

These students are rightly outraged that Republicans are planning to reward their hard work as research assistants and teaching assistants by raising their taxes on the grants and the tuition waivers that they receive. These young people, if you heard them speak today, are committed to education, they are committed to working in their community, they are committed to a teaching profession. Under the present tax program a student receiving a \$10,000 cash stipend for being a teaching assistant and a \$20,000 tuition waiver would only be taxed on a stipend. If the student pays 15 percent of his or her stipend in taxes, \$8,500 remains for living expenses. Under the Republican plan, the stipend and tuition waiver will be taxed; that has not happened in the past, leaving the student with only \$5500 to live on. This is a \$3,000 or a 35 percent cut in the student's net income.

Mr. Speaker, these are youngsters from working middle class families trying to make their way and to be able to get a higher education. Calling waivers and grants financial incentives, which is what the Republicans are calling these waivers, this equates these young people with what they are getting in terms of a higher education tax relief with company cars and other perks given to the top corporate executives in this country. In reality, taxing grants and tuition waivers will penalize America's future educators and public servants.

I will tell you that these young people and their families are being squeezed in order that my Republican colleagues can provide a tax break to the richest corporations in this country, the Exxons, the Boeings. They would repeal the alternative minimum tax. That is the rate at which the richest corporations pay taxes in this country. They will repeal their tax obligation or scale it back, therefore providing up to \$22 billion in a tax break, and they would, in fact, raise the taxes on graduate students in this country.

Mr. Speaker, it is unfair, and it is wrong, and it should be defeated.

Mr. Speaker, I include for the RECORD the Post editorial.

TAX TRASH

The Republicans have written a tax bill tilted heavily toward the better-off. The Democrats, led by the president, have rightly called them on it. No matter that in agreeing to the budget deal earlier this year, they were paving the way for what they now deplore; they have the Republicans on the defensive.

The Republicans in turn have adopted a new technique. Rather than argue as they might have done in the past about the virtues of the bill, they engage in distortion. It used to be otherwise on taxes. The question of who would benefit from a bill—who would be the first-order beneficiaries—would be left to the professionals. They would put together so-called distribution tables according to fairly well-accepted principles. Then the politicians would argue about the fairness of the bill, or lack of it, from an established base. Defenders of a bill such as this might say it was necessary to encourage sav-

ings and investment and thereby stimulate economic growth, or that it would have the useful effect of limiting governmental growth in that if the government had fewer revenues it would be less disposed to spend. Or they might make the political argument, faint echoes of which are still heard, that those who were charging unfairness were indulging in the somehow seamy politics of envy and class warfare.

All fair enough, but now the argument is in a different place. The people who wrote this bill aren't defending its distributional consequences; they're denying them. The plain facts are that the bill over time would not just mainly benefit the better-off but would cost the government revenues it can't afford; the bill is carefully written in such a way as to make the revenue loss look small at first. Then it soars. It's not just the Treasury (and thereby the administration) that says so, using accepted methods and conventions of analysis. The Congressional Research Service and the vast majority of other analysts do so as well. Congress's Joint Committee on Taxation says otherwise. The JCT was once the great redoubt of integrity in such matters. It has been converted into a political parrot.

Everyone understands that this is a backloaded bill. Its short-term effects are not reflective of its likely long-term consequences. It will take 10 years or more for its main provisions to begin to have their full effect. The JCT staff nonetheless persists, at the behest of its masters, in putting out five-year estimates whose principal function is to distort that effect. It violates its own proud tradition in doing so. It uses illusory accounting to make the capital gains and other tax cuts in the bill appear for a time to be tax increases.

There is always some gamesmanship surrounding tax bills. Inflated claims are made. One side will tell you that the entire economic future depends on passing a certain provision, and the other will tell you that the same future depends on defeating it. But there used to be a basis of trust underlying the debate as well. You could be confident that at a certain level you were being told the truth about the consequences of a bill. In their trashing of the estimating process in order to justify a tax policy that doesn't deserve to survive, the Republicans have destroyed that trust. That may be the worst consequence of this legislation, which already was awful enough.

EUROPE SHOULD NOT MEDDLE IN THE INTERNAL AFFAIRS OF U.S. BUSINESSES

THE SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, the objection of the European Union to the merger of the McDonnell Douglas and the Boeing Co. is unreasonable and will not be tolerated. These two wholly owned American companies intend to merge early next month. The review reputedly conducted by the European Commission was, in fact, controlled by Airbus Industries and its member nations. The decision by the EC is threatening the U.S.-European relationship. If it continues, it will have damaging effects now and into the future.

The stand of the European Union is unacceptable for several reasons. First, the parties involved are both wholly

owned United States companies with a global customer base. Second, the objections raised by the European Union regarding the abandonment of exclusive contracts awarded to Boeing is inappropriate. Airbus Industries was an eligible competitor for each of the three contracts and was not awarded them based on the decisions by the specific companies. Airbus never objected to carrier requests to make contracts exclusive in return for reduced prices until they lost out in the contract. In fact, even the European Commission objected only after the agreements were concluded.

It is inappropriate to risk United States jobs because the free market worked its will. In fact, the initial long-term contract from U.S. Airways was awarded to Airbus; that is, the initial long term contract was awarded to Airbus prior to these agreements. That is right, Airbus created the very ideas of exclusive contracts.

The proposal by the European Union to require Boeing to divest of their interest in McDonnell Douglas commercial aircraft is unacceptable as well. The United States Federal Trade Commission conducted a thorough review of the proposed merger and concluded that McDonnell Douglas is no longer able to sell enough commercial aircraft to raise significant concerns about the loss of its competition. Last year McDonnell Douglas was responsible for only 4 percent of the global commercial airplane business.

The divestiture by Boeing of the McDonnell Douglas commercial aircraft business would have severe ramifications worldwide. First it threatens Americans' jobs that are tied into the continued support of McDonnell Douglas aircraft by the Boeing Co. Further, McDonnell Douglas' commercial aviation division cannot maintain itself as an independent company, and previous efforts to sell the commercial aviation division have been unsuccessful. Therefore, any divestiture would threaten the safety of McDonnell Douglas commercial aircraft already in service if the commercial division was to close.

The last thing this Congress should support is the divestiture of McDonnell Douglas' commercial aircraft because it would result in the loss of over 15,000 American jobs, that is 15,000 American jobs.

Mr. Speaker, it is vital to the health of the United States to downsize through mergers the military industrial base as we celebrate the end of the cold war period and adjust military budgets accordingly. Because of the large defense business that will be conducted by the Boeing Co., any action by the European Community is an infringement on the sovereign rights of the United States to provide for U.S. national security.

Mr. Speaker, over 80 percent of Americans agree with me that Europe should have no say in the internal dealings of two American companies. I urge every Member to contact my office and

sign on to a letter to the European Union clearly stating Congress' belief that Europe should not meddle in the internal affairs of U.S. businesses. Europe should have no say in American markets' decisions that ultimately cost American jobs and American sovereignty.

□ 2130

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentlewoman from California [Ms. MILLENDER-MCDONALD] is recognized for 5 minutes.

[Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

[Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

BOTH DEMOCRATS AND REPUBLICANS WANT TO HELP PEOPLE, AND VOTING FOR LESS GOVERNMENT IS FREQUENTLY THE BEST WAY TO ACHIEVE THAT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, it is totally false to say that one party cares more about the environment or children or senior citizens than the other party. I do not understand why we have to constantly attack each other or question each other's motives to express our views.

Neither party has a monopoly on virtue. Neither party has cornered the market on compassion. I know I am going to state some things that should be obvious but that are often questioned around here.

Republicans love children just as much as Democrats do. Republicans want a clean environment just as much as Democrats do. Republicans have just as much compassion and sympathy for the disabled and senior citizens as Democrats do. Republicans support education just as strongly as Democrats do, and vice versa. I repeat, no one has cornered the market on compassion. No one has a monopoly on virtue.

We do have differences of opinion. We have different philosophies and beliefs

about the best ways to help people. But all of us, both Democrat and Republican, want to help people. We all want to make this Nation a better place in which to live.

Republicans believe that big government hurts children by taking so much money away from parents and spending it instead on bureaucrats, fat cat government contractors, and administrative costs. Republicans have looked all over the world and have seen that big government benefits the few, the elite, those who work for or have connections with the government. Republicans believe government means a minute, elite class and a huge underclass, and that conversely, a small government means a huge middle class.

Look at the former Soviet Union, where the leaders of the Communist Party had their limousines and dachas by the sea and special stores in which to shop, while almost everybody else led a starvation existence. Look at the United States in 1950 where the average person paid 2 to 4 percent in taxes to the Federal Government and another 2 to 4 percent to State and local governments. We had a huge middle class and a much smaller difference between the rich and the poor. Now almost 50 years later, Government has exploded and the average person pays almost half of his or her income in taxes when we count taxes of all types, Federal, State, and local.

What has happened? Many middle-income people are finding it harder and harder to keep ahead. Personal bankruptcies hit an alltime record of 1.1 million last year. The gap between the rich and the poor is growing wider and wider.

Also, where many mothers formerly had their choice of staying home with their children if they wished, today, with half of the average family's income going in various forms of taxes, one spouse has to work to support the Government while the other spouse works to support the family.

My point, Mr. Speaker, is simply this: Sometimes the best way to help children and families is not through another Government program which has a good apple-pie-and-motherhood title but which really helps only a few bureaucrats and Government contractors.

The Job Corps is a prime example. Today we spend \$25,000 per Job Corps student. This would shock most of these students, because almost all of this money is going to bureaucrats and contractors. We could take each Job Corps student and give them a \$1,300 allowance and send them even to an expensive private school and still save money. This is how ridiculously expensive this and many other Federal programs have become.

My time is limited, Mr. Speaker, but let me mention the environment. The worst pollution in the world has occurred in the Socialist and Communist countries. Big government is bad for

the environment. Only in a free market system can we generate the funds necessary to do the good things for the environment that all of us, both Democrat and Republican, want done. Also, people take better care of their own property than they do someone else's. Private property is not only good for the environment, it is essential.

John Stossel of ABC News had a special on television a couple of years ago in which he pointed out that to clean our air to the almost impossible standard demanded by some groups would cost so much that it could throw millions of people into poverty. He presented a study which showed that we might add one day to the life of the average person by getting tougher on clean air, but that poverty decreases lifespans by 7½ years.

Is it compassionate, Mr. Speaker, to vote for some bill because it does some microscopic good for the environment if in the process it destroys millions of jobs, drives up prices, and hurts the poor and working people? Is it compassionate to go overboard on the environment if it throws possibly millions into poverty?

Finally, Mr. Speaker, all I am saying is this: that both parties want to help people and make this Nation better. Sometimes we do that by voting for government programs. Today, with our huge out-of-control Federal Government, more frequently we help people by voting for less government.

AMERICA NEEDS A BALANCED APPROACH TO FIGHTING JUVENILE CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. STUPAK] is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, I rise today to discuss the issue of juvenile justice in this country. Everyone knows that juvenile justice and juvenile crime is a growing concern in this country. But with the majority party, it seems that they cannot make up their mind on how they want to approach this issue.

Yesterday, in a bipartisan approach, we suspended the rules and we passed H.R. 1818, the Juvenile Crime Control and Delinquency Prevention Act, sponsored by the gentleman from Virginia [Mr. SCOTT], the gentleman from California [Mr. MARTINEZ], and the gentleman from California [Mr. RIGGS]. The bill reauthorized the Office of Juvenile Justice and Delinquency Prevention, and made several changes to that office to refocus the Federal effort to prevent juvenile crime before it occurs.

The bill contained four core requirements which States must comply with: deinstitutionalization of status offenders, separating juveniles from adults in prison, limiting the time that juveniles spend in adult facilities, and addressing efforts to reduce disproportionate minority confinement.