''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 surfaced 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-