

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 Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. WATERS] is recognized for 5 minutes.

[Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. CLAY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. PAYNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. FATTAH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. SCOTT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. FORD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

[Ms. NORTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### IMPORTANT EVENTS IN MONTGOMERY COUNTY, PENNSYLVANIA

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. I appreciate the time to speak to my colleagues about two important matters that took place in my district, Montgomery County, Pennsylvania, most recently. The first was the return of the 1215th Garrison Support Unit last night around 10 o'clock at night, eight soldiers from the 1215th U.S. Army Reserve Unit returned after a nine-month deployment to Europe in support of Operation Joint Guard.

These outstanding soldiers were part of the third rotation of the Army Reservists deployed to support the UN peacekeeping mission in Bosnia, formerly known as Operation Joint Endeavor. These soldiers, men and women, have, as Reservists, done a great service, not only to Pennsylvania, but their country. They come from such occupational specialists within the U.S. Army as personnel administration, logistics and transportation, public affairs, chaplains, military police, medical and legal affairs, and the mobilized soldiers are from the Montgomery County, Pennsylvania, area as well as other parts of Pennsylvania and Maryland, and have done an outstanding job and are to be congratulated for their readiness to assume these duties and the service they have given to our country.

I wanted to join with Congressman GREENWOOD, who also represents this area, in saluting these soldiers.

I also want to take the opportunity to congratulate the Montgomery County Employment Group, who I met with this morning, in Plymouth township. There they had the opportunity to have employers and employees who are with disabilities being able to work for local employers, doing an outstanding job. They are among the most dedicated, hard-working individuals within our community. And many businesses, including the reporter newspaper, ARAMARK-Beaver College, Valley Forge Hilton and very important businesses throughout my district, over 25, have employed over 200 people with disabilities and done an outstanding job working with them, providing them long-term employment, self-esteem, leadership opportunities, and they are an inspiration, I think, to all those who come to meet them and have been served by them.

Our special award winners today were the Lower Merion School Super-

intendent David Magill as one of the winners of leadership for his service with the hiring of disabled individuals, as well as Ike Carpenter, President and CEO of Micro E.D.S., a marketing communications company.

□ 1915

Those individuals were especially cited for their outstanding work. I look forward to working with my colleagues in Congress to make sure that the tax credit legislation that is provided to these employers will be continued.

#### WHAT SHOULD BE DONE WITH THE IRS?

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

Mr. KINGSTON. Mr. Speaker, I wanted to talk tonight about what we need to do with the IRS. I think what we need to do with the IRS is change the initials from "IRS" to "CRS." Right now, as we know, IRS stands for Internal Revenue Service. I say that what we should try to do is cut taxes, with a "C," and give tax relief, change the attitude of the tax system, and also simplify taxes. I guess the best way would be to make it "RAS," and have that stand for relief, attitude adjustment, and simplification.

I have my friend, the distinguished gentleman from Pennsylvania [Mr. FOX], who has been a leader on this with me tonight. I know that the good folks in Pennsylvania want lower taxes and simpler taxes, or the gentleman would not spend so much time working with that.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I think the gentleman from Georgia [Mr. KINGSTON] is right on target. There are three parts to this national debate and national issue that I think affect Pennsylvanians as well as they do Georgians and everyone else in the other 48 States.

The fact is, people are already overtaxed, and we have already started on the road to reducing taxes in this session. Number two, we need to change the IRS culture as we know it, and to change that agency and dismantle it. Three, we need to have a new Tax Code. Let me just speak, if I can, about the second point, which I think is very important.

The IRS has gone on too long with being unchecked, and where it all started was the original law which said that the IRS commissioner is presumed to be correct and taxpayers are presumed to be guilty. That whole presumption has to change and be reversed.

We need to have legislation such as I will be introducing as Taxpayer Bill of Rights III which says, no more quotas, no more fishing expeditions by the IRS,

no more improper procedures with regard to bank accounts and businesses.

The IRS from now on will be responsible for legal bills that they cause unfairly to taxpayers and businesses, and they also will be responsible for any closures of businesses wrongfully conducted, just like you and I as private business people could be involved with a lawsuit if we interfere with someone else's right to conduct business. We need to make the agency accountable for the first time.

Mr. KINGSTON. Mr. Speaker, just to underscore what the gentleman is saying, when we talk about we need an IRS attitude adjustment, I have a rural district with a lot of farmers who work with the Soil Conservation Service or the Farm Service Agency, and generally these Federal Government agencies have a cooperative, friendly, help and technical assistance kind of attitude with farmers. Farmers come to them with erosion problems, wetlands problems, questions about applications of fertilizers and so forth, and the Federal Government agents, representing the USDA, are friendly to the farmers.

Would it not be nice if we had an IRS who was that way to small businesses? Most of the people I know fear an audit, not because of anything they have done wrong, but because maybe inadvertently they did forget to dot an "I" or cross a "T," and that being the case, they are afraid the IRS is going to catch them and fine them, and be excessively ruthless in their treatment of them.

Mr. FOX of Pennsylvania. If the gentleman will continue to yield, the fact is, while most IRS employees are doing the job they have been given to do, and do it properly, the fact is the whole culture has given them the incentives to go through peoples' rights without going through due process.

Take the example of Carol Ward in Colorado, in Colorado Springs, Colorado, where she was complaining to an IRS agent about the way they were treating her son's particular audit. The IRS agents get back at her, close her three businesses, put a sign on the door saying the business is closed, ruin her reputation, cost her hundreds of thousands of dollars. They had an improper audit, and in the end she is going to win back her business and hopefully get the fine she deserves back from the government.

But this has, frankly, gone on not just as mere anecdotal evidence, this is happening regularly.

Mr. KINGSTON. Mr. Speaker, if the gentleman will continue to yield, here are some stories that the Heritage Foundation has given us, from one of their fellows named Dan Mitchell.

One taxpayer was fined \$10,000 for using a 12-pitch typewriter to fill out his tax forms instead of a 10-pitch typewriter. He was fined \$10,000 for it.

In 1983, one taxpayer was fined \$46,806 for an alleged underpayment of 10 cents. In another case, a day care center which allegedly owed the IRS

\$14,000 was raided by armed agents, who then refused to release the children until the parents pledged to give the money to the government.

These are cases that have been documented. It is just atrocious. There is no reason to have to have this kind of a relationship with a government agency when it is a government by we the people.

The Tax Code, there are 17,000 pages of IRS laws and regulations. There are 480 different tax forms. The IRS sends out, Mr. Speaker, 10 million corrections each year on notices.

In 1990, there were 190,000 disputes between the IRS and taxpayers that went to court. But of those, something like, and I have the exact statistic, 83 percent of all taxes that are collected are paid voluntarily. Only 3½ percent is because of the dispute and the IRS going after people, which tells me that the American people are pretty darned honest and forthright about paying their taxes, particularly when they can understand them.

Mr. FOX of Pennsylvania. If the gentleman will continue to yield, the fact is it is very clear from the Senate Finance Committee hearings, we learn that individuals who the IRS especially go after are the mom and pop stores, or single person-owned businesses where they would be less likely to be able to afford a lawyer or an accountant or taxpayer services, so that they would capitulate and pay the fine, even when they were not guilty.

The fact is, we should have a Federal Government agency like the National Park Service which is so respected. Why can we not have an IRS or a successor agency be one that the people will trust, they will have some belief that what is happening is credible and accountable?

But beyond changing the agency, I think it is also important that we move the debate on to having a replacement code from the 5 million words we have now, where the perception and the reality, by most Americans, is only those with special interests get the tax breaks, the deductions that they want. And meanwhile, I think most Americans would rather have a flat tax, something along the order of maybe a situation where those who have a dual-income under \$25,000 or \$30,000 would not pay a tax, a single person with \$15,000 would pay no tax, but there would be a flat tax for those above. But there would be three exemptions: One for charitable deductions, a mortgage deduction, and State and local tax deduction.

That is not the only program that is out there. People talk about a national sales tax. But I think the important thing is to start the debate moving forward of a fairer tax program that will not give special breaks to those who have lawyers who can put them in the Tax Code, only to make it more difficult for those who are hardworking middle-income earners to make ends meet without having three jobs and sacrificing the unity of the family.

Mr. KINGSTON. The tax simplification argument really sets the stage for a thorough flat tax versus consumption tax debate. We have, in fact, two of our colleagues, the gentleman from Oklahoma [Mr. LARGENT] and the gentleman from New York [Mr. PAXON], who have introduced bills that shelf the IRS code in the year I think 1999 or 2000. So if their legislation passes, Congress will be in a position of having to change the code. But it is not going to be easy.

Mr. FOX of Pennsylvania. If I may speak to that point, I am glad the gentleman raised that. I believe that both the bills of the gentleman from Oklahoma [Mr. LARGENT] and the gentleman from New York [Mr. PAXON] are on target. What they are going to do for the first time, I say to the gentleman from Georgia [Mr. KINGSTON] is to say we will put a deadline. By the last day of the year 2000, we are going to have a new code.

Just like it took discipline to make us have this 104th Congress, 105th Congress reach a balanced budget by a date certain, we need to do the same thing. I think the gentleman from New York [Mr. PAXON] and the gentleman from Oklahoma [Mr. LARGENT] are right on target, for us to have the discipline to say here is the date by which we are going to make this change, and let us be about the business in a bipartisan fashion of changing the outdated code.

Mr. KINGSTON. As I talk to different civic clubs and have town meetings and talk about the difference between a flat tax and a consumption tax, one of the things that I realize, speaking for myself and speaking for the folks in the audience, is we all need to have a more thorough debate on it. We need to have education.

For example, if we exempt charitable contributions and the home mortgage deductions and something else, what is going to prevent us from coming back and saying, well, what about the cost of a wheelchair, the cost of a college education, prescription drugs, long-term health care, all of which are worthy causes, and underscore an important investment in public policy?

If we start having those deductions again, will we not return back to as complex a Tax Code as we have now? It is possible.

Mr. FOX of Pennsylvania. Mr. Speaker, let me respond. I think the gentleman's point is well taken in this respect, that if we start kind of slippery slope with three exemptions, where do we end up? But the fact is, those are probably the three most reasonable. We may well end up with those three, or we could end up with none.

I think what is important is that we be able to, in our town meetings and in our discussions in the nationwide TV, as well as debates here on the House floor, to discuss them.

My concern with the national sales tax is twofold. One, for those living on fixed income, many of them seniors, you are going to tax them the same as

they tax you or I, and they are less able to pay if we have a national sales tax of a certain percentage. Plus, if we have States, and most of them already have a sales tax, if we have a super sales tax now from the Federal Government, what new tax will States have to have in order to replace the old sales tax?

So I think the movement is more to a flat tax, rather than a sales tax. But we have not heard the last of it. I think we need to have all the different alternatives out there, put them on a board, figure out who the winners and losers are, and have the American public weigh in before any bill is adopted to find out what the best solution is. But we certainly know from the American taxpayers and those who have worked with this code that we need a change.

Mr. KINGSTON. Yes. I want to point out something about the national sales tax. I know England, Britain, has a high sales tax, but they exempt groceries from it and children's clothes, among other things. So we can, for the seniors or those who could adversely be affected by a national sales tax, we could have certain deductions for them. There again, we get into a deduction kind of problem, but it still would not complicate it for the taxpayer as much as it would for those collecting it. That could be a problem in itself.

I want to give the gentleman some more statistics, though, about how complicated the tax system is now. These figures came out from the office of the gentleman from Ohio [Mr. PORTMAN], who has been working, as the gentleman knows, on the National Commission for Restructuring the IRS.

Just to read some things they found, last year only one in five calls to the IRS customer service hotline got through. How many constituents does the gentleman have who call him for a fairly simple tax question, they call the gentleman from Pennsylvania, [Mr. JON FOX], because they know he can get an answer from the IRS and they cannot? That is very common.

Mr. FOX of Pennsylvania. Another interesting story, if the gentleman will continue to yield, I had a CPA from Montgomery County, Pennsylvania, call up the IRS helpful hotline, and he asked the question on behalf of his client. And they said, this is only for taxpayers, this is not for accountants.

This accountant is also a taxpayer. He pays part of the bills of this Federal employee. As far as I am concerned, if you are going to have a taxpayer service, it is for everyone, not just those who are not accountants, and also those who are accountants.

So we have a whole culture that goes to why I say the agency needs to be overhauled, it needs to be dismantled, and we need to start over again. The gentleman's statistics bear out what I am saying.

Mr. KINGSTON. If I can reclaim my time, Mr. Speaker, here is something interesting. The gentleman keeps using the word "culture." One of the finds of

this committee is that the culture is so insular that only 5 of the top 73 IRS employees have been with the agency less than 15 years. Other than the commissioner, only two non-IRS employees have been brought in from the outside world to fill senior positions at the IRS.

It is interesting, because quite frequently we read in the newspaper that the CEO of General Motors or one of the senior VPs goes to FORD, or the head guy of CBS goes to NBC, or whatever. We see that all the time in the private sector, where top level management leaders are moving from one corporation to the other. I think it is a good blood mixture; it is good for everybody. But apparently the IRS does not believe in that. That could be one of their problems.

Here are some more statistics. The IRS still hand-processes the vast majority of returns and still relies on papers, 14 billion pieces of paper annually. It costs the IRS about \$7 to process a paper return, and less than \$1 if it is done electronically.

But electronically does not necessarily answer the question, because an IRS agent may have to access six different computer systems to resolve a taxpayer problem, and to answer questions, simple questions, often because of this, takes weeks and weeks. It is just too complicated.

Since 1956, the number of sections in the Tax Code has risen from 102 to 698.

□ 1930

Just since 1986, that Simplification Act, there have been 4,000 amendments to the tax codes. I think this is important for us to realize, that we as Members of Congress have taken on this task, and the Republican Party has led the way. Unfortunately, for whatever reason, the White House has decided that this is a partisan issue and the President wants to go down saying that the Democrat Party is the party of the status quo and the IRS and not change it. This is an actual headline from the Washington Times, September 30. It says, "The White House champions the IRS. The President opposes a citizen oversight committee." And the citizen oversight committee would just have some ideas and some suggestions for the IRS. But the President does not want that.

Now, we are not here to bash IRS employees, we are here to bash a tax system, a code, which these employees, another statistic, many of these employees want tax simplification and this was one of the findings of this committee, that the IRS employees themselves want simplification. But every time we in Congress, Democrats and Republicans, pass new exemptions on tax, it is not just if we have children, we want a \$500 tax credit, we just fill out this form. It is not like that. It is pages and pages of forms, because that is the nature of it. As a result of it, Congress is the one who has made this system so complicated.

Now, we are not the one who has given the attitude which seems to be so prevalent among some IRS offices, but we certainly should be the ones to try to straighten out the complications.

Mr. FOX of Pennsylvania. If the gentleman would yield, the fact is that the agency has not been able to make the proper changes on itself. Take for example the fact that I exposed in my recent "Washington Waste Watch," the fact that \$2.5 billion was spent on a new computer system that does not work. We would think that the agency that most depends on computers would buy a system that works.

Then we have 110,000, approximately that number, of IRS employees and when we think how many taxpayer advocates we would appoint to make sure they represent the taxpayers, one would think there would be several thousand or several hundred. There are only 43. So we have our sights and our issue of taking care of taxpayers, helping them fill out forms, helping them try to get through their debts and reshape their lives when they have been overburdened would be something that the agency would be about, and I am sure there are cases where there are some directors who worked at it. But as an overall, there has not been the changes that the public wants and Congress must demand.

Mr. KINGSTON. I think we should move for simplification and we should move to insist that IRS employees have a taxpayer friendly attitude. But along with this, whether we go to a flat tax or whether we go to a national sales tax or whatever we do, we still have to keep tax relief in mind.

Here are some examples of hidden taxes that we do not know about when we think about it. This is from Americans for Tax Reform, 1997: That a bottle of beer has 43 percent taxes. An airplane ticket, 40 percent tax. A bottle of liquor, 72 percent taxes. Electric bill, 25 percent taxes. A loaf of bread, 31 percent taxes. A car, 45 percent taxes. A hotel bill, 43 percent taxes. A restaurant bill, 27 percent taxes. A packet of cigarettes, 75 percent taxes. The phone bill, which keeps going down and down and down incidentally, 50 percent taxes. Pizza, 38 percent taxes. A set of tires, 36 percent taxes. And a can of soda, that is what my colleagues say up north. We say a can of Coca-Cola where I am from.

Mr. FOX of Pennsylvania. Mr. Speaker, the gentleman is from Georgia, so I understand that.

Mr. KINGSTON. A can of soda, 35 percent taxes. A gallon of gas, 54 percent tax. When taxpayers say, "I am paying too much tax," they are saying "I pay too much sales tax. I pay too much income taxes and tangible taxes and ad valorem taxes." They are not thinking about what they pay when they buy a pizza or tires or pay their phone bill. This is a tremendous problem.

Mr. FOX of Pennsylvania. If the gentleman would yield, and it is not only that the American people have been

paying too much in taxes and our tax relief bill, the \$500 per child is going to help and the new tax credit for education is going to help and the capital gains tax reduction is going to help. But one of the most important areas that we need to work on is making sure that the Federal Government wastes less. Our legislation, which will sunset review regulations and that also will sunset review agencies will make a difference. Under my legislation what will happen is every seven years each Federal Agency will have to justify its existence.

Mr. Speaker, what would happen if during that rotation an agency does not meet its original purpose or is wasting money because it is duplicating what States already do, or the private sector can be doing better? That agency could be either eliminated, it could be privatized, or it could be downsized.

The fact is we need to look to for more than just tax relief, we need to look for regulation relief and we need to look for spending relief. When we look to this Congress, there are going to be three things that we look at, and I am pleased that the gentleman from Arizona [Mr. HAYWORTH] has joined us. There are three things: Trying to reduce taxes, change the IRS as we continue and, third, make sure that we change the code.

Mr. Speaker, I would like to turn to our friend who has been an outspoken fighter for the taxpayer.

Mr. KINGSTON. And as a distinguished member on the Committee on Ways and Means leading the tax fight.

Mr. HAYWORTH. Mr. Speaker, I thank my colleagues from Georgia and Pennsylvania, and listened with great interest to some of their discussion here tonight because, Mr. Speaker, it mirrors, it echoes what I have heard in the sixth district of Arizona.

Now, Mr. Speaker, just to offer some background as to the nature of the sixth district in Arizona, in square mileage it is almost the size of the entire Commonwealth of Pennsylvania which the gentleman from Pennsylvania [Mr. FOX] my good friend, calls home.

I heard a lot of what my colleagues heard back home during town hall meetings; an almost universal urge on the part of those gathered to move to sunset the current Tax Code by a date certain. As my colleague from Pennsylvania pointed out, the gentleman from New York [Mr. PAXON] has legislation in that regard, as does the gentleman from Oklahoma [Mr. LARGENT].

But coming up tomorrow, Mr. Speaker, in the Committee on Ways and Means, and later this week, we will move to actually mark up, and let us move out of legislative parlance to discuss this for those who join us outside this Chamber via television, to sit down and examine a piece of legislation to make sure the wording is correct, perhaps to offer an amendment here or there, to deal with accountability of the Internal Revenue Service.

Mr. Speaker, as my colleagues pointed out earlier, it certainly it was a curious spectacle to see government employees, their identities shielded, their faces kept from the cameras, their voices electronically altered, as they offered example after example of an agency that sadly has run roughshod over the rights of many Americans.

Indeed, one of the most important provisions we will discuss this week in the IRS accountability legislation that I am pleased to cosponsor with my colleague and fellow Ways and Means member, the gentleman from Ohio [Mr. PORTMAN], one of the most important provisions that will emanate from that legislation is something that Americans take for granted. For, Mr. Speaker, when we are hauled into a court of law on criminal charges, I know my colleague from Pennsylvania not only has the initials J.D., but he is in fact a juris doctor, he is an attorney. The presumption when we are hauled into court and charged with some criminal activity, if any American is placed in that situation, the burden of proof rests with the State. The presumption of innocence belongs to the accused citizen.

And yet, sadly in terms of tax adjudication, that presumption of innocence is not there for the individual. Essentially in tax adjudication, an American citizen, a taxpayer, has to go in and prove his innocence. The government assumes the taxpayer's guilt.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, it just occurs to me, is this a throwback from the days of a monarchy? When we had our revolution with the folks overseas, did we not change this part? Was this not a Constitutional right? Did the Committee on Ways and Means discover at what point in American history the taxpayer became guilty until proven innocent? Or was it something that actually goes back to the monarchy?

Mr. HAYWORTH. No, indeed, to the best of my recollection, and I must confess, Mr. Speaker and to my colleagues here, I do not have a detailed history at my fingertips. It is my understanding, however, that as things changed in our society, as the 16th Amendment to the Constitution was ratified, as there was an allowance of direct taxation of income, sadly, a lot of perversions have grown out of that. And I use that word purposefully, because these things run counter to our well-established constitutional rights that our Founders brought us.

Mr. KINGSTON. I do not want to digress too much, but income tax, 1913; correct?

Mr. HAYWORTH. That is correct.

Mr. KINGSTON. Now, the use of the audit, I understand that regardless of who the commissioner of the IRS is, the commissioner, the head person is appointed by the President of the United States and regardless of who that appointee is, Democrat or Republican, audits still seem to happen with a curious degree of coincidence.

For example, my wife's great uncle, who is deceased now, during the 1930s made a wisecrack about the WPA, the Works Project Administration, of the Roosevelts, and he made a comment to a group that was working on a street or road. He said that unfortunately the employees got there before the truck with the equipment did, and so the shovels are going to be a little bit late today, but to tell employees to go ahead and start leaning anyhow.

He made that comment and was asked by the Roosevelt administration to take it back. This is America. Free speech. He made a comment. We may like it or not like it, but he has a right to say it. He would not retract it. This is years and years ago. And as a result, coincidentally, he was audited the next year.

Now, we have another case of a young lady named Paula Jones. I do not know Ms. Jones, but she has suddenly become audited. Now, I am sure it is just coincidence, but did the Committee on Ways and Means come up with any correlation between Paula Jones' legal situation right now and the fact that she is being audited?

Mr. HAYWORTH. Mr. Speaker, as my colleague asked the question, I can simply point out that is one of many questions that members of the committee have had for those involved in the Internal Revenue Service and for those who ostensibly oversee the Internal Revenue in the Department of Treasury.

But as my colleague points out, whether it is as relevant as today's headlines or historical incidents in the past, for example, I would commend to the attention of my colleagues and those who join us tonight a very fine book by the political author and columnist Chris Matthews, entitled "Kennedy and Nixon." Very interesting. And these are the words and the observations and the scholarship of Chris Matthews. I am not here to hurl partisan brickbats, but as a historical fact or incident, Mr. Matthews points out that the audits were used quite willingly to the defeated candidate, Mr. Nixon, in the early years of the New Frontier. Again, I am quoting Mr. Matthews and his book, "Kennedy and Nixon." I am not making that assertion.

We understand, certainly, President Kennedy is not here to answer for that. But there have been numerous examples. And then again for the not so rich and famous an example in my district. One of my colleagues, one of my co-workers, had a situation where his father was a small businessman, a pharmacist. An Internal Revenue agent came in. In frustration, the gentleman made a comment that probably we could all agree was ill-advised and intemperate. He did not threaten any violence against the government employee, but it was a comment that was fraught with frustration. However, after that, the gentleman was audited, I believe, for the next 5 to 7 years, every year.

□ 1945

Mr. FOX of Pennsylvania. Perhaps what we need, you, as a member of the Committee on Ways and Means, may be in the best position to be our fiscal watchdog. We need a taxpayers' whistle blower law, because it seems to me that in a Federal agency or the private sector, if you report a wrongdoing, the law is supposed to say you are to be protected from bringing forward a wrongdoing so that redress can occur without having recrimination.

Why should it be that someone who uses their free speech rights as an American, whether they agree with an agency or a Congressman or anyone for that matter should have to have their rights trampled upon just because the party in power or the person with authority disagrees with them?

I hope that the oversight factor on whatever successor agency happens to the IRS is something that you are contemplating when you get involved with the legislation.

Mr. HAYWORTH. I think that is absolutely necessary. We manifested in perhaps another fashion what is key on this legislation that will be offered by the gentleman from Ohio [Mr. PORTMAN] in a bipartisan manner is to say that there needs to be effective oversight of the Internal Revenue Service not only from the constitutional purview of those of us in the Congress, but also immediate oversight. And right now the Internal Revenue Service is the 800-pound gorilla, if you will, of the Treasury Department, because so many of the resources allocated for Treasury end up in the Treasury of the IRS. So much of the Treasury budget is focused there that sometimes it is the tail wagging the dog, so to speak.

What the legislation calls for is an independent advisory oversight council, not based on political appointees, but again to remove some of the suspicion, some of the coincidence of audits, some of the questions that I think Americans of all political persuasions have to depoliticize that agency. Of course, this is but a first step.

You spoke earlier of what should transpire in the years to come as we have a grand debate about tax reform in general, whether it is a flat tax, a national retail sales tax or some other notion, it is such an important debate to have that we take the steps now to rein in the IRS, but certainly as we confront a new century, it is certainly time to reexamine the 16th amendment, certainly time to reexamine the tax tables and the Tax Code and some of the arcane procedures that surround them.

We have a very big job. The challenge for us, and I think this is a marked difference, quite candidly, in political discourse and in working within our constitutional Republic, that instead of walling off this debate and calling a few people in, a few so-called experts in to give testimony behind closed doors, this is something that is so far-reaching to every American family, to every

American citizen that quite literally every American needs to weigh in, needs to offer their thoughts and opinions. That is why I am so gratified, Mr. Speaker, that two of our colleagues, our party leader here in the Congress, the gentleman from Texas [Mr. ARMEY], and our good friend, the gentleman from Louisiana [Mr. TAUZIN], have taken to American cities to debate the different alternatives that are there because the stakes are high and the implications are many for our Nation as we approach the next century.

Mr. FOX of Pennsylvania. Mr. Speaker, I think the gentleman hit some good points. The fact is that those two individuals, the gentleman from Texas [Mr. ARMEY], and the gentleman from Louisiana [Mr. TAUZIN] are leading the fight for a flat tax and the sales tax, respectively. But that is not the last word. Your town meetings and the town meetings of the gentleman from Georgia [Mr. KINGSTON], or mine, we will hear other ideas that may be equally good.

Mr. HAYWORTH. In fact, just to point out one of the ideas, this engenders a lot of interest and a lot of initiative. Indeed, one of our constituents in Carefree, Arizona, put together a proposal. He attended a town hall meeting in Carefree and two nights later was back at another town hall in Fountain Hills, Arizona, where he had put together his own plan that, indeed, I will take and certainly take into the Committee on Ways and Means and offer to the Joint Committee on Taxation and take a look at with my staff, because that is the essence of our constitutional Republic, different opinions, different notions.

In fact, the gentleman, as he brought the plan down, I could not help but say, imagine if it is this skill, and someone on the front lines who has been in business, has not been wrapped up in electioneering, has not been part of bureaucratic intrigue, but simply seeks a solution, how refreshing it would be? And one other constituent at the meeting said, there may be a town hall marker, there may be a historical marker placed outside this room saying, here is where the solution was found. That type of participation we need.

One cannot help but note the stark contrast to before we arrived in Washington when those in the administration dealing with health care wanted to have almost super secret meetings and then unveil a plan from soup to nuts that ostensibly was going to help the American people. What a great contrast to have the sunshine come in, to have the ingenuity, the ambition, the ideas of the American people come to us as their duly elected representatives and then move forward to have the debate. This can be a great moment for our country.

Mr. FOX of Pennsylvania. I like that idea of Carefree, Arizona. They probably do not pay taxes in Carefree.

Mr. HAYWORTH. They pay quite a few.

Mr. FOX of Pennsylvania. When the gentleman from Georgia opened the hour, he said the three things we need to look at is reforming the IRS, dismantling it, number two, change the code and, three, look to some more tax relief for Americans.

The one I wanted to start off there was to talk about eliminating the marriage penalty. Right now, two people are discouraged from getting married because they actually will pay more in taxes if they do get married. I thought you, as an expert, might have some other taxes that you want to reduce.

Mr. HAYWORTH. My good friend from Georgia has a tangible example.

Mr. KINGSTON. This is the situation with the gross income taxes, the couple, once they are married, actually end up paying more taxes. I will not go through this, but just suffice it to say that basically each individual is in a lower percentage tax bracket than they are collectively when they married. The percentage bumps up. They pay more taxes. And it is a crazy example of a policy that is wrong because if we as a country support the institution of marriage, then certainly we should not give people a financial penalty for getting married, particularly right now with all the children that we have running around who are illegitimate today.

The gentleman is from Arizona. I am from Georgia. Georgia had a substantial tax cut, \$500 million, exempted food from the sales tax, and as a result we have had one of the fastest growth rates in the history of our country. In 1992, since 1992, your Governor has cut taxes by 1.5 billion and including dropping the top rate from 8.7 to 5.6 percent and reducing the corporate tax rate as well.

As a result, the new business creation has grown in Arizona three times the national average because folks are spending their money their way instead of sending it to Washington and having bureaucrats spend it for them.

Mr. HAYWORTH. I thank my colleague for pointing out the Arizona experience because certainly in this short time frame, this decade of the 1990's, we have seen a philosophy in Arizona that, indeed, I believe would work well throughout the country and it is born of this notion, we have talked about it before, Mr. Speaker. It is the notion of many of us who came here to change the way Washington works, to first of all, identify the problem in this fashion.

When we are talking about tax funds, money taxed from the American people, this money does not belong to the Government. It is money that belongs to the people. Quite simply, whether at the State, county or more fittingly here for this Chamber at the Federal level, the notion should be that the American people work hard to create their wealth. They worked hard for the money they earned. Therefore, they ought to hang on to more of it and send less of it to the Government and we

have been able to do that and make great strides in the State of Arizona and, indeed, Mr. Speaker, as I was riding out to catch the airplane very early this morning Arizona time to get back here prior to votes after 5 eastern time, we heard some of the new unemployment figures. And unemployment is down in metropolitan Maricopa County to points almost minuscule.

To be sure there are other problems, other places across the width and breadth of the Sixth District, but it shows what can happen when people are allowed to hang on to more of their own money. When they have it to save, spend and invest as they see fit and that can really be an answer because it actually, with economic growth, would create more revenue for the government.

Mr. KINGSTON. Mr. Speaker, New Jersey cut taxes. Gov. Christine Todd Whitman made good on a campaign promise and cut taxes and as a result they have had growth. Massachusetts, under Dukakis, had high tax increases. Under Governor Weld they enacted an income tax rollback and as a result they have regained 150,000 jobs that were lost under the Dukakis tax increase. California, the same way, 1960, the legislature enacted a \$7 billion tax increase. It was the largest in the history of any State in the country. And income taxes went up. Everything went up and then there was a recession. Now they have turned it around.

In 1995, these tax hikes were repealed and since then California has gained over 150,000 jobs. Revenues have gone up to States because of tax cuts that they have enacted. Revenues have also gone up nationally. As a result of that, this Congress is very, very close to having a balanced budget. Our deficit has fallen from about over \$200 billion 3 or 4 years ago to now around \$23 billion. And it is because if we confiscate less of the people's money, they are going to spend more of their own money and when they spend money, business expands, jobs are created, more people go to work, less people are on welfare and tax revenues do go up.

Mr. FOX of Pennsylvania. Mr. Speaker, the fact is, when it comes to the balanced budget, people like the gentleman from Wisconsin [Mr. NEUMANN], who came here to Congress has done a great job in championing reducing the deficit and balancing the budget. By balancing the budget, we have been able to reduce those interest costs for car loans, for mortgage payments, for education, those are key things to making people live the American dream. I have to thank the gentleman from Wisconsin [Mr. NEUMANN], for his leadership in moving us forward in that bipartisan debate and the bipartisan success.

Mr. HAYWORTH. Let me join the chorus of praise for our colleague from Wisconsin because we are moving actually beyond that notion where, yes, we realize we want to balance the budget, but it should not be a one-time curios-

ity. Indeed, now with responsible fiscal practices that allow people to hang on to more of their own money, with the growth we have seen in terms of jobs and economic opportunity, it now appears that we may really turn the corner, and as our colleague from Wisconsin has pointed out, we may be moving into an era of surplus and yet there is another public charge, if you will.

There is another requirement of those of us who serve here for future generations and that, of course, is to pay down the debt. So we really have a one-two punch. I am pleased that our colleague from Wisconsin has offered a National Debt Repayment Act as well where we take a look at codifying or putting into law a fairly significant observation that with those surpluses, one-third for tax relief, one-third for debt retirement, and one-third for Social Security to maintain that program so vital to our retirees.

I think there are a lot of things that we are working on in this Congress, building off the solid success of the first tax cuts in some 16 years, also balancing this budget, and then moving forward to define how best to serve as custodians of our children's future by working to pay down and eventually pay off this burdensome debt.

Mr. KINGSTON. Mr. Speaker, if the gentleman is through, I am ready to yield back the time.

Mr. FOX of Pennsylvania. I want to conclude by saying I appreciate the leadership of the gentleman from Georgia [Mr. KINGSTON], and the gentleman from Arizona [Mr. HAYWORTH] for helping us lead the charge here for doing the three-part goal; that is, first, tax reductions for the American family; second, dismantling the IRS as we know it into a new successor agency that is taxpayer-friendly; and third, to change the Tax Code so it is more flat. And in my case, I would like to see it more flat, but certainly more fair to the American people.

We are moving to that goal and I support the legislation that these two individuals have introduced. Hopefully, it will be passed and under the gentleman's leadership in the Committee on Ways and Means, we are looking forward to it being a very happy day for the American people.

Mr. HAYWORTH. I just want to say, I thank those in the Sixth District of Arizona and those nationwide who join in this endeavor, in this crusade to make our tax laws fairer, to work to restore basic constitutional dignity and to restore fiscal sanity to this Nation.

Mr. KINGSTON. I know the gentleman in Arizona, Ms. MARY, is in the Sixth District, but you should always thank her.

Mr. HAYWORTH. Amen.

Mr. KINGSTON. I wanted to say this, the gentleman is blessed to have good family support, as I am and the gentleman from Pennsylvania [Mr. FOX], and everyone else.

The initials, IRS, if we can change them to RAS, which would stand for

reduced taxes, change the attitude and simplify taxes, if we could do that, I think then we can all go home to these great families that we have and look our children in the eye and say, we have done something to make a difference.

□ 2000

#### NATIONAL EDUCATIONAL TESTING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Arizona [Mr. SHADEGG] is recognized for 60 minutes.

Mr. SHADEGG. Mr. Speaker, I appreciate the time to speak on a topic that is of great concern to me this evening. It is a topic that is growing more and more important as we move into this week of the proceedings of the U.S. Congress. It is a topic that touches me very personally because I have two children.

The topic I want to talk about tonight, Mr. Speaker, is the President's proposal to impose on America a national test, that is so-called national testing. And by that, what the President means is that he wants to require all students in America to take a federally written national examination. His proposal is that we give this examination to all fourth graders in the subject of reading and to all eighth graders in the subject of mathematics. And, in fact, he is going to do that and has already gotten the basic test specifications written.

Right here we can see, in this document I am holding up, which says, the report of the national test panel, item and test specifications for the voluntary national tests in fourth grade reading and eighth grade mathematics.

This is, I think, a critically important topic for every Member of the U.S. House of Representatives and for every single American, and that is why I wanted to talk about it.

Let me first explain how I feel about the subject of education and where I come from. I am a Republican, and for that reason some of my Democrat colleagues like to say I do not care about education. They like to claim that for us Republicans education is not important.

Well, I am offended by that remark. I care deeply about education, and I not only care deeply about education, I care very deeply about public education because I got all of my education in public education.

I attended public schools from eighth grade through college. Excuse me, not eighth grade through college, from kindergarten through college, and I am proud of the education I got. I am also proud that my two children, Courtney and Stephen, who are home in Phoenix, AZ, tonight, are obtaining their education at public schools, at public schools that I am proud of. And I am married to a woman, the mother of those two children, who was herself a