

when House Republicans are proposing that more than 50 percent of tax relief should benefit the wealthiest 2 percent of Americans, they have targeted graduate students for tax increases. This is absolutely outrageous, and it simply must be remedied.

The House Republican tax bill eliminates section 117(d) of the Tax Code, a provision that excludes tuition from taxable income. What this means is simple: Graduate students who work as teaching assistants or research assistants to help pay their tuition currently get a tax break on that income. With the loss of this tuition tax break, many graduate students may actually see their taxes rise by thousands of dollars per year. The National Association of Graduate-Professional Students has indicated that many graduate students will see their take-home pay cut by 50 percent or more, and Federal and State income taxes increased by as much as 350 percent.

Tuition waivers greatly benefit students struggling to finance postgraduate work. The vast majority of these students are studying to earn Ph.D.'s and masters degrees in academic disciplines. Many will go on to modestly paid, but important university positions, or will pursue careers in science and technology research.

While in school, they work hard as teachers and researchers, and their pay is very meager. But because of their hard work and dedication, many of these students can take academic courses for free. Under the House Republican tax bill, the value of this education package would be considered taxable income.

Many of these graduate students will be unable to continue their studies with the loss of the tuition tax waiver, endangering the educational future of America in the process.

In June, the 500 graduate students at the Massachusetts Institute of Technology wrote me expressing their deep concern about this provision in the House-approved tax bill. They stated, and I quote:

The tuition waiver granted by MIT for graduate teaching and research assistants makes graduate school a financially viable opportunity for us. If tuition is now redefined as taxable income, many of us will no doubt be driven out of graduate school and away from careers in research and teaching.

Mr. Speaker, at a time when Congress should be increasing the affordability of higher education for all Americans, the Republican House tax bill will shut out some of the best and brightest of our students from receiving advanced higher education. If America is to remain competitive in the 21st century, we need more students to become active in scientific research and development, not less. The House Republican tax bill seriously threatens national research efforts in medicine, national defense, product development, and technology.

Graduate students are valuable assets of the academic and research com-

munities. They should not be penalized for their hard work and sacrifice, and they certainly do not deserve to be taxed for their service to our Nation.

But this is not the only attack on graduate students in the House Republican tax bill. Graduate students are also hurt by changes made to section 127 of the Tax Code. This provision allows workers to exclude from their income the first \$5,250 of educational benefits paid by their employers. This tax exemption should be permanent for both graduate and undergraduate students. But the House Republican tax bill says no.

More than 800,000 graduate and undergraduate students benefited from this provision in 1994, and those numbers have increased significantly over the past 3 years.

Section 127 has been hailed by both the business and higher education communities as a low-cost measure that makes it possible for hundreds of thousands of workers to return to school while continuing to work full-time jobs. Companies use it to retrain workers who need improved skills, and employees use it to keep abreast of new information and technologies that would help make advances in their field.

At a time when Congress has recognized that lifelong learning will keep the American work force competitive, the House Republican tax bill penalizes workers and businesses who are attempting to achieve this goal.

Mr. Speaker, this is bad public policy; it is bad tax policy, and it is simply unfair. Republicans that give tax breaks to those who fly on corporate jets, but only by raising taxes on our hard-working graduate students. Republicans can cut taxes for those with large investment portfolios, but only by raising taxes on graduate students. Well, Mr. Speaker, I would rather invest in America's future by investing in our graduate students rather than raising taxes on their tuition.

The House Republican tax bill also denies students from deducting the interest on their student loans, and it eliminates tuition waivers for the children of modestly paid academic faculty and staff. These provisions are antieducation, they are antifamily and undermine America's economic and competitive future. I urge my colleagues to lobby the budget conferees to reinstate section 117(d) and permanently extend section 127 to graduate as well as undergraduate students.

Mr. Speaker, I submit for the RECORD a letter from 500 MIT graduate students on these issues.

MASSACHUSETTS INSTITUTE
OF TECHNOLOGY,
Cambridge, MA, June 27, 1997.

DEAR CONGRESSMAN: We, 500 MIT graduate students, write to express our great shock and disappointment regarding the proposed elimination of Subsection 117(d) of the Internal revenue code which excludes tuition from taxable income.

A graduate teaching or research assistant who receives a stipend of \$1300/month and

tuition waiver of \$22,000/year (excluding summer tuition) will expect to pay \$650/month in State and Federal taxes under the proposed new legislation. For many students this is a 3.5 times increase in tax!

The tuition waiver granted by MIT for graduate teaching and research assistants makes graduate school a financially viable opportunity for us. If tuition is now redefined as taxable income, many of us will no doubt be driven out of graduate school and away from careers in research and teaching.

The proposed changes in tax code will force universities to dramatically increase teaching and research assistant salaries to maintain a reasonable standard of living for graduate students. In turn, this could increase tuition for undergraduates and dramatically increase pressures on already burdened federal research programs. The proposed elimination of Subsection 117(d) is a dramatic step in the wrong direction.

The new provisions will make graduate school unaffordable to millions of Americans throughout the next decade. We urge you to represent our views in the Congress by working against the new legislation which eliminates Subsection 117(d) of the IRS code. We respectfully ask you to oppose this provision in the House bill and to support provisions which are more encouraging of graduate education. The future of our nation requires it.

We thank you for your cooperation.

Sincerely,
GRADUATE STUDENTS AT THE
MASSACHUSETTS INSTITUTE OF TECHNOLOGY.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 11 o'clock and 11 minutes a.m.), the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

For gifts and grace, for hope and help, for all the marvelous promises that surround us day by day, we offer these words, O God, of thanksgiving and gratitude. We know that we are not worthy of Your blessings, O God, and we too often fail and miss the mark. Yet, in Your mercy the spirit of reconciliation and peace never leaves us, but continues to encourage us and points us in the way of truth. For this blessing and all Your guidance in our daily lives, we offer this prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BALLENGER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BALLENGER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 5, rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Virginia [Mr. BOUCHER] come forward and lead the House in the Pledge of Allegiance.

Mr. BOUCHER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

JOHN WESLEY DAVIS

The Clerk called the bill (H.R. 584) for the relief of John Wesley Davis.

There being no objection, the Clerk read the bill as follows:

H.R. 584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WAIVER OF TIME LIMITATIONS.

The time limitations set forth in section 3702(b) of title 31, United States Code, shall not apply with respect to a claim by John Wesley Davis, of Forestville, Maryland, for the amounts due to him by the—

(1) Department of the Navy in the amount of \$42,123.84; and

(2) Department of the Treasury in the amount of \$12,508.20.

The amounts due are represented by checks that were received but not negotiated by John Wesley Davis.

SEC. 2. DEADLINE.

Section 1 shall apply only if John Wesley Davis or his authorized representative submits a claim pursuant to such subsection before the expiration of the 6-month period beginning on the date of the enactment of this Act.

With the following committee amendment in the nature of a substitute: Strike out all after the enactment clause and insert:

SECTION 1. WAIVER OF TIME LIMITATIONS.

The time limitations set forth in section 3702(c) and 3328(a)(1) of title 31, United States Code, shall not apply with respect to a claim by John Wesley Davis, of Forestville, Maryland, for the amounts due to him by the—

(1) Department of the Navy in the amount of \$42,123.84; and

(2) Department of the Treasury in the amount of \$12,508.20.

The amounts due are represented by checks that were received but not negotiated by John Wesley Davis.

SEC. 2. DEADLINE.

Section 1 shall apply only if John Wesley Davis or his authorized representative submits a claim pursuant to such subsection before the expiration of the 6-month period beginning on the date of the enactment of this Act.

Mr. SENSENBRENNER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERACLIO TOLLEY

The Clerk called the bill (H.R. 378) for the relief of Heraclio Tolley.

There being no objection, the Clerk read the bill as follows:

H.R. 378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IMMEDIATE RELATIVE STATUS FOR HERACLIO TOLLEY.

(a) IN GENERAL.—Heraclio Tolley shall be classified as a child under section 101(b)(1)(E) of the Immigration and Nationality Act for purposes of approval of a relative visa petition filed under section 204 of such Act by his adoptive parent and the filing of an application for an immigrant visa or adjustment of status.

(b) ADJUSTMENT OF STATUS.—If Heraclio Tolley enters the United States before the filing deadline specified in subsection (c), he shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the petition and the application for issuance of an immigrant visa or the application for adjustment of status are filed with appropriate fees within 2 years after the date of the enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBER.—Upon the granting of an immigrant visa or permanent residence to Heraclio Tolley, the Secretary of State shall instruct the proper officer to reduce by 1, for the current or next following fiscal year, the worldwide level of family-sponsored immigrants under section 201(c)(1)(A) of the Immigration and Nationality Act.

(e) DENIAL OF PREFERENTIAL IMMIGRATION TREATMENT FOR CERTAIN RELATIVES.—The natural parents, brothers, and sisters of Heraclio Tolley shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the

third time, and passed, and a motion to reconsider was laid on the table.

MICHEL CHRISTOPHER MEILI,
GIUSEPPINA MEILI, MIRJAM
NAOMI MEILI, AND DAVIDE
MEILI

The Clerk called the Senate bill (S. 768) for the relief of Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili.

There being no objection, the Clerk read the Senate bill as follows:

S. 768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) The actions of Swiss banks and their relations with Nazi Germany before and during World War II and the banks' actions after the war concerning former Nazi loot and heirless assets placed in the banks before the war have been the subject of an extensive and ongoing inquiry by the Committee on Banking, Housing, and Urban Affairs of the Senate and a study by a United States inter-agency group.

(2) On January 8, 1997, Michael Christopher Meili, while performing his duties as a security guard at the Union Bank of Switzerland in Zurich, Switzerland, discovered that bank employees were shredding important Holocaust-era documents.

(3) Mr. Meili was able to save some of the documents from destruction and then turned them over to the Jewish community in Zurich and to the Swiss police.

(4) Following Mr. Meili's disclosure of the destruction of the Holocaust-era documents, Mr. Meili was suspended and then terminated from his job. He was also interrogated by the local Swiss authorities who tried to intimidate him by threatening prosecution for his heroic actions.

(5) Since this disclosure, Mr. Meili and his family have been threatened and harassed, and have received many death threats. Mr. Meili also received a hand-delivered note threatening the kidnapping of his children in return for the "Jewish money" he would receive for his actions, and urging him to emigrate to the United States or be killed.

(6) Because of his courageous actions, Mr. Meili and his family have suffered economic hardship, mental anguish, and have been forced to live in fear of their lives.

SEC. 2. PERMANENT RESIDENCE.

Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees.

SEC. 3. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by the appropriate number during the current fiscal year the total number of immigrant visas available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).

The Senate bill was ordered to be read a third time, was read the third