affecting most children in our State. Our buildings are deteriorating to the point where we are sacrificing the health and safety of our children and teachers.''

And Mrs. Ricciardi continues to write:

Almost every roof in our schools needs repair. Of 17 schools, 11 require significant repair. Schoolchildren sit next to buckets and garbage cans catching rainwater in bad weather. We rely on substandard classrooms and trailers to address increasing enrollment.

Our son is in second grade and has almost his entire education in front of him. With no hope in sight for change, we will be forced to consider leaving for his future success. Many of our friends and neighbors are discussing the same issue. School financing, charter schools and the introduction of technology are the most significant problems for most families today.

Mr. Speaker, Ms. Ricciardi's situation and concerns mirror those of millions of parents around the country. And she could not be more right. Something absolutely needs to be done. That is why the President has proposed the school construction initiative to repair the Nation's ailing school infrastructure. Under the President's plan, the Federal Government will provide a $5 billion jump start for the necessary investments in the Nation's school buildings.

I want to thank you, Mr. Speaker. I say that these letters just indicate remotely the magnitudes of the educational problem. The problem needs to be addressed. It is a real problem that the average American faces.

INVESTMENT REVITALIZATION ACT OF 1997

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997 the gentleman from New Jersey [Mr. SAXTON] is recognized during morning hour debates for 5 minutes.

Mr. SAXTON. Mr. Speaker, I rise today to announce that on Thursday I will introduce a bill designated to increase incentives to save and invest for middle class taxpayers. The bill, known as the Investment Revitalization Act, or the IRA, of 1997, would greatly increase the deduction ceilings for IRA contributions, increase the income caps which currently prevent many middle class taxpayers from using IRA's and expand opportunities for penalty free withdrawals from IRA accounts. By increasing the incentives to save, this legislation would boost long term economic growth and help middle class taxpayers help themselves in addressing a wide variety of economic contingencies that might otherwise lead to expanded government activity.

For many years policymakers from across the spectrum have complained about inadequate levels of personal savings and investment. There have also been concerns expressed about the economic vulnerability of families to unemployment and other setbacks, the exposure of families to medical and other emergencies, the great difficulty in coping with increased education costs, the heavier family tax burdens over the last three decades, and the looming problems associated with the retirement of the baby boom generation.

Most of these problems are related to the fact that our income tax is systematically biased against personal savings and this makes it much harder for families to accumulate resources to successfully address their needs as they arise.

The IRA bill which I will introduce on Thursday will go a long way toward removing the bias against savings and investment in the current Tax Code. This bill is intended to suggest a new direction and to guide tax policy into the next century. The basic idea is to expand IRA's enough to strip away much of the multiple taxation of personal savings and investment in the United States for the vast majority, particularly of middle class taxpayers.

The flexibility of this approach would give families the financial ability to successfully address their needs as they see fit. This IRA bill increases the current $2,000 IRA deduction ceiling by $500 every year for 10 years. At the end of this period, the deduction cap would be $7,000 each year.

Second, the bill would increase the income ceiling $10,000 each year for 6 years so that taxpayers filing joint returns up to $110,000 of adjusted gross income could take advantage of IRA deductions.

Third and finally, the penalty free withdrawals would be permitted for medical care, education, employment, and for first-time homeownership. When a career setback or unexpected medical problem occurs, they would have the sufficient assets to fall back on. Some would save aggressively for children's college education, expenses or some other reason, attracted by the deduction, but also knowing that earnings compound even faster without a tax bite. Others might solely focus on retirement.

In my view, the adoption of this legislation would largely reverse the current discrimination against personal savings and investment, thus boosting long-term economic growth. The economic benefits of this concept would be significant. Government policy has undermined middle class savings incentives for too long. If we are concerned about inadequate personal savings and related problems, it is time for U.S. tax policy to become less counterproductive.

We cannot maintain a Tax Code that systematically discriminates against personal savings and investment and then be surprised when people fail to save, creating serious problems for public policy. A fundamentally different approach to the tax treatment of personal savings is urgently needed. Let us reduce the multiple taxation on middle class savings.

GOVERNORS HAVE RESPONSIBILITY TO IMPLEMENT WELFARE REFORM LAW

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997 the gentleman from California [Mr. MILLER] is recognized during morning hour debates for 5 minutes.

Mr. MILLER of California. Mr. Speaker, many of this Nation's governors are amazing. For the last 2 years they have been coming to Washington and telling anyone who would listen that they could reform the welfare system with one hand behind their back. They said they could do more for less, better than the Federal Government ever thought it could.

They went from Meet the Press, to committee hearings, to Nightline, saying to whoever would listen that they were the only ones who knew how to reform the system and had the courage to make the tough decisions. When asked about legal immigrants and about moving people to work, about a safety net for children, their answer was always the same: Leave it to us. The States are the great laboratories of the 1990's.

Well, the ink is barely dry on the Welfare Reform Act and now the Governors are back here whining about the welfare bill that they designed. Why do these Governors remind me of Riddick Bowe? They have spent less time living with the welfare reform law than Riddick Bowe did with the U.S. Marines. Riddick said his problem was the lack of flexibility. The Governors are suggesting that their problem is too much flexibility. They are responsible for too much of the welfare caseload.

Excuse me, we gave them the block grant that they asked for, calculated on the high welfare years of 1994. Many are already taking credit, along with the President, for causing the number of welfare recipients to drop by over 2 million. So why do they not take some of the savings and help provide for legal immigrants, to put some people to work, provide job training and child care for those single mothers who want to go to work? Rather than doing that, they are back to Washington asking for a Federal bailout.

Who do they think we are: The tax collectors for the State welfare state? The Governors have a responsibility to do what they have asked for the authority to do, to move people from welfare to work and to do it now. It means education, job training, child care, and health care in support of those people who want to go to work.

As problems occur, after all the sectors have made a good faith effort, then Congress can consider suggestions for change. But now they have the revenue in the first few years to carry out welfare reform if the economy stays