

role in organizing White House coffee sessions with potential donors. Many of those donors were black. When a reporter questioned McCurry about this, he pounced: "I can't believe the majority leader would suggest she's disqualified from serving as secretary of Labor because she attempted to encourage African Americans to participate in the political life of this nation." Lott, who had suggested nothing of the sort, fumed. But the White House had Lott where it wanted him. The Herman nomination became a civil rights issue. They had thrust Lott into his nightmare role of George Wallace, blocking the doorway of the Labor Department. African American and feminist organizations rushed to the White House to attack Republican delays. Even the AFL-CIO chimed in, demanding "immediate hearings on the nomination of this African American woman."

Republicans, it turns out, were all too happy to oblige. And here lies the true perversity of Herman's nomination: Congress, in the position of helping to select its foe, wants a pathetic Labor secretary. The previous one, Reich, helped Clinton push through a higher minimum wage, which most Republicans consider the low point of their last Congress. Reich's successor will be charged with fighting Republican efforts to pass legislation limiting unions' powers to negotiate in the workplace and organize politically. Therefore, the worse the secretary, the more scandal-plagued and the less policy-focused, the better. Herman's lack of qualifications became, ironically, her strongest qualification. "She will be an ineffective Labor secretary," explains a conservative activist who works closely with Senate Republicans. "There's just a general view that 'What damage can she do us? If we put somebody else in there who's effective, it'll be a much bigger headache.'"

Indeed, Republicans are happy to support Herman's sort of liberalism because it restricts government largesse to ever fewer, ever less-deserving beneficiaries. It costs much less to enrich a tiny coterie of well-connected African Americans than to improve ordinary black lives. Clinton's relegation of Reich's chair to a quota slot is itself an act of Hermanism. The Labor Department won't do much for the working poor, but it will at least do well by Alexis Herman.

TIME TO TAKE THE TERROR OUT OF TAX TIME

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

Mr. KINGSTON. Mr. Speaker, today, April 15, brings terror across the land to all kinds of Americans who have spent hours and hours filling out their tax forms, Americans who want to pay their fair share, Americans who know April 15 is coming on, and yet, at the same time, are very frustrated by the fact that they cannot figure out what their tax forms are.

A study showed that businesses have spent on an average each year 3.6 billion manhours a year filling out and complying with tax forms. American individuals spend 1.8 billion hours filling out tax forms.

So in total, Mr. Speaker, we have approximately 3 million Americans working 40 hours a week, 12 months a year, just to comply with the IRS. Today the IRS has 200 tax forms, 400 forms that tell you how to fill out the 200 forms,

and 111,000 IRS employees who do not know which forms are correct and which forms are not.

Another study showed that last year on questions to IRS agents, over 8 million of the questioners were given wrong answers. It is time to change our tax system.

We have, I think, a lot of good employees at the IRS, and yet in the same hand we have a system that is impossible for them to work with, a system that cannot be audited. Congress has sent in auditors to the IRS, and their books are not in good enough order for us to audit.

Now, what would happen to the businesses back home if the IRS agents came to their door and said, "We want to see your books," and they would say, "Well, we cannot be audited, our books are in too much disarray"?

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Yet that is the standard that the IRS has. We have spent \$4 billion on a tax automation system for the IRS, and they are no more automated now than they were 10 years ago when we started.

Mr. Speaker, I believe that the time is right for us to vigorously engage in a debate on tax simplification or in a debate on a consumption tax. It is time for us to say that the current tax system is impossible, it is counterproductive. Businesses and individuals are spending too much time trying to avoid tax considerations, rather than just doing their daily chores.

For example, if we have a widget company, the business of a widget company is to manufacture, produce, and sell widgets. It is not to avoid taxes and try to figure out IRS compliance. Yet that seems to be the custom these days.

I had one constituent call me, Mr. Speaker. She had gotten a letter from the IRS saying that she had overpaid her taxes one year and was entitled to a \$1,000 return. But in order to get the \$1,000 return, she needed to send an additional copy of her tax return for that year. No big deal.

Now, in this particular case, the woman did her tax form herself. She did not use an accountant. She did not have a Xerox machine at home. All she did was filled out her original form with ink, and then a copy of the original with pencil. So the only thing she had was a penciled copy of her tax form. But the IRS letter was pretty explicit. Just send in your old tax form and we will send you the \$1,000 that you have overpaid in the past.

She sent that in. Lo and behold, her next letter from the IRS, instead of saying here is your \$1,000, the next letter from the IRS says, you are just now paying your taxes from 2 years ago, and inasmuch as you are, you owe a penalty plus all the taxes due that year.

I got involved in it. We fought in a tug of war for a long time. Finally she ended up not getting the \$1,000, not

having to pay the taxes twice, but she did have to pay a penalty. The IRS brought the whole matter up. She was fine.

Again, Mr. Speaker, it is just a matter of the system is too chaotic, too confused for IRS agents to fairly administer it themselves. So the time to debate a flat tax, and the Armeys flat tax proposal is that you pay 20 percent, basically, of what you earn. The only deduction, I believe, that the gentleman from Texas [Mr. ARMEY] is proposing is for dependents, but no other deductions. You can fill out your tax form on a postcard. How many Americans sitting at home tonight wished they had that option?

The other proposal I understand is for a consumption tax. It is a tax system that rewards savings and it taxes consumers when they spend money. I believe both these proposals are good. I believe both should vigorously be debated. I look forward to the debates. As far as I am concerned, the time has come. Let us get it done.

THE INTERNAL REVENUE SERVICE

The SPEAKER pro tempore (Mr. LUCAS). Under a previous order of the House, the gentlewoman from Washington, [Mrs. LINDA SMITH] is recognized for 5 minutes.

Mrs. LINDA SMITH of Washington. Mr. Speaker, sometimes we come to the end of the day and we just talk about the things that went wrong, the votes that were lost, or we decry the votes that did not go the way we want.

But today, the American people can feel good. This morning while they were at work, or while they were busy with their children, there was a vote that is really significant, that Americans need to watch in the Senate.

Over my life, my past job was working with the Internal Revenue Service, not as an agent but helping people with their problems. They would come to me if they were in trouble with the IRS or with the taxes, or ask me to help them keep out of trouble. Over the years what I found, though, was a significant uneasiness within me, that I felt Internal Revenue often knew more about my clients than they really should know. I could not prove it, but I felt they were into areas they should not be in. Again, I could not prove it, but that uneasiness persisted.

Today, this morning, we rectified a problem that has been going on. Just a few years ago there was a report from the Internal Revenue Service that said that agents were browsing through computer files, private files on citizens, and often in areas they had no right to be in. The IRS said, we will never do that again. We will have a policy of no tolerance. But this last week we got another report from Internal Revenue. They had 1,515 documented cases of what we would consider violations of our personal liberties and freedom of privacy. In this country that is really important.

So right away a lot of us just decided that it was time to make a change. The IRS had promised to clean up their act, but the privacy of citizens was not protected, so a bill passed this morning that said not only is it wrong, but IRS agents would be subject to the same penalties you and I would be subject to if we violated the privacy of another individual by wiretapping or getting into their personal affairs illegally.

It says, simply, that they will have civil, that means monetary, damages personally against them, and that they can go to jail, because we hold this right of privacy very, very closely in America. There has been a double standard, that agencies have not protected that privacy as we would demand and we have a right to expect.

Later this day, though, we had another vote. It was a good vote. It was a majority vote for the taxpayer. Two hundred and thirty-three Members of Congress had the courage to stand up and say it is time that it be harder to raise your taxes than it is to raise spending, so we have to raise your taxes again, as has been going on for many years.

My mom and dad's income tax to the Federal Government would be less than 4 percent, when they were raising me. Today, my children, who are raising my grandchildren, their tax is nearly a quarter, and will be nearly a half, when we count all taxes on these young families. We have to expect that to grow on my grandchildren.

Mr. Speaker, we took that vote. It did not win, even though we had a majority, because it takes a supermajority for that type of vote. But it was a good vote for the American people, to show them that at least a majority of Congress now care about the American people, the family that is paying that tax, and that 40, 50, or even 25 percent is more than we should be taking from the working family who would rather spend that time with their family; a very good day for the taxpayer.

But the American people have to understand that they have to stay diligent, because until a few years ago when I was written in for Congress, and I did not run, I was written in, I was not paying attention to Congress. But when I got here I found that it was very hard to say no to the groups that came to you and wanted something, but very easy to say yes to them, and then, a cumulative giving the tax increase, or the burden to the next generation in a debt.

This is a very good time, but only if the American people address this time and weigh in. Again, this has been a good day for the American people, but they need to contact their Senators and encourage them to also pass the tax snooping bill to stop the IRS from invading privacy.

H.R. 400 LEVELS THE PLAYING FIELD FOR AMERICAN INVENTORS

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from North Carolina [Mr. COBLE] is recognized for 5 minutes.

Mr. COBLE. Mr. Speaker, there have been many accusations about H.R. 400, popularly known as the patent bill, which will be on the floor this coming Thursday, allowing the Japanese and other foreign entities to steal our technology. The problem is that those making these accusations are disseminating misinformation, or inaccurate information to be more specific.

This bill does not discriminate against American applicants. On the contrary, it levels the playing field so that Americans will stop being treated unfairly in our own country. It is the current system that protects what the gentleman from California [Mr. ROHRABACHER] calls Japanese or Chinese interests.

Under the abuses employed by foreign applicants today, which continue to be allowed under the bill of the gentleman from California, foreign applicants are laughing all the way to the bank.

Get this: A foreign applicant can file a patent application in his own country, or anywhere other than the United States, while delaying his application in the United States; a practice, by the way, which H.R. 400 prevents. Consequently, the foreign applicant's patent issues quickly overseas and not in the United States until much later.

Under the Rohrabacher system, as the foreign-issued patent is about to expire, the foreign company may then abandon its delay tactics in the United States and allow its U.S. patent to issue, ensuring years of monopoly protection in our country. So the foreign applicant initially prevents American companies from selling competing products abroad, and to make matters worse, when the foreign patent expires, the foreign applicant receives a U.S. patent, which then prevents American companies from selling competing products here.

This encourages, by the way, Mr. Speaker, American companies to move overseas taking with them American jobs.

Here is another example: Right now a foreign applicant can come into the United States, take a product which is being held as a trade secret by an American company, patent it, and make the American inventor pay royalty fees for its own invention. This actually occurs.

Small businesses represented who testified in front of our subcommittee have shared their personal stories about this. The gentleman from California, Mr. ROHRABACHER's bill allows this to continue. H.R. 400 allows the original American inventor to continue using his invention in the same way he was using it before he was sued by the foreign patent holder.

Here is another abuse, committed by foreign and American applicants which the gentleman from California, [Mr. ROHRABACHER] allows and which our bill, H.R. 400, stops; it is called submarine patenting.

This procedure is a tool of self-serving predators who purposely delay their applications and keep them hidden under the water until someone else with no way to know of the hidden applications invests in the research and development to produce a new consumer product, only to have the submarine rise above the surface and sue them for their innovation.

One recent suit earned a submariner \$450 million at the expense of consumers. Submariners do not hire workers, do not invest in the economy, and they do not advance technology. They only live to sue others who do invest and contribute.

The gentleman from California, [Mr. ROHRABACHER] will tell you that there are hardly any submariners out there and that they constitute a minuscule amount. Of course, we all know that if you make your living suing American innovators, you sue as many as possible and hope to settle for nuisance value.

That is why many cases initiated by submariners are not recorded. I urge everyone to take a look at the front page story of the Wall Street Journal about the problem which appeared on April 9. It is a great problem which my bill prevents. And it is these submariners, Mr. Speaker, who probably stand to benefit more than any other group if our bill is defeated.

Some folks are confused about what this bill does and does not do in view of my previous illustrations. There have been some concerns that have arisen which have involved great discussion and significant negotiation. Those will form the basis of a floor manager's amendment which I will offer to this body on Thursday.

Inventors have complained that the office has not been able to spend its valuable resources on the most important function of the office, that is the Patent and Trademark Office.

Mr. Speaker, I appreciate the support of my colleagues on Thursday.

Mr. Speaker, I want to take 5 minutes to address some of the scare tactics being employed by critics to a very important patent law reform bill coming to the floor and explain the contents of an important floor manager's amendment which will be offered to H.R. 400 on Thursday. After much negotiation with all interests involved with this bill, the Judiciary Committee will put forth a comprehensive amendment containing many improvements and alleviating many concerns, especially of the independent inventor and small business communities.

There have been many accusations about H.R. 400 allowing the Japanese, or other foreign entities, to steal our technology. The problem is that those making the accusations don't understand the bill. This bill does not discriminate against American applicants, on the contrary, it levels the playing field so that Americans will stop being treated unfairly in our own country.

It is the current system that protects what Mr. ROHRABACHER calls Japanese or Chinese interests. Under the abuses employed by foreign applicants today, which continue to be allowed under Mr. ROHRABACHER's bill, foreign