

they also know that there is extra, that education now between K through 12 is not enough. We did something in the balanced budget plan called the HOPE scholarship. It is a start. What we want to do is we want to expand that, because we know particularly for people who have children with special needs that there is always extra. There is a little extra in the summer, there is a little extra after the grades are all over and the schoolhouse closes after they have graduated, we hope. There is extra that they are going to need.

I understand that there are some who say that because you are poor, you probably will not want to participate. A, that is wrong, because people do care about their kids. And, B, even if they are able to participate a little, is that not better than nothing?

I understand there is a Treasury study out there that says that it only means \$10 for somebody. \$10? \$10 is something. It is a start. Maybe that is not enough. Maybe we ought to go further. Let us talk about going further, but let us not stop just because that is not enough for one particular family. Let us give the incentive to families so that they can meet those challenges. And let us also do it in a way that recognizes that education is a lifelong process.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose the Education Savings Act for Public and Private Schools—H.R. 2646—despite having been an original cosponsor of the Parents and Student Savings Account Act—PLUS A+—bill and having been quite active in seeking support for the original bill. I remain a strong supporter of education IRA's, which are a good first step toward restoring parental control of education by ensuring parents can devote more of their resources to their children's education. However, this bill also raises taxes on businesses and I cannot vote for a bill that raises taxes, no matter what other salutary provisions are in the legislation.

I certainly support the provisions allowing parents to contribute up to \$2,500 a year to education savings accounts without having to pay taxes on the interest earned by that account. This provision expands parental control of education, the key to true education reform as well as one of the hallmarks of a free society. Today the right of parents to educate their children as they see fit is increasingly eroded by the excessive tax burden imposed on America's families by Congress. Congress then rubs salt in the wounds of America's hardworking, taxpaying parents by using their tax dollars to fund an unconstitutional education bureaucracy that all too often uses its illegitimate authority over education to undermine the values of these same parents.

In fact, one of my objections to this bill is that it does not go nearly far enough in returning education authority to the parents. This is largely because the deposit to an education IRA must consist of after-tax dollars. Mr. Speaker, education IRA's would be so much more beneficial if parents could make their deposits with pretax dollars. Furthermore, allowing contributions to be made from pretax dollars would provide a greater incentive for citizens to contribute to education IRA's for other underprivileged children.

Furthermore, education IRA's are not the most effective means of returning education resources to the American people. A much more effective way of promoting parental choice in education is through education tax credits, such as those contained in H.R. 1816, the Family Education Freedom Act, which provides a tax credit of up to \$3,000 for elementary and secondary expenses incurred in educating a child at private, parochial, or home schools. Tax credits allow parents to get back the money they spent on education, in fact, large tax credits will remove large numbers of families from the tax roles.

I would still support this bill as a good first—albeit small—step toward restoring parental control of education if it did not offset the so-called cost to Government—revenue loss—by altering the rules by which businesses are taxed on employee vacation benefits. While I support efforts to ensure that tax cuts do not increase the budget deficit, the offset should come from cuts in wasteful, unconstitutional Government programs, such as foreign aid and corporate welfare. Congress should give serious consideration to cutting unconstitutional programs such as Goals 2000 which run roughshod over the rights of parents to control their children's education, as a means of offsetting the revenue loss to the Treasury from this bill. A less than 3-percent cut in the NEA budget would provide more funds than needed for this return of tax dollars to families who seek choice in their children's educational needs.

Mr. Speaker, we in Congress have no moral nor scientific means by which to determine which Americans are most deserving of tax cuts. Yet, this is precisely what Congress does when it raises taxes on some Americans to offset tax cuts for others. Rather than selecting some arbitrary means of choosing which Americans are more deserving of tax cuts, Congress should cut taxes for all Americans.

Moreover, because we have no practical way of knowing how many Americans will take advantage of the education IRA's relative to those who will have their taxes raised by the offset in this bill, it is quite possible that H.R. 2646 is actually a backdoor tax increase. In fact, the Joint Committee on Taxation has estimated that this legislation will increase revenues to the Treasury by \$1.8 billion over the next 2 years.

It is a well-established fact that any increase in taxes on small businesses discourages job creation and, thus, increases unemployment. It is hard too see how discouraging job creation by raising taxes is consistent with the stated goal of H.R. 2646—helping America's families.

Mr. Speaker, I would suggest that is this type of legislation—a backdoor tax increase masquerading as a tax cut—that is, in part, responsible for the widespread and ever growing disgust with this body.

In conclusion, although the Education Savings Act for Public and Private Schools does take a small step toward restoring parental control of education, it also raises job-destroying taxes on business. Therefore, I cannot in good conscience support this bill. I urge my colleagues to join me in opposing this bill and instead support legislation that returns education resources to American parents by returning to them moneys saved by deep cuts in the Federal bureaucracy, nor by raising taxes on other Americans.

Mr. BUYER. Mr. Speaker, we face a crisis in American education today. Forty percent of

all 10 year olds can't meet basic literacy standards. United States eighth-graders recently placed 28th in the world in math and science skills. Two thousand acts of violence take place in schools each day, and almost a third of today's college freshmen require some remedial instructions. The education initiatives Republicans are bringing to the House floor in the next few days are an excellent start toward solutions of these problems.

Education savings accounts [ESA's] give middle- and low-income parents new education choices—public and private—to educate their children in safe and nurturing environments. Families or individuals earning less than \$95,000 a year would be eligible to contribute up to \$2,500 annually into an account for a child's educational needs while at public, private, religious or home schools—from kindergarten through college. The buildup of the interest within that account is tax free and the savings from that account can be used for tuition, tutoring, transportation, equipment, services for kids with special needs, home computers, uniforms, books and supplies, and SAT preparation or enrollment expenses related to sending a child to a public school in a neighborhood district.

It has been estimated that around 14.3 million families—about 10.8 million of which are families whose children attend public school—would benefit from these accounts by 2002. Seventy percent of the tax savings from these accounts would go to families whose income is less than \$75,000 a year. Families can make no more important investment than the investment in their child's education.

Some people would argue that ESA's would siphon off funds needed for public school education. In fact, public education would benefit from Americans' being encouraged to invest in their neighborhood schools. Faced with rising costs, many public schools are forced to operate in unsafe buildings or with too few textbooks. The funds these ESA's provide would help improve the quality of public school education by freeing tax dollars for basic instruction, supplies, and repairs. Just investing \$2,500 a year from a child's birth until he or she enters the first grade would yield nearly \$17,883 for that child's elementary education. Research has shown that engaging parents in their children's education improves the academic performance of those children, and also gives parents a stake in the success of their local schools.

The Emergency Student Loan Consolidation Act just passed the House this week. This bill allows Department of Education direct loans to be consolidated with Federal family education loans [FFEL] until September 30, 1998; allows students to consolidate loans with private-sector loans; and requires consolidated FFEL and direct loans to carry the same interest rate of a consolidated direct loan. In addition, the bill stipulates that HOPE scholarships—the recently created \$1,500 tax credits for families for the first 2 years of college established by the Taxpayer Relief Act—will not reduce the financial aid award a student receives. The Department of Education has been unable to effectively operate their direct student loan program since it was created in 1993 and America's students should not have to pay for this administration's shortcomings.

If we truly want to help parents, teachers, and local officials strengthen and reform our Nation's education system, we must make