

other entertainers, but led the charge really to boost the morale and to visit with our troops and let them know that America was always behind them.

So, Madam Speaker, this resolution would authorize the use of the rotunda in the Capitol on October 29, 1997, for a ceremony to honor Bob Hope by conferring on him the status of an honorary veteran. And I would note that the status of honorary veteran will be officially conferred upon him by House Joint Resolution 75, and that passed June 3, and in the Senate on September 9, and has been forwarded to the White House.

So Mr. Hope will personally be here on Wednesday, and this will be the use of the rotunda, to honor Bob Hope's commitment to our veterans and who has made our country so great.

□ 1045

Ms. KILPATRICK. Madam Speaker, I appreciate the explanation from the gentleman from Ohio. I too think Bob Hope is a fine gentleman who has really kept the morale up of many of our veterans and would concur with the resolution.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mrs. MORELLA). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 56

*Resolved by the Senate (the House of Representatives concurring).* That the rotunda of the Capitol is authorized to be used on October 29, 1997, for a ceremony to honor Leslie Townes (Bob) Hope for conferring upon him the status of an honorary veteran of the Armed Forces of the United States. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

#### THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question de novo of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

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

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

Mr. NEY. Madam 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 pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 52, not voting 17, as follows:

[Roll No. 521]

#### YEAS—364

Ackerman	Edwards	Leach
Aderholt	Ehlers	Levin
Allen	Ehrlich	Lewis (CA)
Andrews	Emerson	Lewis (KY)
Archer	Engel	Linder
Armey	Eshoo	Lipinski
Bachus	Etheridge	Livingston
Baesler	Ewing	Lofgren
Baker	Fattah	Lowey
Baldacci	Fawell	Lucas
Ballenger	Fazio	Luther
Barcia	Foley	Maloney (CT)
Barr	Forbes	Manton
Barrett (NE)	Ford	Manzullo
Barrett (WI)	Fowler	Markley
Bartlett	Frank (MA)	Martinez
Barton	Franks (NJ)	Mascara
Bass	Frelinghuysen	Matsui
Bateman	Frost	McCarthy (MO)
Bentsen	Furse	McCarthy (NY)
Bereuter	Galleghy	McCollum
Berman	Ganske	McCrery
Berry	Gejdenson	McGovern
Bilbray	Gekas	McHale
Bilirakis	Gilchrest	McHugh
Bishop	Gillmor	McInnis
Blagojevich	Gilman	McIntyre
Bliley	Goode	McKeon
Blumenauer	Goodlatte	McKinney
Blunt	Goodling	Meehan
Boehlert	Gordon	Meek
Boehner	Goss	Mica
Bonilla	Graham	Millender-McDonald
Boswell	Granger	Miller (FL)
Boucher	Greenwood	Minge
Boyd	Hall (OH)	Mink
Brady	Hall (TX)	Moakley
Brown (FL)	Hamilton	Mollohan
Brown (OH)	Hansen	Moran (VA)
Bryant	Harman	Morella
Bunning	Hastert	Murtha
Burr	Hastings (FL)	Myrick
Burton	Hastings (WA)	Nadler
Buyer	Hayworth	Neal
Callahan	Hefner	Nethercutt
Calvert	Herger	Neumann
Camp	Hill	Ney
Campbell	Hilleary	Northup
Canady	Hinojosa	Norwood
Cannon	Hobson	Nussle
Capps	Hoekstra	Oberstar
Cardin	Holden	Obey
Carson	Hooley	Olver
Castle	Horn	Ortiz
Chabot	Hostettler	Owens
Chambliss	Hoyer	Oxley
Christensen	Hunter	Packard
Clayton	Hutchinson	Pappas
Clement	Hyde	Parker
Coble	Inglis	Pastor
Coburn	Jackson (IL)	Paul
Collins	Jackson-Lee	Paxon
Combest	(TX)	Payne
Condit	Jefferson	Pease
Conyers	Jenkins	Pelosi
Cook	John	Peterson (MN)
Cooksey	Johnson (CT)	Peterson (PA)
Costello	Johnson (WI)	Petri
Cox	Johnson, Sam	Pickering
Coyne	Jones	Pitts
Cramer	Kanjorski	Pomeroy
Crane	Kaptur	Porter
Crapo	Kasich	Portman
Cummings	Kelly	Price (NC)
Cunningham	Kennedy (MA)	Pryce (OH)
Danner	Kennedy (RI)	Quinn
Davis (FL)	Kennelly	Radanovich
Davis (IL)	Kildee	Rahall
Davis (VA)	Kilpatrick	Rangel
Deal	Kim	Redmond
DeGette	Kind (WI)	Regula
Delahunt	King (NY)	Reyes
DeLauro	Kingston	Riggs
DeLay	Klecza	Riley
Dellums	Klink	Rivers
Deutsch	Klug	Rodriguez
Diaz-Balart	Knollenberg	Roemer
Dicks	Kolbe	Rogan
Dingell	LaFalce	Rogers
Doggett	LaHood	Rohrabacher
Dooley	Lampson	Ros-Lehtinen
Doolittle	Lantos	Rothman
Doyle	Largent	Roukema
Dreier	Latham	Roybal-Allard
Duncan	LaTourette	Royce
Dunn	Lazio	

Rush	Smith (OR)	Tiahrt
Ryun	Smith (TX)	Tierney
Sanchez	Smith, Adam	Torres
Sanders	Smith, Linda	Towns
Sandlin	Snowbarger	Traficant
Sanford	Snyder	Turner
Sawyer	Solomon	Upton
Saxton	Spence	Walsh
Scarborough	Spratt	Wamp
Schaefer, Dan	Stabenow	Watkins
Scott	Stark	Watt (NC)
Sensenbrenner	Stearns	Watts (OK)
Serrano	Stenholm	Waxman
Sessions	Stokes	Weldon (FL)
Shadegg	Strickland	Weldon (PA)
Shaw	Stump	Wexler
Shays	Sununu	Weygand
Sherman	Talent	White
Shimkus	Tanner	Whitfield
Shuster	Tauscher	Wise
Sisisky	Tauzin	Wolf
Skaggs	Taylor (NC)	Woolsey
Skeen	Thomas	Wynn
Skelton	Thornberry	Yates
Smith (MI)	Thune	Young (AK)
Smith (NJ)	Thurman	Young (FL)

#### NAYS—52

Abercrombie	Gutierrez	Pombo
Becerra	Gutknecht	Poshard
Borski	Hefley	Ramstad
Chenoweth	Hilliard	Sabo
Clay	Hinchey	Salmon
Clyburn	Hulshof	Schaffer, Bob
DeFazio	Johnson, E. B.	Slaughter
Dickey	Kucinich	Stupak
English	Lewis (GA)	Taylor (MS)
Ensign	LoBiondo	Thompson
Evans	Maloney (NY)	Velazquez
Everett	McDermott	Vento
Farr	Menendez	Visclosky
Filner	Miller (CA)	Waters
Fox	Moran (KS)	Weller
Gephardt	Pallone	Wicker
Gibbons	Pascrell	
Green	Pickett	

#### NOT VOTING—17

Bonior	Foglietta	McNulty
Bono	Gonzalez	Metcalf
Brown (CA)	Houghton	Schiff
Cubin	Istook	Schumer
Dixon	McDade	Souder
Flake	McIntosh	

□ 1107

So the Journal was approved.

The result of the vote was announced as above recorded.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

#### PROVIDING FOR CONSIDERATION OF H.R. 2646, EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### H. RES. 274

*Resolved,* That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual

retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in part 1 of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment specified in part 2 of the report of the Committee on Rules, if offered by Representative Rangel or his designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for sixty minutes equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. FOLEY). The gentlewoman from North Carolina [Mrs. MYRICK] is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

Mr. Speaker, the Committee on Rules met yesterday and granted a modified closed rule for the consideration of H.R. 2646, the Educational Savings Accounts for Public and Private Schools Act. The rule considers the bill as read for endorsement.

The rule further considers the amendment in the nature of a substitute recommended by the Committee on Ways and Means as modified by the amendment printed in part one of the Committee on Rules report, which fixes a 10-year pay-go problem in the Senate. The amendment causes provisions in this bill to expire after 5 years. This is in keeping with our efforts to stay within the bounds of our historic budget agreement. The Committee on the Budget has indicated they are in agreement with this amendment.

The rule also provides 1 hour of debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule further provides for consideration of an amendment, if offered, by the gentleman from New York [Mr. RANGEL] or his designee. All points of order are waived against his amendment.

The bill shall be considered as read for amendment and shall be debatable for 60 minutes, equally divided and controlled by a proponent and an opponent.

Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, this is a fair rule. What we will debate is a matter of philosophy. There are really only two sides. The rule allows debate between those who support giving families more power over the education of their children, and those who support allowing bureaucrats to continue to have that power.

The crisis in American education today especially affects children in elementary and secondary education. Our education system is failing them and leaving too many children unprepared for the future.

Consider the following: Forty percent of all 10-year-olds cannot meet basic literacy standards; eighth graders recently placed 28th in the world in math and science skills; over 60 percent of 17-year-olds cannot read as well as they should; 2,000 acts of violence take place in schools every day; children in Los Angeles are taught to drill to protect themselves at the sound of gunfire; and almost one-third of freshmen entering college require some sort of remedial instruction.

□ 1115

We have a moral obligation to fix these problems. Without bold new ideas and innovative solutions, we never will.

Recently there has been a great deal of talk about helping more people afford a higher education. Helping financially is great, but what about the students who never access those programs because their school failed to prepare them for college? I believe we must enact reforms like H.R. 2646 so that we can truly expand higher educational opportunities for children. We increase those opportunities by providing a good, solid education at the elementary and secondary level. That way, more children will be prepared to go on to college. Blocking those reforms keeps too many children locked into a system that never gives them a chance to realize their true potential.

The real expansion of opportunity will come from preparing more children for higher education. We must reach them while they are in elementary and secondary schools, because if we do not educate them coming in, they will not have that opportunity to go to college, no matter what it costs. It is not a question of how much money is being spent on education. Some of the worst schools in the country are in districts where the per student spending is very high. It is a question of who controls the spending: families or bureaucrats. I, for one, side with the families.

Research has shown that engaging parents in their children's education improves the academic performance of their children. It also gives parents a stake in the success of their local school. The bill we will debate today is one of the most innovative initiatives yet advanced to improve the quality of education for children in America. According to the Joint Committee on

Taxation, an estimated 14.3 million families will benefit from these savings accounts by the year 2000, and about 10.8 million of those have children who attend public schools.

H.R. 2646 allows families and anyone else concerned with a child's education, like grandparents, aunts, uncles, cousins, concerned mentors, or neighbors, to invest in an education savings account for that child.

Mr. Speaker, the money in these savings accounts could be withdrawn tax-free to pay for the child's education-related expenses, and those expenses may include a personal computer, tutoring, transportation to school, books, a school uniform, or private school tuition. Parents of home-schooled children and children with special needs may also use these funds for educational-related expenses. Any money not used by the time the child graduates from high school could be used for college-related expenses.

Similar ideas have been implemented in Minnesota and Arizona. For almost 15 years, Minnesota taxpayers have been able to deduct from their State income taxes expenses incurred for tuition fees, textbooks, and transportation for children enrolled in public or private schools. In fact, earlier this year the Minnesota Legislature expanded the tax credit due to enormous public support. According to the Governor's office, about 900,000 children will benefit from their expanded plan.

On April 3, the Arizona Legislature passed an innovative tuition tax credit which provides a credit for contributions to public school, extracurricular programs, and for contributions to tax-exempt organizations that award scholarships to children to attend the private schools of their choosing.

H.R. 2646 is a good bill. In a recent poll, 66 percent of those who were polled supported the creation of savings accounts like the ones in this bill. This bill will not solve all the problems in our public education system, but it can be part of the answer. I urge my colleagues to support the rule and H.R. 2646. Do it for the children, for their future. We have the power to help.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Republican majority is intent upon ignoring the needs of our public school system in the United States. Over the years, hundreds of millions of Americans have been educated in the public schools of this country, thus assuring parents that every child is entitled to and will receive an education from kindergarten through the 12th grade.

Yet, instead of seeking to improve and strengthen public educational opportunities, my Republican colleagues want to drain precious resources from the Treasury and give them, through the back door, to upper middle-class parents who send their children to private schools.

Mr. Speaker, a mere 3 months after the enactment of the balanced budget agreement and the tax bill, the Republican majority wants to create another new tax break for upper-income middle-class families. These are the families, Mr. Speaker, who are already financially able to send their children to private schools, and they do not really need the Federal Government to help them.

The Republican majority has billed these new tax breaks as a means to give parents choice in where they send their children to school, but let us face the facts. This bill will not help families who cannot already afford private or parochial schools. This bill will not help those families who are struggling to make ends meet. Most young families and families with children have relatively little money left over at the end of the month to contribute to an account which would help them with payments for a private school.

What this bill will do, Mr. Speaker, is provide benefits to higher income families, while providing little or nothing to families with incomes of less than \$55,000 a year. The average tax break for a family making between \$33,000 and \$55,000 a year under this bill is \$7. Seventy percent of the benefits of this bill will go to families making between \$93,000 and \$160,000 a year, upper middle-class families who send their kids to private school. A family making up to \$33,000 a year will only see a tax benefit of \$2, and that is if they make the maximum contribution of \$2,500 to an IRA.

Mr. Speaker, this new savings program will not really do much to help families make a choice about where they send their kids to school, and it most certainly will not do anything to address the pressing needs of the public schools in this country. While I submit that H.R. 2646 is not really about nor does it afford school choice, this rule gives Members the opportunity to make a choice. The Committee on Rules has given the House an opportunity to choose between making a positive choice for the improvement of our public schools, or the Republican bill, which promises but does not give tax breaks to middle-income and lower-income families.

The committee bill benefits families who can afford to pay for tuition to a private or parochial school, and at the same time make an annual \$2,500 contribution to an educational account. That is something many families are not able to afford. The Democratic alternative, which will be offered by the Committee on Ways and Means' ranking member, the gentleman from New York [Mr. RANGEL], seeks to improve curriculum, to rehabilitate or repair school buildings, to buy equipment, or to train teachers by providing interest-free capital for public schools that enter into partnerships with the private sector.

The Rangel substitute seeks to expand the educational zone provisions

passed in the Tax Relief Act, and is, unlike the committee bill, targeted to the public schools and their students, who have the greatest need.

Mr. Speaker, no matter how often or how loudly the Republican majority cries that what they want to do is to help parents make choices for their children, the real truth is that for most Americans, public school is their first and only choice.

Mr. Speaker, 90 percent of the kids in this country go to public schools, and we, the elected Representatives of the mothers and fathers of those children, are duty-bound to make sure that whatever we do, we do not destroy the public education system in this country. We are duty-bound, Mr. Speaker, to help those local school districts ensure that every school is a first-class institution providing our kids with a safe and drug-free environment in which they can learn what they need to in order to be productive citizens of the 21st century. We are duty-bound, Mr. President, to make sure that every kid gets a good education.

Mr. Speaker, I support this rule, but only because the Rangel substitute has been made in order. I urge Members to reject the Republican bill, and to give kids a real choice and a real chance at quality education by adopting the Rangel substitute.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, the gentleman, and far be it from me to even presume to correct the distinguished gentleman from Texas, but I think he suggested that this might cost \$2 or \$3 billion.

Mr. FROST. No, I did not use that figure.

Mr. STARK. There is approximately a \$2.5 billion cost, but the true cost, if the gentleman will yield, is actually over \$5 billion. There is a gimmick in here, strictly for budget purposes. The bill is sunset at the end of 5 years. If the Members can name a tax loophole that has ever been allowed to sunset, then I would say he could make the point, but the fact is if this goes on, the 10-year cost approaches \$5 billion, money that we could use to rebuild schools across the country and use for every American child, not merely the 2½ billion that is in here. So not only is it heading in the wrong direction, there is a subterfuge here that understates the cost by a great deal. I thank the gentleman for his observations.

Mr. FROST. Reclaiming my time, Mr. Speaker, I would thank the gentleman for making that point. I did not address the dollar cost to the Treasury. The point is a very good one. The point that I was trying to make is that this is a subsidy for upper-income suburbanites. This does not help anybody in the inner city send their kids anywhere. This is a sham piece of legislation, but I thank the gentleman for making the point that this, in addition

to being a sham piece of legislation, that this does cost the Treasury potentially a good bit of money as we try and help those upper-income suburbanites send their kids to private school.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Ms. PRYCE].

Ms. PRYCE of Ohio. Mr. Speaker, I thank my colleague, the gentlewoman from North Carolina, for yielding me this time.

Mr. Speaker, I rise in strong support of this rule and the underlying legislation. As the gentlewoman described, this rule makes in order the Education Savings Act for Public and Private Schools, of which I am a proud cosponsor.

Mr. Speaker, there is no more important investment that we can make as a country than in the future of our Nation's children. Stimulating and challenging young minds through a quality education will ensure that they have the tools to achieve personal success, and to continue America's tradition of leadership and innovation.

The bill this rule makes in order will allow every child to have an A plus account in which \$2,500 may be deposited each year for that child's education. The interest on these investments will accrue tax-free, and withdrawals can be spent for virtually any educational need, school books, computers, tutoring, uniforms, transportation, tuition, any of these things, from kindergarten all the way through to college. The beauty of these accounts is that the choice of how to spend the money is left to the parents.

Make no mistake, this is not Government money, it is hard-earned taxpayer money coming out of the pockets of individuals who had the foresight and discipline to save it, whatever their income level. Nameless, faceless bureaucracy is taken out of the equation. All the Government is giving is a break to hard-working families who want the very best for their children.

Some of my colleagues on the other side of the aisle shrink at the thought of even the simplest education reforms, claiming that public education will be the loser. Their solution to what ails our education system is increased spending at the Federal level, more Federal strings attached, more one-size-fits-all solutions. I ask my colleagues on the other side of the aisle, why do they insist on killing public education by insisting that command and control remain in Washington?

Under the Education Savings Act we get the best of both worlds: more investment in education, and greater involvement of parents and the others interested in the community. Public schools stand to gain as much as any other educational institution when there is more money available to go around.

Mr. Speaker, I urge my colleagues to support increased investment in our

Nation's future through the education of its children. Every Member should support this rule and the underlying legislation. Do it for the children.

□ 1130

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Speaker, I am delighted we are having this debate today because America needs to talk about education. Unfortunately, the Republican proposal is not the right direction. Now, I will admit, tax break savings accounts are not without their appeal. But the fact of the matter is this bill is being oversold. If Americans are in the so-called middle class and they make \$55,000, they only save \$7. Even if they made up to \$93,000 as a family, they would only save \$32 a year. So do not let them suggest that Americans are going to get great tax savings out of these educational savings accounts.

They come up here and talk about computers and books and school supplies and savings accounts for private schools. We can have that now. The only thing they try to do is create some sort of tax incentive, and as I indicated the tax savings are really quite meager.

On the other hand, the Democrats are introducing a sound approach embodied in the Rangel substitute. What we are saying is let us take this money and repair our schools. As I recall, the gentlewoman from North Carolina [Mrs. MYRICK] suggested that we needed education reforms, we need to fix our schools. Mr. Speaker, we do need to fix our schools. We need to repair leaking roofs. We need to provide technological advancements and computers for our schools. We need to build new schools to accommodate overcrowding. The Republican approach does not do that.

The fact of the matter is that in America we have a tradition of public education. Even with private school expansion, 9 out of 10 Americans will go to public schools. We need to have the money available to improve those public schools. That is what we want to do today.

The Rangel substitute will allow us to look at some of our schools in our depressed communities and say we need to repair these schools. We need to improve the ventilation. We need to provide technological improvements to these schools. We need to make these schools schools that Americans can be proud of.

Today in this debate we basically have a choice. We can give someone \$7 a year and a tax break, or we can significantly improve America's schools in a real, significant way in terms of improving our educational infrastructure.

Mr. Speaker, I think this bill is being oversold. I think the tax savings are very meager. The option that the Democrats provide is a much superior policy. I urge support for the Rangel substitute.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Speaker, it is a pleasure for me to rise in support of this rule and the bill.

Mr. Speaker, Republicans want to improve education for America's kids and they want to improve education for the largest number of kids. There has been a lot of talk, and I am sure there is going to be a continued amount of talk, about how this bill is going to destroy public education. The question I would pose to the opponents of this bill is: Is public education so bad that so many people are going to leave in droves, that public education is going to be destroyed by this legislation?

Mr. Speaker, we have a child care tax credit and we do not make parents of those little kids who use the child care tax credit go to a public day care center. In the GI bill, we do not make veterans go to public colleges. They can go to a private college or a public college. As I understand it prior to the GI bill, prior to its enactment in 1942, 50 percent of people went to private colleges and 50 percent went to public institutions, and under the GI bill now, today, 70 percent go to public colleges and 30 percent go to private institutions. So to say that this is going to destroy public education to me is a very, very fallacious argument.

In my opinion, this legislation will help public education, and will help public education immensely, because when public educators know that there is really a marketplace out there and that parents might actually choose other institutions, it is going to force them to be more competitive and more innovative, and I think the quality of public education in America is going to improve under the A-plus Act, as more parents have the ability to choose in a marketplace of education where they send their kids, whether it be public or whether they choose to take their money and put it into private education, and after all it is their money. Right? They earned the money. It is the money that they earned on the job that we are letting them keep a little more of. It is not like it is our money and we are somehow in control of it. We are letting them keep a little bit more of their money by not taxing it, so they can apply it to their child's education. What is wrong with that?

Mr. Speaker, I will tell Members what the result of this bill will be. More middle-class families and the working class families will be able to afford what the rich people in America already can do, which is to send their kids to private schools and, in so doing, it is going to help their kids and, in so doing, it is going to improve public education all across America. So to say this is going to destroy public education, that argument has no merit in my opinion.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I do not usually speak on a lot of bills and I do not think anybody in this House necessarily is against education. I think all of us are in favor of all the kids of this country having the best education that is available to them. But I have a particular problem with this bill.

Mr. Speaker, I think this bill in many ways is worse and different than the voucher argument, and we can have the voucher argument and I am sure we will have many more. But this does not involve a direct subsidy or whether we are for it or against it. It is an indirect subsidy.

Mr. Speaker, I do not necessarily think this bill is going to help the poor or the middle class move out of the public schools, that the public schools are bad, or make public schools compete. The way this bill is structured, the people who are going to really benefit are the people in the upper income levels because it is a deduction. It is the people who have the disposable income. The people who are making up to \$160,000 a year are going to benefit.

Every Member in this body and the other body who is a joint filer, who has kids who are under 18, benefit under this bill because of the salary level of \$133,000. But somebody who is making \$50,000 a year or \$4,000 or \$20,000 a year is not going to receive the same benefit. So I think we need to look at what this really is. This is a tax break that is being given to the upper income.

Maybe we are for that and maybe we are not. But let us talk about what it really is, and let us not talk about this that some way this is going to improve the education system because the way it is structured we know just does not get down the income stream. If Members want to do that, then maybe they ought to go back and bring about that bill and let us debate that on the floor. But here all we are doing is giving a tax break, a tax cut, to the upper end.

Maybe we want to do that, maybe we do not. But I do not think that is what the American public is looking for. I think that they want to see the education system improved. They want to do like all of us who are parents, and my wife and I are parents of two daughters, we want to do whatever we can that is best for our children. But let us not do it by giving a tax break to the wealthy in this country.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PAUL].

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I was the original cosponsor of 2373, the Education Savings Act. That bill has changed. It is now 2646. I can support with reluctance this rule coming to the floor, but because of the changes that have occurred, I can no longer support this bill. There is nobody in this House that is a stronger supporter of credits and benefits and return of funds to parents to raise their children and give them a choice.

There will be Members on this floor today who will oppose this bill because they cannot stand the idea of returning funds to parents and giving them a choice, but I am opposing it because this is a net tax increase. This is costing, and for that reason I can no longer support this bill.

Mr. Speaker, I think the best way to give individuals and families a true choice is to give them tax credit. Unfortunately, this is a small step in the right direction, which I could have supported if we would not have had to raise taxes. We are closing a so-called loophole, a benefit provided to the businessmen and the individuals who benefit from the way their vacation time is deducted. The courts ruled in favor of the taxpayer and here we are undermining it.

According to the Joint Committee on Taxation, our own committee here in the Congress has estimated that what we do here today will raise taxes \$1.8 billion over the next 2 years. With the most optimistic projections on how many people will use these savings accounts, they are claiming there will only be a return of \$600 million. So in the next 2 years, if this goes through, we will raise taxes three times as much as we are so-called returning.

This is a net tax increase. It is not the way to go. We should do one thing to provide for these tax credits, one and only, and that is cut spending. Do my colleagues realize that if we would cut the National Endowment for the Arts by less than 3 percent we would have enough funds for this? That is all that we would need to do. But instead we go and we reverse the procedure of the courts which finally ruled in favor of the taxpayers, and now we are going to force them to reassess and revamp and make sure that those individuals on how they are handling their vacation time that more taxes will be paid.

Mr. Speaker, it is estimated the most optimistic estimates on this bill in order to project what might happen is that 12 million people would use these accounts, the maximum amount of \$2,500 for 5 years. It means \$120 billion would be stashed away. That is very unlikely, but I do predict that the taxes will go up, unfortunately.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I would love to give the preceding speaker, the gentleman from Texas, more time because he is quite right. What he points out, as one of the earlier speakers talked about leadership and innovation, what we do not need is more Republican leadership and innovation on how to screw the average American and give the benefits to the few Republican rich, and that is what this bill does.

Mr. Speaker, it is poorly done. The bill is poorly drawn. It is sloppy legislation. For example, do my colleagues think these rich Republicans who qualify for this bill can take the tax quali-

fied education savings and use it to purchase a car for their child? So we have here a tax break to let little kiddies buy cars. I suppose that is good if one is a Mercedes or a Ferrari dealer, but it is not going to help the average American who is going to have about \$32 a year in savings, and how is that going to help them decide whether to pay \$3,000, \$5,000, \$9,000 in tuition?

I do not think the \$32 makes a bupkis' worth of difference to the average American, and I do not think they are going to use this money one way or the other. But the Treasury will lose it to the richest 5 or 6 percent of the Americans who will get all of the savings. It is a tax gimmick for the rich, just like the bills we have been passing out of the Committee on Ways and Means. We have been taking money from the average American taxpayer and shoveling it out the door to the rich Republicans as payoff, I presume, for whatever they think they can do. But it is not helping the average American.

Mr. Speaker, this will allow a family to pay one child to tutor another child, and there is no effective income limit on this. This will allow very rich Americans who exceed the income limit to make gifts to their children, who can then invest in these two gimmicks, and it is an absolute dream for the tax attorney and the accountant to create loopholes for the rich who have a lot of assets, arguably enough assets to already send their children to private school.

So, Mr. Speaker, I do not think it is going to hurt public education at all. I do not think it is going to help private education at all. It is going to deal with a small group of people in the \$90,000 to \$160,000 category and create bountiful tax loopholes for them, to the extent that the American taxpayer will lose in the aggregate over \$5 billion.

So, it is a few hundred dollars here and a few thousand dollars there, Mr. Speaker. But the average American who, at the most, at the absolute most, could get 30 bucks a year out of this, that is all they will get. That will make no difference in the child's education. In no way will it help their child get a better education. It just helps the rich get richer on the backs of the American worker.

□ 1145

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. ARCHER], distinguished chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, only for the purpose of setting the record straight on comments made by my colleague, the gentleman from Texas [Mr. PAUL] for whom I have the greatest personal respect for his integrity, his genuineness and his sincerity. It just happens, however, that he is wrong in what he just said to the House.

There is no tax increase in this bill. There is the closing of a corporate

loophole, which I would think would appeal to my friend from California, to prevent the unintended use of the code in such a way that the Congress never believed it would be used. We are closing that loophole and we are gaining revenue from that.

That is the appropriate thing to do. We will continue to do that under my stewardship of the Committee on Ways and Means wherever we find it in the code. It is not a tax increase. It is a removal of an unintended abuse of what Congress intended when they passed a provision in the code.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I am just amazed at the effort by my Republican colleagues, the Republican leadership, the Speaker, to continue this effort to chip away at public education, not prioritize public education, and put all the emphasis on private education and private schools.

This is just another example of it. These private education savings accounts proposals are not going to do anything to improve the public schools. There is no way you will convince me of that. It is just another tax break for wealthy Americans to help them pay for private schools.

I think that the point really here is that whatever amount of money, whatever pot of money is being generated here or being saved here, however we want to characterize it, should be used for public education to improve our public schools.

My colleague, the gentleman from New York [Mr. RANGEL] has a proposal, a substitute amendment that would take this money and instead of putting it to private schools from K to 12, the money would be used to help pay the interest on bonds that school districts could use to renovate their schools, to build more schools if they are overcrowded, to use for equipment in the public schools, to use for teacher training. What the Democrats have been saying over and over again is, yes, our public schools are good in most places. They need to be improved.

If we are going to spend Federal dollars, if we are going to set up programs where we spend Federal money, then use it to help the public schools, use it for infrastructure, use it for teacher training, use it so they can hook up to the Internet. Do not start to emphasize and put all the priority on voucher systems and savings accounts that primarily encourage people to go to private schools. That is not the American way.

If people in this country decide they do not want to take advantage of the public education system or do not want to participate in the public education system, that is their prerogative. But then let them spend their own money. I have to say, I agree with the gentleman from California [Mr. STARK], that this is primarily something that benefits the wealthy. I do not think

that we should look at it primarily that way, but it does benefit the wealthy. I agree that this is primarily benefiting the wealthy. There is absolutely no question about that.

If we look at the chart, the information that is provided by the Treasury Department, overwhelmingly this is going to benefit people in the higher income brackets. That also makes it unacceptable. But I want to stress that over and over again what we are hearing from the Republican side of the aisle is to give up essentially on the public schools. Let us find different ways, whether it is vouchers in the District of Columbia or it is this private school education savings account, let us find ways to encourage people and help those people who want to send their kids to private schools. That is wise use of Federal dollars.

There is a lot of innovation taking place in public schools. There is a lot of examples where public schools have done things to improve basic skills, education, teacher training within the public schools. Let us encourage those things with the small amount of Federal dollars that we have. Let us encourage innovation in public schools and let them improve public school education in this country. There is absolutely no reason to go this way.

Mrs. MYRICK. Mr. Speaker, I yield myself 10 seconds for a point of clarification for the distinguished gentleman from New Jersey. We are not talking about taxpayer dollars. We are talking about savings accounts that can be used to pay expenses at either public or private schools. It is not going to siphon off any money from public education.

Mr. Speaker, I yield 3 minutes and 30 seconds to the distinguished gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I would like you to read Karl Marx and Engels Communist Manifesto because in there the No. 1 creed is class warfare and you see it over and over and over again. The gentleman from California says the Republican plan, the Republican plan.

Fact: The average school in Washington, DC is 86 years old. The roofs are falling apart. They canceled their schools. They are even concerned about putting heat in it. But yet does the gentleman want to get the maximum amount of dollars into the schools? No. He will support the unions.

We wanted to waive Davis-Bacon, which will save 25 percent and invest in the schools to give teachers more money to build the infrastructure up for our schools. But yet the precious union gives money to the DNC and the DNCC illegally, and it is before this Nation right now. He puts a liberal spin on Republican plans. We want to get the money down to the teachers. We want to get the money to the classrooms. We want to get it into the infrastructure. Yet the liberal Democrats have cut education over the last 30 years. Let me give a couple examples.

We get less than 48 cents out of every dollar down to the classroom because of the big bureaucracy in Washington, DC. The President's direct lending program, according to GAO, costs \$6 billion more to administer. That is when it was capped at 10 percent, 6 billion, because the liberals want the Department of Education to control education just like Karl Marx and they do not want the money going down there. They wanted it to rest in River City so that they have control with their unions.

We want the money to get to the kids, less than 48 cents out of every dollar. The President wanted a new \$3 billion literacy program. There are 14 literacy programs in the Federal education system. Is it not fair to say, which of the 14 do we want? Let us fully fund them and let us put the money in? No. The liberals would say, we are cutting education, even though we are giving the parents, the teachers and the zip code, the local district, the money.

What this does, it allows parents to make that decision. In Washington, DC the average cost is \$10,200 per child. Yet did they support a system to where individuals, poor children, if a mother or a father or both said that their children are in an area where they are not getting a good education or they are being threatened because of crime and drugs, can they move?

There are 20 Members that live in Washington, DC. Not a single one send their children to DC schools. They send them to private. Do you know that the cost is less than \$3,000 versus \$10,200. But yet, the liberals want big bureaucracy. They do not want the money going down. I am sick of class warfare. If we really want to help education, drive it down to the parents, give it to the teachers and give it to the infrastructure, not their precious unions.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

The gentleman who just spoke of course is all over the ballpark in terms of his comments. I will try and pick and choose a few of those to respond to. It would be impossible to respond to everything that he has said. But he talked about illegal campaign contributions.

I would remind the House once again as I have before, the only Member of this House who has been convicted during this Congress of violating the campaign laws is a Republican Member from the State of California. The only Member of this Congress to have been convicted of violating our campaign laws is a Republican Member from California who pled guilty to taking more than \$200,000 of illegal corporate contributions.

The gentleman has raised some other points. He was all over the ballpark, but I would like to respond to as many of these things as I can. Second, the gentleman talks about wanting to help parents. This particular piece of legislation, as I pointed out earlier, is a

sham. The person who works on the assembly line at the General Motors plant in my district in Arlington, TX, who may make \$40,000 working the assembly line, that person would get a \$7 tax savings from this. The person who lives in the inner city in my district in Dallas, a Hispanic family who may want to send their children to the local parochial school, may earn, say, \$30,000 a year, they would get a \$2 tax break under this bill. The family who lives in one of my rural communities and who may want to send their child to a private school and who, say, earns \$35,000 a year, might get a \$7 tax break under this. This is a sham piece of legislation.

This legislation is designed to benefit upper middle class constituents who live in the suburbs and who want to send their kids to private school. This does not help the person who works on the assembly line. This does not help the person who lives in the inner city. This is designed for a very narrow targeted group of people who are going to get all, virtually all the benefits under this plan.

I am trying to respond to as many of the varied things that the gentleman said. The gentleman from California was concerned about infrastructure. We have a substitute offered by the gentleman from New York [Mr. RANGEL] that would provide money for infrastructure. It is exactly what we ought to be doing. We ought to be providing money to rebuild our schools, to put new roofs on our public schools, to rebuild them. The Rangel legislation, which would be a substitute to this ill-conceived bill, would do exactly that.

The other side has quite a bit of time left. I would at this time reserve the balance of my time. In a moment, I will yield to the gentleman from Texas when it is back to us, but I am sure the other side could yield time to the Republican Members from California who seek time because they have about the same amount of time left that we do.

Mrs. MYRICK. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, the gentleman stated that the only person in this House, what he did not state is in the White House, in the Times and in the Post today it goes through where the White House campaign manager pleaded guilty, two of them, to laundering money from the unions to the DNC and that is in both papers today. They have already pled guilty. There is no doubt about the unions' attempt through the Carey Organization to launder money through the DNC into the Democrats' campaign coffers. Fact.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

To respond to the gentleman, he invoked the House campaign committee. He mentioned the Democratic Congressional Campaign Committee. He invoked Members of the House. That is why I made the point that the only

Member of the House of Representatives who has been convicted of violating the campaign laws during this session is a Republican Member who took more than \$200,000 in illegal corporate contributions.

Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I have spoken on this before, but after hearing the gentleman from California, I wanted to address something. I think he was all over the ballpark. He made a comment about 20 Members of Congress who reside in Washington, DC and do not send their children to public schools. My children have been both in public schools and private schools. But the fact is, this bill, as I mentioned earlier, would entitle many Members of Congress, except those who have other income that exceeds the \$160,000 limit, this is giving a tax break not only to people who make \$160,000 a year, but to Members of Congress, including the ones that live in the District of Columbia. I have not talked to any Members of Congress who are asking for a tax break, but that is what this bill does.

The gentleman also says that this is designed to get the money to the teachers. It is not going to do that. This is designed to give a tax break to people who have disposable income that they can set aside along with the income they set aside for other savings to help pay the cost of sending their kids to private school. Let us just be honest about what we are doing here. It is fine, if Members are for it, fine, but let us be honest about it. Let us not paint this beautiful picture about what it really is not. Let us be honest about what we are doing here.

□ 1200

So I think we need to clarify these points and understand that this is a tax break that we are giving.

If we really want to help, if we really want to help, the other plan was to provide a \$2,500 stipend, I believe, to some kids in Washington, DC, to go to private school. And if the gentleman says, well, the cost is \$10,200 on the average, well, why not provide them the \$10,200, if that is the goal? Bring that legislation.

And maybe we should get a little more honest in how we debate legislation here. Let us figure out how we are going to pay for it. I know California's Governor and the other gentleman had a concern about the voucher system in California. But the fact is that these are just tidbits that are being handed out.

The gentleman makes a very valid point, the assembly line worker in his district or my district does not get the same benefit because it is a deduction, and they do not have the same amount of disposable income as a Member of Congress or someone who earns up to \$60,000 a year. Let us be honest.

Mr. RIGGS. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from California.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for yielding, and just want to point out to him that folks are investing after-tax dollars in these education savings accounts. That is after paying State income taxes, Federal income taxes, real property taxes and personal property taxes; all after-tax dollars. So we should keep that in perspective.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I came here to talk about improving education in America and I find myself caught up in a debate on class warfare. It is unfortunate.

Just to reflect back, we had a mayor in the city of Syracuse, a Democrat, who always reminded us that the Democrats were the party of the poor and the Republicans were the party of the rich. He went to jail for 14 years for operating a kickback scheme. But the fact is there were always Volvos and Cadillacs and Rolls Royces in front of city hall, operated by the mayor and his friends, the Democrats, the party of the poor, while the Republican councilmen were out driving Chevys and Plymouths. So it is bunk. Let us put it to rest. There are people of good will in both parties.

The debate here is about the future of education in this country. This debate is about whether or not to improve education by creating competition. It is about empowering parents to make the best choice with their hard-earned dollars to spend on their kids' education. What do we want for our kids? We want them to have a life better than ours. Let us give them every opportunity.

The liberal Democrats, and by the way they are not all liberals anymore, thank God, their way has been to tax people to death and then give the money back. This is exactly what the substitute that they are offering says: Tax people to death, then give them money back with strings attached and basically tell them how to use that money.

Our way is to let parents make that decision on how and where their kids will be educated, private or public schools. Let us not forget that those parents are paying public property taxes to support public schools anyway.

Let us give poor and middle-class families the same opportunity to send their kids to the school of their choice just as our wealthy President, President Clinton, has the option to send his child to a private school.

This is not about rich versus poor; this is about the future of education in this country. And let us make parents, rich, poor or middle class, let us give them all the same choice that just the rich people have now.

Mr. FROST. Mr. Speaker, I yield myself 2 minutes.

The gentleman makes a fine statement, the problem is he ignores the facts. The facts are that poor and middle-class families get almost nothing under this plan. It only goes to upper middle-class families. A family earning up to \$17,000 a year gets \$1 in tax savings under this bill; a family earning between \$17,000 and \$33,000 a year gets \$2 in tax savings; a family earning between \$33,000 and \$55,000 a year gets \$7 a year in tax savings under this.

This does not help poor and middle-class families send their kids anywhere. This benefits upper middle-class suburban constituents. We ought to be honest about this. We ought to be clear about who benefits under this bill and who does not benefit, that is the only point I am making.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, the gentleman is consistent in his argument against school choice, but inconsistent in his argument on who should benefit.

Is the gentleman opposed to the idea of providing scholarships for poor families in Washington, DC?

Mr. FROST. Mr. Speaker, reclaiming my time, I am opposed to using tax money to send kids to private schools in Washington, DC; that is correct.

I am only asking that when Members on the other side argue in favor of this bill they should not pretend that this bill helps lower income and middle-class families because it does not. I am only asking they be honest in their statements.

Mr. RIGGS. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from California.

Mr. RIGGS. Mr. Speaker, I just want to go back to the point I made earlier; that, again, the folks investing in these accounts, and the gentleman should correct me if I am wrong now in his interpretation of the bill, have already paid Federal and State income taxes, they have paid real property taxes, they have paid personal property taxes, and a good portion of those taxes will go to support public schools. All public schools for all children. And that the money that they are investing in these education savings accounts are after-tax dollars; is that a correct statement?

Mr. FROST. Mr. Speaker, reclaiming my time, I would be happy to respond to the gentleman. Clearly that is the case. They are just not getting anything out of this, unless they happen to be wealthy.

This does not help lower income and middle-class families. The gentleman is correct, it is after-tax dollars. It just does not happen to help most of the families in the country.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Speaker, I thank the gentlewoman for yielding me this time.



As the chairman of the Subcommittee on Early Childhood, Youth and Families, otherwise known as the K-12 Education Subcommittee, I rise in strong support of the rule and in strong support of this legislation allowing parents and families and, for that matter, concerned third parties to create and invest in education savings accounts.

Now, I want to point out that this is one of several Republican-sponsored education initiatives that will give parents more freedom and more control. And I understand, if we can advance the argument for just a moment beyond class warfare and the politics of envy, I think I understand why that is so threatening to the other side and why they so strongly oppose this legislation.

They seem to be motivated by fear. They are reactionary. They are concerned and threatened by the growing effort to infuse more competition and parental choice into our school system in response to the demands on the part of education consumers, parents, and guardians.

They oppose parental choice because they are carrying water, let us be clear about this, for the National Teachers Unions, the core constituency of the National Democratic Party. They oppose parental choice because this threatens the education establishment's monopoly of financial control over our schools.

So it makes no difference whether we are talking about the legislation we did a couple of weeks ago providing opportunity scholarships to 2,000 District of Columbia children, those children, by the way, gentlemen, are children in poor families, the poorest of the poor, children who are trapped in failing or unsafe schools, as we have already heard.

Next week we will have a bill out on this floor that I cosponsored with a Democrat Member of this House, the gentleman from Indiana, [Mr. TIM ROEMER], very bipartisan effort, to expand public school choice through the creation of more charter schools, again giving parents more choice in the public school system.

It will be very interesting to see how the distinguished Members who have spoken against the education savings account, how they will vote on this matter, because in committee 10 Democrats supported the legislation but 8 voted against it.

We will also try to bring legislation here to the floor called HOPE scholarships that will expand on the proven success of giving parents in the cities of Milwaukee and Cleveland, expand that proven success nationwide, so that those very low-income parents, those same families that my colleagues profess so much concern for will have the opportunity, through taxpayer-funded scholarships, or tuition grants, to send their children to another school.

Why are we doing this? Because we fundamentally believe that every sin-

gle parent should be able to select the best, most appropriate education for their child. And with these education savings accounts, I point out again, they are investing after-tax dollars. After they have paid all of their Federal, all of their State taxes, a good portion of which goes to support public education, all schools, all children.

And to the gentleman from Texas [Mr. FROST], I do not think he can deny that particular argument. So more freedom and more control because, after all, for parents, it is their money, it is their children, it is their future.

Mr. FROST. Mr. Speaker, I ask the time remaining on each side so that we know where we are.

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from Texas [Mr. FROST] has 5½ minutes remaining; the gentleman from North Carolina [Mrs. MYRICK] has 4¼ minutes remaining.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. STARK], a member of the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, we have heard words here this morning about labor unions and bureaucracy and liberals, and I am willing to stipulate to my colleagues on the other side of the aisle that I am a liberal. More than half of the families in my district have a labor union member in their household. They work with their hands; they work on their feet, something that many of my colleagues on the other side of the aisle have had very little contact with in their lifetime. They work hard and they make very little money. They are in the vast majority in this country, and they are not getting any benefit from this bill.

Let us leave education aside. Many of them, a majority of them, they send their children to parochial schools, wish they had the money to send them to private schools if they could find scholarships. But the fact is that less than 6 percent of the wealthiest Americans will get anything out of this. So it is those labor union people, those hard-working public schoolteachers, who the Republicans would turn their backs on and cut their salaries and deny them increased funding, that I am proud to support.

I am proud to support the working Americans in this country who are getting nothing out of this except to have their hard-earned dollars drained so that the very rich Republicans, and if that is class warfare, let it be. Because it is when the class wakes up who is paying the freight for these huge deductions for the millionaire, billionaire Republicans who are getting the benefits that they are going to understand that the people in charge of this House are stealing the money from the hard-working Americans and frittering it away to the idle rich.

So if my colleagues are rich enough to have inherited money, if they are

rich enough to have never had a real job in their life, if they know nothing, I hear all these guys talking about the market and free enterprise. Most of them have been at the public trough all their lives and never had a job in public industry.

So I say I am proud to be a liberal, proud to represent the working men and women of this country who will get no benefit from this bill.

Mrs. MYRICK. Mr. Speaker, I yield 2½ minutes to the gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, I thank the gentleman for yielding me this time.

As a Member of this Congress who worked hard all my life in the restaurant business and the travel agency business and the real estate business, I am proud of the taxes I paid and the common sense that I bring to this Chamber.

My father just retired, after 20-some years, as a principal in a public school. So I care deeply about public education. I grew up in it and around it and graduated from it. But the notion somehow that the assembly worker is not going to be able to make a prudent investment decision with his IRA and earn more than \$7 tax-free interest in a given year is ludicrous. That assembly line worker could invest appropriately in a mutual fund and have higher earnings enabling himself to educate his children.

Now, we hear all the time about these taxpayers, these wealthy individuals who, yes, are paying higher property taxes in their communities, who are paying higher real estate and public school educational costs, who are paying higher payroll taxes, who are paying higher IRS taxes and who are not going to have any of those funds removed from public education due to this bill. But, in fact, they are going to be having an opportunity to help educate their children of all economic structures.

Let us talk about some of the benefits of the bill that may happen if somehow some parent decides that they may choose a public, a private or a parochial school. If they choose one of the two, private or parochial, lower construction costs for public education because of fewer students. Fewer teachers, because fewer students will be in that classroom. Fewer books to pay for. Fewer security guards. So lower cost to the public taxpayers due to this innovative proposal.

But let me also suggest that there is a bit of irony today on the floor, because the gentlemen from Texas, who rise repeatedly to object to this bill, voted for a very similar provision in a recent tax bill passed by this very Congress that allowed for an IRA for educational costs for higher education. Both gentlemen from Texas voted for that provision.

And this is not any different. But it is giving parents a chance to save money, and that is something we should be proud of in America, that we



are encouraging savings. We read in every magazine that there are fewer and fewer savers in America saving their funds for the future.

□ 1215

Finally, we are earmarking a chance for people to save those dollars for the very best intention, and that is the education of our children, to give them a future in which to earn a living and hopefully after hard work like myself, be able to be a Member of this Congress and contribute constructively to the debate regarding these types of programs.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding. I do not want to get into the debates of saving patterns and the economic data on that, but let us talk about a couple of things. Let me say, personal property taxes, which we do not have in Texas, State and local taxes really are not of our concern at the Federal level. We should leave up to the State and local governments to decide how they want to fund public education. I think we all agree with that. But let me put again back in perspective my concern about this. I will talk about my public sector experience, not when I was in the private sector as a banker. When I was a staffer on the Hill and I made \$25,000 a year, I would not have as much disposable income like the staffers on the Hill to do that to set aside. But now as a Member of Congress making \$133,000 a year, under this bill I would have more disposable income, therefore, I have more income to invest, whether it is a prudent investment or not. But just the fact of having more principal to invest, I should get a greater return and have more income. That is the biggest point about this. It is a question of who has the greatest amount of disposable income. You have got it backwards in this bill. If you really want to go in and say we are trying to help the middle class and lower middle class rather than helping the Congressmen who make \$133,000 a year but trying to help the staffers, do a credit, reverse it, but it does not work the way you are doing it.

Mrs. MYRICK. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, we hear in this body over and over that the liberals represent the working person. They represent the union, which only accounts for 6 percent of the work force in this country. Ninety-four percent of the jobs in this country are nonunion. So if you support the working men and women, get rid of Davis-Bacon, get rid of the inhibitors that kill jobs in this country. I do not think we ought to tax savings. I do not think we ought to tax works but consumption. That is a different bill. But we should not tax savings, savings of any American regardless of their income

level when it goes for education of the children.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume. This piece of legislation is a sham piece of legislation. This does not help lower income people in the inner cities. This does not help middle-class people no matter where they live, whether they live in the cities, the suburbs or in rural areas. This only helps one class of individuals, upper income constituents who live in the suburbs and who send their kids to private schools. This helps people who earn between \$93,000 and \$160,000 a year. We can debate whether there ought to be any type of help for people who send their children to private schools. That is a separate issue. This is a narrowly targeted piece of legislation that does not help any hard-working individual in the middle class send their children to private school if they choose to send their children to private school. It should be accurately advertised and accurately presented. We should not be telling the public that we are doing something for them that we are not doing for them. We are helping one very narrow category of person who chooses to send their children to private school. This is a bad piece of legislation. I support the rule because it does make in order a substitute to be offered by the gentleman from New York [Mr. RANGEL] which will permit us to get on with repairing the infrastructure of the public schools in this country. I urge adoption of the rule, I urge adoption of the Rangel substitute, and if the Rangel substitute is not adopted, I urge defeat of this bill on final passage.

Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the resolution.

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

Mr. FROST. 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 pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 287, nays 135, not voting 11, as follows:

[Roll No. 522]

YEAS—287

Aderholt  
Archer  
Armey  
Bachus  
Baesler  
Baker  
Baldacci  
Ballenger  
Barr  
Barrett (NE)

Bartlett  
Barton  
Bass  
Bateman  
Bentsen  
Bereuter  
Berman  
Billbray  
Bilirakis  
Bishop

Blumenauer  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bono  
Boyd  
Brady  
Bryant  
Bunning

Burr  
Burton  
Buyer  
Callahan  
Calvert  
Camp  
Campbell  
Canady  
Cannon  
Capps  
Carson  
Castle  
Chabot  
Chambliss  
Chenoweth  
Christensen  
Clayton  
Clement  
Coble  
Coburn  
Collins  
Combest  
Condit  
Cook  
Cooksey  
Cox  
Cramer  
Crane  
Crapo  
Cunningham  
Danner  
Davis (FL)  
Davis (IL)  
Davis (VA)  
Deal  
DeLay  
Dellums  
Diaz-Balart  
Dickey  
Doolittle  
Dreier  
Duncan  
Dunn  
Ehlers  
Ehrlich  
Emerson  
Engel  
English  
Ensign  
Eshoo  
Everett  
Ewing  
Farr  
Fawell  
Foley  
Forbes  
Ford  
Fowler  
Fox  
Franks (NJ)  
Frelinghuysen  
Frost  
Gallegly  
Ganske  
Gekas  
Gibbons  
Gilchrest  
Gillmor  
Gilman  
Goode  
Goodlatte  
Goodling  
Gordon  
Goss  
Graham  
Granger  
Greenwood  
Gutknecht  
Hall (OH)  
Hall (TX)  
Hamilton  
Hansen  
Hastert  
Hastings (WA)  
Hayworth  
Hefley

Herger  
Hill  
Hilleary  
Hinojosa  
Hobson  
Hoekstra  
Hooley  
Horn  
Hostettler  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Inglis  
Istook  
Jenkins  
John  
Johnson (CT)  
Johnson, Sam  
Jones  
Kasich  
Kelly  
Kennedy (MA)  
Kennelly  
Kildee  
Kim  
King (NY)  
Kingston  
Klecza  
Klink  
Klug  
Knollenberg  
Kolbe  
LaFalce  
LaHood  
Lampson  
Largent  
Latham  
LaTourette  
Lazio  
Leach  
Levin  
Lewis (CA)  
Lewis (KY)  
Livingston  
LoBiondo  
Lucas  
Manton  
Manzullo  
McCarthy (MO)  
McCarthy (NY)  
McCollum  
McCrery  
McDade  
McHugh  
McInnis  
McIntyre  
McKeon  
Menendez  
Metcalf  
Mica  
Miller (FL)  
Moakley  
Mollohan  
Moran (KS)  
Moran (VA)  
Morella  
Murtha  
Myrick  
Neal  
Nethercutt  
Neumann  
Ney  
Northup  
Norwood  
Nussle  
Ortiz  
Oxley  
Packard  
Pappas  
Parker  
Pascarell  
Pastor  
Paul  
Paxon  
Pease

Peterson (PA)  
Petri  
Pickering  
Pitts  
Pombo  
Pomeroy  
Porter  
Portman  
Price (NC)  
Pryce (OH)  
Quinn  
Radanovich  
Rahall  
Ramstad  
Rangel  
Redmond  
Regula  
Reyes  
Riggs  
Riley  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Royce  
Ryun  
Salmon  
Sanchez  
Sandlin  
Sanford  
Saxton  
Scarborough  
Schaefer, Dan  
Schaffer, Bob  
Schumer  
Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Shimkus  
Shuster  
Sisisky  
Skaggs  
Skeen  
Skelton  
Smith (MI)  
Smith (NJ)  
Smith (OR)  
Smith (TX)  
Smith, Linda  
Snowbarger  
Snyder  
Solomon  
Souder  
Spence  
Spratt  
Stearns  
Stump  
Sununu  
Talent  
Tauscher  
Tauzin  
Taylor (NC)  
Thomas  
Thornberry  
Thune  
Tiahrt  
Traficant  
Upton  
Walsh  
Wamp  
Watkins  
Watts (OK)  
Weldon (FL)  
Weldon (PA)  
Weller  
White  
Whitfield  
Wicker  
Wolf  
Wynn  
Young (AK)  
Young (FL)

NAYS—135

Abercrombie  
Ackerman  
Allen  
Andrews  
Barcia  
Barrett (WI)  
Becerra  
Berry  
Blagojevich  
Bonior  
Borski

Boswell  
Boucher  
Brown (FL)  
Brown (OH)  
Cardin  
Clay  
Clyburn  
Conyers  
Costello  
Coyne  
Cummings

DeFazio  
DeGette  
DeLauro  
Deutsch  
Dicks  
Dixon  
Doggett  
Dooley  
Doyle  
Edwards

Etheridge	Luther	Rush
Evans	Maloney (CT)	Sabo
Fattah	Maloney (NY)	Sanders
Fazio	Markey	Sawyer
Filner	Martinez	Scott
Foglietta	Mascara	Serrano
Frank (MA)	Matsui	Sherman
Furse	McDermott	Slaughter
Gedjenson	McGovern	Smith, Adam
Gephardt	McHale	Stabenow
Green	McKinney	Stark
Gutierrez	McNulty	Stenholm
Hastings (FL)	Meehan	Stokes
Hefner	Meek	Strickland
Hilliard	Millender-	Stupak
Hinchey	McDonald	Tanner
Holden	Miller (CA)	Taylor (MS)
Hoyer	Minge	Thompson
Jackson (IL)	Mink	Thurman
Jackson-Lee	Nadler	Tierney
(TX)	Oberstar	Torres
Jefferson	Obey	Towns
Johnson (WI)	Olver	Turner
Johnson, E.B.	Owens	Velazquez
Kanjorski	Pallone	Vento
Kaptur	Payne	Visclosky
Kennedy (RI)	Pelosi	Waters
Kilpatrick	Peterson (MN)	Watt (NC)
Kind (WI)	Pickett	Waxman
Kucinich	Poshard	Wexler
Lantos	Rivers	Weygand
Lewis (GA)	Rodriguez	Wise
Lipinski	Roemer	Woolsey
Lofgren	Rothman	Yates
Lowey	Roybal-Allard	

## NOT VOTING—11

Bliley	Flake	Linder
Brown (CA)	Gonzalez	McIntosh
Cubin	Harman	Schiff
Dingell	Houghton	

□ 1241

Ms. McKINNEY and Mr. STUPAK changed their vote from "yea" to "nay."

Messrs. RANGEL, RAHALL and MCINTYRE changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

#### CONSIDERING MEMBER AS FIRST SPONSOR OF H.R. 616

Mrs. KELLY. Mr. Speaker, I ask unanimous consent that I may hereafter be considered as the first sponsor of H.R. 616, a bill originally introduced by Representative Molinari of New York, for the purposes of adding cosponsors and requesting reprints pursuant to clause 4 of rule XXII.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 274, I call up the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SUNUNU). The bill is considered read for amendment.

The text of H.R. 2646 is as follows:

H.R. 2646

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Education Savings Act for Public and Private Schools".

#### SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

"(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account."

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

"(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tuition, fees, tutoring, special needs services, books, supplies, equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

"(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

"(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law."

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking "higher" each place it appears in the text and heading thereof.

(b) INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking "\$500" and inserting "\$2,500".

(2) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking "\$500" and inserting "\$2,500".

(B) Section 4973(e)(1)(A) of such Code is amended by striking "\$500" and inserting "\$2,500".

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph 1 of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: "The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary)."

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking "The maximum amount

which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

#### SEC. 3. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied (other than with respect to severance pay) without regard to the result reached in the case of Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue, 107 T.C. 271 (1996).

(b) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

The SPEAKER pro tempore. Pursuant to House Resolution 274, the committee amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part 1 of House Report 105-336, is adopted.

The text of the committee amendment in the nature of a substitute, as modified by part 1 of House Report 105-336 pursuant to House Resolution 274, is as follows:

H.R. 2646

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Education Savings Act for Public and Private Schools".

#### SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)) but only with respect to amounts in the account which are attributable to contributions for any taxable year ending before January 1, 2003, and earnings on such contributions:

Such expenses shall be reduced as provided in section 25A(g)(2).