relations Israel and Turkey have forged in recent years. Journalists have focused on the security relationship—and that indeed is important—but the non-security aspects of this relationship are growing even more rapidly: burgeoning commercial trade now worth over a billion dollars a year, Israeli tourists by the hundreds of thousands flocking annually to

Turkey, and a vibrant intellectual exchange between Turkish and Israeli universities.

No other Muslim society rivals Turkey's record regarding the Jews; in fact, few societies of any type anywhere in the world do. I congratulate my dear friend former Ambassador Baki Ilkin, who so strongly supported this documentary project, and my dear friend the current Turkish ambassador Faruk Logoglu. I strongly commend all those associated with the film ''Desperate Hours'' for helping to elucidate and publicize one of the most important chapters in the long, dramatic, and mutually rewarding history shared by the Jewish and Turkish peoples.

PERSONAL EXPLANATION

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 2002

Mr. MALONEY of Connecticut. Mr. Speaker, on May 16, 2002, 1 was absent for rollcall Vote No. 167. Had I been present, I would have voted ''yea'' on rollcall No. 167.

CONGRESS SHOULD CLOSE THE LOOPHOLE ON CORPORATE TAX DODGING

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 2002

Mr. GEORGE MILLER of California. Mr. Speaker, I believe most taxpayers will share my deep concern at the ongoing practice of American corporations reincorporating offshore to avoid their tax responsibilities to state and federal taxpayers.

Several months ago, the New York Times broke the story that more and more American companies are avoiding U.S. corporate income taxes by reincorporating in tax havens like Bermuda and the Cayman Islands. This means they can keep their headquarters and all of their operations in the United States, continue to benefit from the ''Made in the USA'' label, but also pay a small fee to maintain a mail drop in another country (like Bermuda) and dodge tens of millions of dollars in U.S. taxes.

By dodging their tax responsibilities, these companies claim they are acting in the best interests of their shareholders. But now it turns out that even their investors—like taxpayers—are getting the short end of the stick.

Now the New York Times reports today that ''the government's loss in taxes is the chief executives' gain.'' I am inserting for my colleagues a complete copy of today's article.

Top executives at Connecticut-based Stanley Works, for example, win take home up to fifty-eight cents for every dollar the company avoids in taxes. These executives will reap millions of dollars through huge bonuses and stock option windfalls, leaving workers, shareholders, and the rest of taxpaying America to pay the bill.

Today's article provides further justification for bringing to a vote in the House a bill by my colleagues JIM MALONEY of Connecticut and RICHARD NEAL of Massachusetts—the Corporate Patriot Enforcement Act of 2002. There is no reason for Republican leaders to deny Congress—and the American people—the opportunity to correct this gross injustice.

We don't need a temporary prohibition to this practice, as some are suggesting. We need to end it immediately. If Stanley Works and other companies are indeed proud to be American companies, they should stay American—in both practice and in name and pay their fair share for the benefits of being an American company.

[From the New York Times, May 20, 2002]

OFFICERS MAY GAIN MORE THAN INVESTORS IN MOVE TO BERMUDA

(By David Cay Johnston)

The parade of companies that in recent months have proposed incorporating in Bermuda to reduce their American taxes usually provide the same rationale. They are doing it, they say, to increase their profits and, in turn, to benefit their shareholders.

But left unsaid is another fact: the biggest beneficiaries could actually be the chief executives of these companies. At a minimum, these executives could pocket millions in additional pay. In some cases, they could well take home extra pay equal to half the company's tax savings or more. In effect, the government's loss in taxes is the chief executives' gain, in the form of higher pay, bonuses and profits on the sale of stock options.

While each company's Bermuda strategy differs in details, chief executives always profit because their compensation is based partly on the profitability of the company or its stock price. If taxes fall, both would be expected to rise.

But, in some cases, like that of Stanley Works, other shareholders may not fare nearly so well, because many would owe taxes that the chief executive does not.

Eugene M. Isenberg, of Nabors Industries; John M. Trani, of Stanley Works, H. John Riley Jr., of Cooper Industries; Herbert L. Henkel, of Ingersoll-Rand, and Bernard J. Duroc-Danner of Weatherford International are among the chief executives who stand to benefit.

At Nabors Industries of Houston, the world's largest operator of land-based oil drilling rigs, Mr. Isenberg could see his pay rise by tens of millions of dollars each year if shareholders approve on June 14 his plan to incorporate in Bermuda and establish the company's legal residency in Barbados, said Brian Foley, an executive compensation lawyer who analyzed Mr. Isenberg's employment contract.

Mr. Isenberg is already well paid. Over the past two years, he made more than $126 million, including profits from the sale of stock options, from a company with $2 billion in annual revenues. That is partly because his contract pays him 6 percent of the company's cash flow—a measure of profits before certain charges are subtracted—once cash flow exceeds a certain amount. The company's No. 2 executive gets 2 percent of this cash flow.

The company expects the Bermuda move to increase cash flow significantly. Mr. Foley and five other compensation lawyers said that beginning in the year after the Bermuda move, the related payments to Mr. Isenberg and his deputy also should begin rising.

What is more, Mr. Foley said, details of the Nabors stock option plan indicate that Mr. Isenberg will make an additional $100 million on the exercise of his 10.3 million options of Nabors shares, currently at $42.99, rise by $9.72. The company has said that lower taxes and higher cash flow should increase share prices, but has not said by how much.

Mr. Isenberg owns 1.1 million shares outright, but it is not known how many of these are in retirement and charitable accounts, which would shield his gains from taxes. Mr. Isenberg declined to comment, as did a spokesman for the company.

At Stanley Works, the New Britain, Conn., tool maker, Mr. Trani stands to pocket an amount equal to 58 cents of each dollar the company would save in corporate income taxes in the first year after its proposed move to Bermuda.

Mr. Trani has estimated that, as a result of the tax savings alone, the company's stock should rise 11.5 percent. Corporate income taxes would fall $30 million annually, while the value of his existing options would increase $17.5 million if the stock rises as much as he expects.

In a presentation to Wall Street analysts, Mr. Trani estimated that 60 percent of Stanley shares are held in retirement and charitable accounts where no tax will be due. Investors holding Stanley shares in taxable accounts, however, would suffer losses during that first year. They would have to pay $150 million in capital gains taxes, he estimated, on holdings worth $1.6 billion, so the deal can go through. Even if their shares rise 11.5 percent, they will barely break even after taxes.

At the time of the move, Mr. Trani, however, would owe less than $50,000, less than he earns each week in salary and bonuses, on his 16,688 shares where the gains are taxable. The rest of his holdings are in options and retirement accounts, neither of them taxable in the move. Mr. Trani has campaigned hard for the Bermuda vote, personally calling pension fund trustees and having executives call Stanley employees at home.

Mr. Trani, in an interview, said that, to avoid any taxes, he might give his taxable holdings to charity. He would then be able to reduce his federal income taxes by about $300,000.

Mr. Trani has said that building wealth for all shareholders is his only motive in proposing the move to Bermuda.

The move is more likely to greatly benefit Stanley shareholders over the longer run, which is how Mr. Trani prefers to look at it. If the move to Bermuda doubles the company's stock price in eight years—a prospect that the company has no quarrel with—all shareholders will increase their wealth by about $3.3 billion. The government will lose $240 million of corporate income taxes.

Such an increase would no doubt mean a bigger salary and bonus for Mr. Trani. In addition, if he receives all the additional options he is eligible for under the company's current plan, he could gain at least $385 million from exercising those options, or far more than the taxes the company would save.

On May 9, Stanley shareholders approved the Bermuda move by the slimmest of margins. But after union officials accused the company of rigging the outcome, and the state of Connecticut sued to throw the election out, the company announced a new election to be held later this year. The company denied any wrongdoing.

Spokesmen for Cooper Industries, Ingersoll-Rand and Weatherford International all said that increased pay for executives was the inevitable result of packages that reward executives for lowering costs, including taxes, and increasing share prices. John Breed, the Cooper spokesman, noted that none of the company's executives received bonuses last year.

Simply by changing their corporate addresses to Bermuda, which has no income tax, a growing number of large American businesses are saving tens of millions each in United States taxes on profits made overseas. Also establishing a separate legal residence in another tax haven, like Barbados,