

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

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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 need 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