

Yorktown to enable that long, drawn-out conflict to be brought to an end. He later came back to Virginia and traveled throughout my State and other parts of this great Nation and is remembered with great fondness.

In his greatest time of need when the Austrians imprisoned him for his supposed involvement in the fall of the French monarchy, the United States did not acknowledge Lafayette as a U.S. citizen despite his cries for help all across our land.

This young man risked so much to help build the America we know today, and we are now correcting this long-delayed injustice to Lafayette and celebrating him not only as a patriot of freedom and liberty but as a U.S. citizen.

At the young age of 19, Lafayette disobeyed the wishes of King Louis XVI of France, risking his own personal wealth and status to aid in our quest for freedom from Great Britain. He proved his dedication to our liberty when he was wounded in the battle of Brandywine, forever endearing himself to the American soldiers.

Throughout the American Revolution, Lafayette acted as a liaison between France and the American colonies. He urged influential policymakers to have France make the decisive military, naval, and financial commitment to save the American colonists. His tireless efforts, both as a liaison and as a general, aided America in her ultimate victory.

During the war, Lafayette proved himself over and over as a soldier and a good friend to George Washington. George Washington was impressed with Lafayette's military tactics which lured British General Cornwallis and his army to Yorktown, VA. The American Army, led by General Washington, along with French forces led by General Rochambeau, came south and trapped Cornwallis and his troops at Yorktown. As a result, the British were forced to surrender. The famous French fleet appeared on the horizon and they prevented any resupply to the British forces from their ships offshore. It was a decisive part of that battle. Here we are today enjoying freedom 200-plus years later because of Lafayette and the French contribution.

Lafayette's services to America extended beyond the battlefield. He worked diligently as an adviser, helping to win concessions from Britain during the treaty negotiations. At Versailles, when negotiating with the French Government, our representatives, Franklin and Jefferson, found him invaluable. Moreover, his impartial friendship was extended to the first seven U.S. Presidents.

One of Lafayette's major contributions was bridging these cultural gaps between America and France. His early influence on America still holds true today as we try to bridge the cultural gaps to many countries across the globe to help cultivate freedom. With this in mind, now more than ever, it is

important to remember who our friends are in the world as we try to create a coalition against terror.

The Marquis de Lafayette is celebrated by many as a symbol of freedom and liberty. I am happy and honored for the opportunity to offer this resolution for citizenship before the Senate.

Congress has before shown its respect and gratitude for Lafayette when both the Senate and the House of Representatives draped their Chambers in black for his contribution to the independence of this great Nation.

Now, I would like to say to the Marquis de Lafayette as John J. Pershing did in World War I when he stood before the patriot's grave and said: "Lafayette, we are here."

Our Nation has only bestowed this honor on a few persons. I shall place into the RECORD the names of those, such as Winston Churchill and others. So here now, at long last, we honor this great patriot.

First, I thank Senator LEAHY, chairman of the Judiciary Committee. I also thank, from my staff, John Frierson; former staff member, Don Lefevre; and Congressman VIRGIL GOODE from Virginia and his assistant, Rawley Vaughn, for their help. The French Ambassador to the United States has been of great help and encouragement, as has Mr. Jim Johnston of the Virginia Film Foundation, Wyatt Dickerson, and Dr. James Scalon, a history professor at Randolph-Macon University.

It is interesting how many people have joined to make this possible. I now enumerate those who have received honorary citizenship by our Government: British Prime Minister Winston Churchill, on April 9, 1963; Swedish diplomat Raoul Wallenberg, October 5, 1981; William Penn and his wife Hannah, October 4, 1984; Mother Teresa, November 16, 1996.

It is very interesting. I am deeply humbled to have been one of several to make this possible.

Again, I say that the distinguished chairman of the Judiciary Committee, Mr. LEAHY, was of invaluable help to make this legislation possible. I spoke with him earlier today. He helped me facilitate the adoption of this matter this evening.

#### ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 812, there be 1 hour of debate relating to the motion to waive the Budget Act, equally divided between Senators ROCKEFELLER and GRAMM of Texas or their designees prior to the vote on the motion.

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

#### MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning

business, with Senators allowed to speak therein for not to exceed 10 minutes each.

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

#### ISRAEL AND PALESTINE

Mr. WELLSTONE. Mr. President, normally I try not to use written text on the floor of the Senate, but I want to make sure that I say what I say in the Senate in a careful and hopefully the right way.

Tuesday's missile strike against the home of Sheik Salah Shehadeh was an unsettling departure from the more careful methods Israel has typically used against its terrorist enemies. The sheik, who was killed in the operation, was the Gaza terrorism chief of Hamas, a group that has slaughtered hundreds of innocent Israelis and who seeks the destruction of Israel. Unfortunately, the attack killed not only the sheik but also 14 of his family members and neighbors, including nine children—terrible, terrible, toll.

It is true that these deaths were not the purpose of the operation. Unlike suicide bombers, the Israeli military does not target civilians. And perhaps, given the sheik's role in killing civilians, maybe you could argue that more innocent lives were saved than would ultimately have been lost if he had continued to live.

But military planners should have known that this operation, taking place in a densely populated residential complex, might result in the death of many civilians. Surely other military options could have been considered.

The rising toll on innocent civilians in this conflict is heartbreaking. There must be a greater effort by all—the Government of Israel, the Palestinians, the Arab States, and the United States—to break this cycle of revenge and spiraling violence.

Four weeks ago Monday, President Bush outlined his latest ideas for resolving the Israeli-Palestinian conflict. He laid out a vision of the future for the Middle East, declaring that he wanted to see two democratic states living side by side with secure borders, and he believed this goal could be achieved within 3 years. He called for movement on three tracks. First, aggressive action to end terrorist attacks on innocent Israeli citizens; second, reform of Palestinian legal and security structures; and third, substantial assistance to relieve the suffering of ordinary Palestinians who now are on the brink of humanitarian disaster.

The Bush speech, with its important elements, now needs to be recast into a concrete work plan where there is movement on all three tracks. Behind the scenes, Secretary Powell and members of the Quartet have been seeking to flesh out plans for overhauling the Palestinian Authority, yet movement there has been slow. The bottom line is that the political roadmap that was missing from the President's speech

has yet to appear. The United States must lead a diplomatic process to end the endless cycle of violence and get to the end game—an independent Palestinian state and security for Israel. There must be action on all fronts, or what little hope is left will vanish.

I wish I had a clear answer, but thought as a Senator from Minnesota I should at least speak out in the Senate. I am absolutely convinced that there is no hope in the present course, that we have to figure out how to get from where we are back on a political track. As tiring and tiresome as it might sound to some, we have to continue to call for political negotiation. What is the alternative? There is no alternative. There is no alternative.

#### COMMENDING NATIONAL PUBLIC RADIO AND BOISE STATE RADIO

Mr. CRAPO. Mr. President, with great pride, I commend National Public Radio and its Idaho affiliate, Boise State Radio, for their creative application of wind power technology.

With unprecedented innovation, in what is believed to be the first public radio transmitter site to rely on the power of wind, Boise State Radio and National Public Radio have erected three state-of-the-art wind turbines in order to provide broadcast service to previously unreachable areas in southern Idaho and northeastern Nevada.

In an age when just 3 percent of electricity in today's national mix comes from renewable sources, Boise State Radio and National Public Radio have committed to expanding their services while advancing the use of clean, efficient power sources.

The American Wind Energy Association estimates that Idaho has the potential to generate over 8,000 megawatts of wind power, placing our State in a unique position to contribute significantly to domestic energy production.

At the same time, it is clear that the overall economy is changing and that rural America is shouldering a great deal of this weight. The fact is, many of the jobs that have been lost over the last decade might never return. While continuing to support our traditional industries, we must also be creative in capitalizing on new opportunities for rural communities.

By expanding communications and providing a new facet to the rural economic infrastructure, the generation of wind power serves not only to maintain our Nation's available resources, but also to advance economic opportunity in rural America.

Recognizing Idaho's wind power potential and its benefits to our economies, National Public Radio and Boise State Radio are emerging as leaders in the advancement of environmentally efficient energy technology. This further serves as evidence that opportunities exist right at home to increase energy production that would boost our electricity supply and reduce depend-

ence on foreign fuels, such as oil, which we import primarily from the Middle East.

We need to make the best use of our domestic renewable energy resources to ensure a secure, reliable, and clean energy supply while improving the economies of rural Idaho and rural America.

National Public Radio and Boise State Radio: On behalf of Idahoans and millions of Americans, I salute you.

#### STOCK OPTIONS

Mr. WYDEN. Mr. President, I rise to outline briefly an approach with respect to the stock option issue that I am hopeful could bring together Senators of varying philosophies in both political parties.

It seems as if every morning Americans wake up to yet another headline about the collapse of a major U.S. corporation. These failures have devastated the savings of millions of hard-working Americans, savings they were depending on for their retirement or to pay for their kids' college. When the smoke clears and the fallout settles, the issue of stock options invariably comes to the fore.

I serve as chair of the Science and Technology Subcommittee, and I have spent a considerable amount of time analyzing the stock option issue. There is no question in my mind that some companies have abused stock options, using them as a vehicle for funneling large amounts of wealth to top executives. What is more, options have been granted in ways that fail to serve their intended purpose of aligning the interests of management with the long-term interests of the company.

Instead, a number of these massive option grants have created perverse incentives, enabling top executives to get extraordinarily rich by pumping up a company's short-term share price. The tactics they use can jeopardize the company's long-term financial health, but by the time the long-term impact is felt, the executives invariably have cashed out and left the firm. When an executive develops a big personal stake in options, it can lead to a big conflict of interest. Too often the company's long-term interests take a backseat to that executive's desire for personal reasons to boost the short-term share price.

When the betting is between massaging the numbers to "manage" quarterly profit projections and improving the quality of the business through such initiatives as long-term research and development investments, short-term profits and the value of executive stock options can be the odds-on favorite.

The abuse of stock options in the executive suite should not be taken as an indictment of all stock options that are offered.

I remain convinced that stock option plans, as long as they are broad based and have significant shareholder in-

vestment protection, can play a very important role in our economy. They can enable corporations to attract and retain good workers and top talent. They can motivate and increase productivity by giving employees a strong personal interest in the long-term success of the corporation.

The program I would like to outline this afternoon is based on the premise that it is time for the Senate to act to stop abuses at the top, while not gutting options that are so vital to rank and file workers. This can best be done by restoring the link between the long-term interests of the company and those of senior management and giving shareholders knowledge about control over the stock options of corporate leaders.

So I hope we will be looking to discuss with Senators of both parties the differing philosophies on the stock option issue, and that we can come together as a Senate around reform based on three issues.

First, the rule should increase shareholder influence and oversight with respect to grants of stock options to corporate officers and directors by requiring shareholder approval. This would help prevent the all-too-common "I'll scratch your back if you scratch mine" culture of clubby directors and top executives voting each other huge option packages with little or no shareholder input.

Second, new rules should seek to ensure that stock options provide incentives for corporate officers and directors who act in the best long-term interests of their corporation, not incentives to stimulate short-term runups in stock prices. I believe the way to do this is to establish substantial vesting periods for options and holding periods for stock shares so that top executives do not have the ability to quickly cash out and jump ship.

Specifically, I believe there needs to be a multitiered holding period. Directors and officers should be allowed to sell a modest proportion of shares, for example, to permit a degree of diversification; but for the large majority, they should have to wait a substantial period of time and they should be required to hold on to a portion of their stock until at least 6 months after leaving the company.

Finally, a third requirement in the proposal I outline today would be new rules improving the transparency of stock option grants to directors and officers. It is critical that better and more frequent information be provided to shareholders and investors. They deserve more information than what is buried in the typical footnote. Stock option information ought to be reported quarterly, not just annually, and broken out into an easy-to-find section in each company's public SEC filings.

In concluding, there have been two paths presented in the Senate in recent months with respect to the issue of stock options. Some now think the