

a campaign, and, with that volunteering, you trigger in such things as spending limits, as new PAC limits, as new individual contribution limits, as public benefits that have never been given before for those who voluntarily limit their campaign spending.

It eliminates things like bundling provisions, it eliminates the soft money provisions, and it requires for independent expenditures for those organizations outside of this system, outside of a candidate's campaign, who are going to come in and comment on the campaign, who are going to run literature that says this candidate is a good or bad candidate, it requires them to disclose who they are and where their sources of funding are coming from. This is comprehensive campaign reform.

What you have heard so far are bits and pieces of that. The bipartisan freshman bill, it is a good bill. It is a step in the right direction that deals with independent expenditure; other bills that deal with elimination of soft money; other bills that deal with public benefits. But none of the bills are comprehensive, that go all the way throughout the spectrum from campaign spending limits to overhaul of the benefits that candidates should get.

Mr. MILLER of California. Madam Speaker, will the gentleman yield?

Mr. FARR of California. I yield to the gentleman from California.

Mr. MILLER of California. Madam Speaker, I thank the gentleman for making this point.

Many have tried to say that somehow those of us who are asking that the House debate and pass campaign finance reform are somehow doing it to change the subject because the President and the administration have their own problems with how the money was raised and given to them in the last election.

As the gentleman points out, when the Democrats were in control of this House, in three successive efforts they made to pass and did, in fact, pass campaign finance reform, it was vetoed by the President, it was filibustered in the Senate.

The fact of the matter is, knowing even then that this was a system that was headed into a meltdown, we tried to take some efforts to get comprehensive finance reforms and they were thwarted by the other party. But now it is even worse.

We just heard Members from the other side say that they want to make this effort, and we had a press conference, a bipartisan press conference, supporting bipartisan legislation. We cannot even debate that legislation on the floor of the House, the so-called people's House, because the Republican leadership will not let us. Yet we have numerous Members from the other side of the aisle who have worked many years on this problem. They cannot even be heard.

Mr. FARR of California. Madam Speaker, I think the point is so well

taken, the fact that there is no effort in this legislative body, the only body that can change the law. We are having hearings here where people want to hear and smear or just listen and say, we will finish with that and come up with something. This House has been doing campaign finance reform when the Democrats were in control year after year after year. Why can we not do it now?

Mr. MILLER of California. Because the Speaker is determined that it will not be on the schedule, that it will not be on the agenda of this House. That is what we are trying to change with many of these procedural votes, to call the attention to the public that we are being gagged in the House of Representatives from talking about this problem.

Mr. FARR of California. Continue the effort.

### THE IRS

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

Mr. DUNCAN. Madam Speaker, the Nation has been outraged by the disclosures of IRS abuses of power expressed in last week's hearings in the other body. Yet very few people have really been shocked because almost everyone either has been mistreated by the IRS or has a close friend or relative who has been.

Leaders of both parties have promised some type of legislation, possibly even before we break this year. But IRS browbeating of citizens is so bad that we need more than some quick fix, cosmetic type change. We need to change the entire system.

The IRS' ability to mistreat people comes primarily from three sources: First, a Tax Code so complicated and confusing that no one understands it and not even the IRS itself; second, a Civil Service system that protects Federal employees so much that they can get away with almost anything; and, third, the fact that the Congress keeps giving the IRS huge increases in funding.

Let me speak briefly to those points in reverse order. First, it is almost unbelievable, because almost everyone knows how bad the IRS is, how abusive it is, yet we are rewarding them with a \$548 million increase in funding. This is in the Treasury-Postal appropriations bill, and the conference report on that bill is scheduled later this week.

I voted against this bill the first time, primarily because of the IRS increase and because it also contained a congressional pay raise. I hope we will vote the bill down this week, if we can get enough Members to request a vote. This IRS increase is almost three times the rate of inflation and is totally unjustified, especially for an agency that just squandered billions, billions on a computer system that it admits will not work in the real world.

Second, the Civil Service System that we have now really does nothing for good, dedicated employees but it serves as a protection for lazy, incompetent, rude, or abusive employees.

There is really very little that can be done to a Federal employee no matter what he or she does or does not do, and, unfortunately, far too many take advantage of this. Federal employees cannot be held accountable for their misdeeds or wrongdoing, and thus nothing is done for huge mistakes that would cause quick termination in the private sector. About the only real violations that are acted on in the Federal bureaucracy today are violations of political correctness.

Thus, the IRS makes a megabillion-dollar foulup on its computer system, but what happens? We give it a \$548 million raise and no heads roll, as they should. Also, we sit around and see the IRS used as never before to get back at enemies, so 12 conservative think tanks are being audited while no liberal ones are and Paula Jones gets audited and the IRS goes merrily on its way.

Third, the Tax Code is far too complicated and confusing. Many of the answers the IRS itself gives out are wrong. Honest people make honest mistakes on their returns and then are pursued like criminals by the IRS and zealous prosecutors trying to make names for themselves.

We need to drastically simplify our Tax Code. We need a very simple flat tax or a national sales tax. Much about the flat tax appeals to me, but a national sales tax has one big advantage in that it would enable us to do away with almost all of the IRS. I voted for the most recent tax cut, the first since 1981. Yet one major disappointment for me was that it made our Tax Code even more complicated.

□ 1945

I hope people all over this Nation will call or write Members of Congress and demand that we drastically simplify our Tax Code. I hope they will also tell their Members of the House and Senate to stop giving the IRS huge increases in funding. I hope they will tell their Representatives that we need to make major reforms of our civil service system so that IRS and other Federal employees cannot get away with rude, arrogant, abusive behavior any longer.

And I hope we will finally start cutting Federal spending. We have had much false publicity about cuts, but Federal spending is still going way up every year. This is why Federal, State, and local taxes combined, plus regulatory costs, now take half of the average person's income.

Big government breeds the types of abuses we are now hearing about by the IRS and many other Federal departments and agencies. The only long-lasting solution is to bring our government back home, closer to the people, and let the private sector and local governments solve most of our problems once again.

In short, Madam Speaker, we need a government of, by and for the people instead of one that is of, by and for the bureaucrats.

COMMUNICATION FROM THE  
CHAIRMAN OF THE COMMITTEE  
ON COMMERCE

The SPEAKER pro tempore laid before the House the following communication from the Hon. TOM BLILEY, Chairman of the Committee on Commerce:

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON COMMERCE,  
Washington, DC, September 26, 1997.

Hon. NEWT GINGRICH,  
Speaker, House of Representatives,  
The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that the Committee on Commerce has received subpoenas for documents and testimony issued by the U.S. District Courts for the Central District of California and the District of Columbia, respectively, in the matter of Oxycal Laboratories, Inc., et al. v. Patrick, et al., No SA CV-96-1119 AHS (EEx) (C.D. Cal.) (civil dispute between private parties that apparently arises out of an alleged breach of a settlement agreement).

After consultation with the Office of General Counsel, I have determined that the subpoenas appear, at least in part, not to be consistent with the rights and privileges of the House and, to the extent not consistent with the rights and privileges of the House, should be resisted.

Sincerely,

TOM BLILEY,  
Chairman.

ELIMINATE THE IRS AS IT IS NOW  
KNOWN

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

Mr. FOX of Pennsylvania. Madam Speaker, I rise tonight to speak on a very important topic, and that is to eliminate the IRS as we know it, and I have to thank my friend, the gentleman from Tennessee [Mr. DUNCAN], who has outlined well the case for why we in Congress, the House and the Senate, working together with the executive branch, must make these fundamental changes.

We have a Tax Code that is over 5 million words, an agency that has 113,000 agents, and there are really two issues here. The two issues are these: First, we need to have IRS change, and then we need to make sure that in fact the code itself changes and we have a new system.

The IRS has to change because we have the abuses caused by the kind of burden of proof that is required. Right now in the United States the Commissioner of the IRS is presumed to be correct and the taxpayers are presumed to be guilty. In no other part of Anglo-American law is anyone presumed guilty before evidence is presented. It seems to me that that is a very fundamental, logical, reasonable change

that has to be made, legislatively speaking, right here in the House and as well in the Senate.

Beyond making the burden-of-proof change, we should see a change, I believe, in the culture of how the investigations are conducted. We have heard case upon case last week in the Senate Committee on Finance and I, in my district in Montgomery County, Pennsylvania, have seen where regular business people, individuals and families have been terribly hurt by investigations without probable cause, where we have bank accounts seized, businesses closed, individuals' lives turned upside down because there may have been a belief, without evidence, that something was wrong.

The fact is in many cases the IRS has overstepped its bounds. There have been quotas for having cases brought, for convictions being made, and when in fact this has been turned over. We need to make sure the IRS is changed so that when there is an investigation conducted it is with probable cause, and we will not have bank accounts seized, we will not have businesses closed and we will not have lives turned upside down.

We need to make sure we provide those kinds of safeguards that already exist in the private sector. If someone wants to bring an action in a civil court, they have to have probable cause. And if a person brings injury against someone else, they have to pay just compensation. The United States should have the same burden so that the taxpayers are protected.

That is why I am sponsoring and cosponsoring legislation in this Congress to make the changes on the burden of proof, on changing the IRS, and on having a date certain by which we do that. By the year 2000 we will have a replacement agency which will oversee, hopefully, a new IRS and as well a new code.

The current code, with all the words and all the exclusions and all the exemptions seem to favor only a few while taking money from the many. We want to see the possibility of flat tax, one that would have exemptions, of course, for mortgage deduction, for State and local taxes that are collected, as well for charitable deductions.

Those kinds of reasonable changes will be the kinds of changes that the American people can embrace. And Congress has to lead the way in response to the abuses that have been outlined not only in the Senate Committee on Finance, Madam Speaker, but as well in the Committee on Ways and Means with the oversight hearings that are being conducted.

I am hoping colleagues on both sides of the aisle will join together to make those changes, because I know there are people in every State that have had these abuses. They must end. And while most of the IRS are doing a good job and care about what they have as a career, we have set up the cir-

cumstances by creating a system with an unfair burden of proof with a runaway agency because of the culture that was created years ago.

Those fundamental changes must be made. We can downsize and we can make sure that we are delivering to the people the kind of government they want and the kind of protection they want. And so I thank my colleagues for their support in this new legislation.

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

[Mr. METCALF addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

IRS, MEDICARE, AND SOCIAL  
SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Madam Speaker, I have been sitting in the Chamber listening to the 5-minute speeches that have been going on, so I want to start tonight by proposing some new legislation as it relates to campaign finance reform.

And here is what our legislation will do. We will make it illegal to make fund-raising phone calls from offices that are paid for by the taxpayers of this great Nation, so in the future it will be illegal to make phone calls from offices that are paid for with tax dollars.

We will make it so that the Lincoln bedroom, a very important part of our heritage in this great Nation, is no longer for sale for purposes of raising money for any political sort, whether it be Republican, Democrat or otherwise.

And the third thing our campaign finance reform bill will do is it will make it illegal for foreigners to contribute to, that is, buy, election influence in the United States of America.

Those are the three points of our campaign finance reform bill that I would hope to introduce.

The gentleman from Pennsylvania is nodding his head, and I would yield to him for a comment.

Mr. FOX of Pennsylvania. Well, Madam Speaker, I thank the gentleman and would just tell him that this is a takeoff of legislation I started about 8 months ago on the Lincoln bedroom. But I think the gentleman's legislation is a little more comprehensive, and I, frankly, would like to cosponsor the gentleman's bill and make sure we carry the message forward.

I think when the public and our colleagues hear about this particular abuse or that abuse, I think a comprehensive bill that would embrace all of the changes would get the attention, I believe, not only of the public but as well the Speaker and the leadership. So