

“near-poor” children. Almost half of all low-income immigrant children are uninsured—and they are more than twice as likely to be uninsured as low-income citizen children with native-born parents.

Most of these children will eventually become American citizens. By denying all but emergency health care, and especially by denying preventive care, we increase the risk that these children will suffer long-term health consequences—consequences that could reduce their ability to learn and develop and become productive, contributing citizens; consequences that increase the possibility these children will need more expensive health care later on.

The administration claims credit for providing coverage for fetuses, presumably because when these children are born they will be citizens. But it is worth noting that the Medicaid/SCHIP ban is having an impact on citizen children living in immigrant families. As many as 85 percent of immigrant families have at least one child who is a citizen. Although many of these children are eligible for Medicaid and SCHIP, receipt among eligible citizen children of non-citizen parents is significantly below that for other poor children. Parents may be confused about their children's eligibility, or concerned that somehow claiming these benefits will affect the status of other family members.

Finally, the letter suggests that, at a cost of \$2.24 billion over 10 years, providing this coverage is too expensive. It also reminds us that this issue must be considered in the context of competing priorities. That is precisely my point. Making sure that pregnant immigrant women, and their children, have access to health care, including preventive care, is an investment in the future workforce of this Nation. Denying them the care they need on an appropriate and timely basis could have dire consequences not only for these individuals, but for our businesses that will depend on a healthy population for their future workers.

I believe providing health care for all of our citizens, including pregnant women and children who are immigrants, is vital for our future economic strength. It should be a much higher priority than providing a \$1.2 trillion tax cut for the richest people in the country. It is the right thing to do.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. In the last Congress Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred October 21, 2001, in

Anaheim, CA. A 27 year-old Indian physical therapist was mistaken for a Middle Easterner and assaulted while celebrating his birthday at a karaoke bar. The victim was leaving the bar at about 1 a.m. with a group of his friends and family when several men picked a fight with him. Witnesses heard at least two people yell racial slurs about “Middle Easterners.” The man suffered a shattered jaw and was released from the hospital 2 days later after undergoing surgery to have his mouth wired shut.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

#### A RECKLESS GUN INDUSTRY

Mr. LEVIN. Mr. President, a recent report published by the Brady Campaign to Prevent Gun Violence cites numerous examples of reckless sales and distribution practices by gun manufacturers, distributors and dealers. The report, entitled “Smoking Guns: Exposing the Gun Industry's Complicity in the Illegal Gun Market,” reveals a disturbing pattern of negligence by some in the gun industry.

In one example, in 1996, according to the report, the owner and six employees of a California gun store were arrested for numerous Federal firearms offenses. The violations included selling illegally converted, fully automatic AK-47 assault rifles and having employees encourage customers to obtain false identification in order to skirt legal requirements for gun ownership. Even after the owner of the store was sent to prison, Heckler & Koch and other gun manufacturers, according to the report, continued to supply the store. In a letter explaining their ongoing business with the gun store, Heckler & Koch wrote that it “is not our intention to turn away business.”

More recently, the sniper shootings that paralyzed the Washington, DC, area last year were committed with a rifle traced to a gun store in Tacoma, WA. According to the report, the Bushmaster semi-automatic assault rifle possessed by the sniper suspects was only one of 238 guns missing from the store's inventory. Despite previous ATF audits which revealed dozens of missing weapons and evidence linking a Bushmaster rifle from the store to the sniper killings, according to the report, a Bushmaster executive announced that his company still considered the same store a “good customer” and would continue to sell to it.

These examples of gun industry negligence are by no means isolated. The Brady Campaign report contains numerous other examples of careless behavior on the part of gun manufacturers and dealers, many of which sur-

facted only after civil liability suits were filed. The Brady report reveals the disregard of some in the gun industry for even basic self-regulation. The Lawful Commerce in Arms Act that recently passed the House and that has been referred to the Senate Judiciary Committee would shield the gun industry from many legitimate civil lawsuits. Certainly, those in the industry who conduct their business negligently or recklessly should not be shielded from the civil consequences of their actions.

#### THE BROAD-BASED STOCK OPTION PLAN TRANSPARENCY ACT OF 2003

Mrs. BOXER. Mr. President, the Financial Accounting Standards Board, FASB, issued a tentative decision last week to mandate the expensing of stock options. As a result of this decision, the FASB will develop a mechanism for determining the cost of the options granted to employees and then force firms to deduct that cost from earnings in their financial statements.

If finalized and enforced, expensing rules would kill broad-based options programs available to rank-and-file workers and punish companies that treat employees as partners in innovation rather than just as simple factors of production. But worst of all, it would misrepresent a firm's earnings because experts have said again and again that stock options cannot be priced accurately in the short term.

The FASB received more than 250 comment letters during the period leading up to its current project on expensing stock options. Those letters presented a range of views on whether stock options constitute a cost that should be deducted from earnings. Many respected economists and accountants stated clearly that options should not be expensed. But expensing seems to be the only mechanism that the FASB is willing to consider for improving investor understanding of a firm's financial condition.

The experts I have worked with believe that better, more detailed disclosure of stock option programs is the best mechanism for informing investors on those programs. And I do not believe that the FASB has adequately considered greater disclosure as an alternative to expensing. Greater disclosure would provide investors with the information they need without discouraging the use of stock option programs at innovative firms. At the very least, greater disclosure should be tried and evaluated prior to imposing a new, disruptive expensing regime.

Stock option programs mean opportunity for workers across gender lines and wage scales in my state. In Silicon Valley, the median home price is \$530,000. I know of single women working in Silicon Valley who have only been able to own a home because of the stock options their companies offer them. For small businesses in my state, stock options permit cash-

strapped businesses to attract and retain employees who want to share in the fruits of a growing company. The Woman's High Tech Coalition wrote to me last year:

The education process on stock options needs to be complete in its understanding of what this opportunity has meant to so many women, in particular, in terms of their ability to lift themselves and their children out of a cycle that can affect several generations.

Unfortunately, the process at the FASB is not designed to consider the broader economic benefits of stock-option programs in its rule-making process. In failing to consider these benefits, the FASB's actions may end up doing more harm than good. And before we allow unaccountable officials to create new rules that effectively eliminate stock option programs, I strongly believe that we should be fully informed about the broader impact on workers and productivity. A recently published book, "In the Company of Owners: The Truth About Stock Options (And Why Every Employee Should Have Them)" includes extensive research showing that broad-based stock option plans, over the past 20 years, enhanced productivity, spurred capital formation, and enhanced shareholder value. We should carefully review the implications of any new policy on stock options programs before implementing them and hoping for positive results.

As a result of FASB's decision and the refusal to consider alternatives to expensing, I am joining Senator ENSIGN in introducing legislation that calls for the Securities and Exchange Commission to undertake a thorough review of stock option programs and an assessment of the value of greater disclosure as an alternative to expensing. The bill sets a 3-year framework for evaluating this alternative to expensing during which the SEC could not enforce any new accounting standard on options that the FASB establishes.

If the SEC's studies indicate that greater disclosure is not getting enough information to investors, then we can revisit the issue. But we should not let unelected, unaccountable FASB officials dictate policy through a rushed accounting standard. We must exercise our oversight function and carefully weigh alternatives that would be better for workers, investors, and the economy as a whole.

#### TAIWAN SUPPORT

Mr. CRAPO. Mr. President, I rise today to bring to the attention of my colleagues the importance of U.S. relations with Taiwan.

Most Americans have been focused on the two media showpiece events in recent weeks—the conflict in Iraq and the SARS pandemic. I would note to the Senate that our relations with Taiwan—a key strategic ally for the United States and a critical regional trading partner—should not be overlooked.

In addition to its strategic role with the U.S., Taiwan has a strong market-based economy and burgeoning multiparty democratic system. It has helped lead the modernization of Southeast Asia by demonstrating the importance of respecting civil liberties and the rule of law.

A component of U.S. efforts to ensure regional stability is to maintain strong relations with Taiwan, including assurances to protect the island against military attacks. To support this effort, the U.S. has a tradition of providing military assistance to Taiwan for the purpose of its self-defense. In recent years, this assistance has primarily been in the form of sales of aircraft and advanced warning radars to the Taiwanese government. Most recently, the Bush administration announced it would sell Taiwan a new assortment of defense articles, including diesel submarines, P-3C anti-submarine aircraft, and *Kidd*-class destroyers. I support this decision because it recognizes the legitimate self-defense requirements of Taiwan, but does not destabilize the sensitive relations between Taipei and Beijing.

The Key to ensuring peace and stability in the region is to promote healthy U.S. relations with Taiwan and support efforts to encourage the People's Republic of China and Taiwan to resolve their differences peacefully. We should continue to pursue a means of supporting Taiwan without harming U.S. interests in China.

#### IN MEMORY OF HENRY BERMAN

Mrs. FEINSTEIN. Mr. President, I rise today to pay tribute to a very dear friend and colleague of mine, Henry Berman, who died on Tuesday, April 27. He was just 92 years old.

He was a true Renaissance man—a man who loved life and loved people. Indeed, there was not a sweeter, gentler, or more generous person on earth than Henry Berman.

Born in 1910, in New Haven, CT, Henry made his way to San Francisco in the early 1930s. During the Great Depression he worked as laborer, then sold butter and eggs, until he settled down as a consultant for Joseph Seagrams & Sons, where he worked for 56 years.

Long active in San Francisco politics and a dedicated philanthropist, I was lucky enough to have Henry serve as the Chairman of the Fire Commission during my tenure as mayor.

I was also fortunate enough to have him serve as my campaign treasurer, in 1992, when I first ran for the United States Senate. I never had a more loyal supporter.

He served the city of San Francisco up until the very end of his life, when he was the president of the airport commission. According to his son Ron, Henry was on the phone with airport leaders even during the last days of his illness.

That's classic Henry for you: if he could walk, sure enough he would be there. He was truly one of a kind.

He was also involved in a wide range of civic and charitable work, including the Anti-Defamation League of B'Nai B'rith, the American Jewish Committee, Meals on Wheels and "Mo's Kitchen," which provides daily meals at Glide Memorial Methodist Church in San Francisco.

Henry was also an overseer of UC-San Francisco, a trustee of the McLaren School of Business at the University of San Francisco, and a board member of USF's Fromm Institute of Lifelong Learning.

When someone lives as long as Henry did—92 long, prosperous, and productive years you can't conceive of the world without them.

My heartfelt condolences go out to his wonderful wife Sally, to his sons Ron and Bob, and to his grandchildren and great-grandchildren.

I will miss him greatly, but consider myself so very privileged to have known Henry Berman to be able to call him my loyal colleague and my dear, dear friend.

#### ADDITIONAL STATEMENTS

##### RALPH KRISKA PERDUE

• Ms. MURKOWSKI. Mr. President, today I honor a pillar of the Fairbanks business community and a respected Athabaskan Elder, Ralph Kriska Perdue, who passed on early Tuesday morning at the age of 73. I doubt that most folks in Interior Alaska knew his real age. You see, for years Ralph's wife, Dorothy, conducted a 39th birthday sale, every Christmas, at the family store, Perdue's Jewelers.

Ralph was born on December 16, 1929 in the village of Koyukuk on the Yukon River. He became interested in making jewelry around 1946 and in 1961 opened a jewelry store in downtown Fairbanks. Ralph was a determined individual. He once told a reporter for the Fairbanks Daily News-Miner, "To me, there is satisfaction that something is done the way it should be done, whether it's a piece of jewelry or anything that confronts me." The Fairbanks economy has experienced booms and busts, but Perdue's Jewelers has grown and prospered.

Ralph will be remembered in Interior Alaska for many things. A bridge between the Native community and the broader community, he served for 6 years as president of the Tanana Chiefs Conference and as a member of the Fairbanks North Star Borough Assembly and the Fairbanks North Star Borough School Board.

He will be dearly remembered as the father of the Fairbanks Native Association, which he helped found in 1963. Today, the Fairbanks Native Association has an annual operating budget of about \$13 million and a workforce of