



Starting our 41st year!



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Economic Integration on the March

Canada in the summer and Mexico in the spring offer good weather for planning international policies. Nervousness about the political weather, however, is putting the third Security and Prosperity Partnership (SPP) summit on August 20-21 at a site where the uninvited can be easily excluded: the Fairmont Le Chateau Montebello resort about 50 miles outside of Quebec.

The cheering gallery for SPP is hysterically chanting that its goal is **not** a North American "union" modeled on the European Union (and that anyone who thinks otherwise must be peddling conspiracy fears). But the SPPers candidly admit they want North American "**integration**," which may be a distinction without a difference.

President Bush started down this trail back on April 22, 2001 when he signed the Declaration of Quebec City in which he made a "commitment to hemispheric integration." After a Communist dictator took over Venezuela, "hemispheric" was quietly scaled down to the Security and Prosperity Partnership of just **North America**.

The lobbyists for integration are bringing heavy-artillery reinforcements to their cause: a pro-integration report written by a prestigious think tank, the **Center for Strategic & International Studies (CSIS)**. The report is now being translated into Spanish and French so it can be presented to all three governments on September 30.

The importance of CSIS comes from the political influence of its Trustees. They are longtime internationalists and architects of some of the worst foreign and defense policies of the last 50 years.

A 25-page advance peek at the report has been released under the caption "North American Future 2025 Project." The core of the plan for America's future is North American "economic integration" and "labor mobility," key words that are repeated again and again in this report.

The threat to good American jobs is obvious from the redundancy of demands to import cheap labor without limits: "international migration of labor," "international movement not only of goods and capital, but also of people," "mobile labor supply," "North American labor mobility," "flows of labor migration," and "free flow of people across national borders."

The CSIS report explains that "border infrastructure" means the "efficient flow of labor across North American borders" so we can "pool the human capital necessary to source a competitive North American workforce." It's unlikely that U.S. workers want to "pool" their jobs with Mexico where the median minimum wage is \$5 a day.

Slyly revealing the plan to integrate governments as well as economies, the report states: "to remain competitive in the global economy, policymakers must devise forward-looking, collaborative policies that integrate governments."

In an attack on the unique American patent system and fountainhead of our innovation superiority, the report calls for "harmonizing legislation" with other countries in the area of intellectual property rights. The report also calls on us to "harmonize" our regulations of all kinds by adopting "unified North American regulatory standards."

No wonder the CSIS admits that its report was developed in "seven closed-door roundtable sessions." Let's call the roll of the trustees of this influential think tank. Oldtimers will recognize some of the names as men I identified as "gravediggers" in my books on the strategic balance during the 1960s and 1970s.

• Henry Kissinger, the architect of the Nixon-Ford policies repudiated by Ronald Reagan. • James R. Schlesinger, Secretary of Defense for Nixon and Ford. • Zbigniew Brzezinski, the Trilateralist who was Jimmy Carter's chief foreign policy adviser. • William Cohen, Bill Clinton's Secretary of Defense. • Harold Brown, who was Secretary of the Air Force carrying out Secretary of Defense Robert McNamara's disarmament policies in the 1960s. • Brent Scowcroft, former vice chairman of Kissinger Associates and national security adviser to the first President Bush.

This galaxy of globalists is using former Senator Sam Nunn as their front man. One more household name is Richard Armitage, the man who leaked Valerie Plame's name to the press.

The favorite business authority Peter F. Drucker wrote in his 1993 book *Post-Capitalist Society* that the European Union "triggered the attempt to create a North American economic

community, built around the United States but integrating both Canada and Mexico into a common market.”

He gleefully added, “So far this attempt is purely economic in its goal, but it can hardly remain so in the long run. . . . The economic integration of the three countries into one region is proceeding so fast that it will make little difference whether the marriage is sanctified legally or not.”

The Open Borders/economic integration crowd includes people who are very influential in the business and media establishments. When Mexican President Vicente Fox called for a North American Union modeled on the European Union, the late Robert Bartley, longtime editorial editor of the *Wall Street Journal*, said, “He [Fox] can rest assured that there is one voice north of the Rio Grande that supports his vision . . . this newspaper.”

Now that the game plan is laid out, we can connect the dots that promote economic integration of North America:

- the Security and Prosperity Partnership of North America, its Working Groups in the Commerce Department, and its summits in Waco, Cancun and Quebec
- NAFTA (North American Free Trade Agreement)

- CAFTA (Central American Free Trade Agreement)
- the admission of Mexican trucks onto our highways
- the “harmonization” of our unique and successful American patent system with inferior foreign systems
- the contract to build the TransTexas Corridor
- the plans to extend it into a NAFTA Super Highway
- making Kansas City an international “port”
- the “totalization” of illegal aliens into our Social Security system
- the WTO rules that allow foreign countries to subsidize exports and penalize imports by tariffs disguised as the VAT (Value Added Tax)
- the sale of our infrastructure such as tollroads and ports to foreign companies
- the recently defeated Senate amnesty bill. That bill would have integrated 20 million illegal aliens into our labor force, locked us (by Section 413) into the SPP, and spent massive foreign aid to “improve the standard of living in Mexico.”

Economic Integration of Our Patent System

In extraordinary Senate-House coordination, the two Judiciary committees in the same week in July voted out a bill (S.1145 and H.R.1908) which, if it becomes law, will spell the end of America’s world leadership in innovation. Called the Patent Reform Act, it is a direct attack on the unique, successful American patent system created by the U.S. Constitution.

As we’ve learned with “comprehensive immigration reform,” we should all be on guard any time politicians patronize us with pompous talk about “reform” or “comprehensive.” The so-called Patent Reform Act of 2007 is not reform at all; in one package, it betrays both individual rights and U.S. sovereignty.

It’s no accident that the United States has produced the overwhelming majority of the world’s great inventions. It’s because the Founding Fathers invented the world’s best patent system, which was a brilliant stroke of inspired originality when the Constitution was written in 1787, and still is stunningly unique in the world.

The uniqueness of the American system is that “inventors” are granted “the exclusive right” to their inventions “for limited times” (usually about 17 years) after which the invention goes into the public domain. Exclusivity was assured because our courts would uphold the inventor’s patent against infringers, and the U.S. Patent Office would not disclose any information in a patent application **unless and until** the legal protection of a patent was granted.

So, prior to 1999, the U.S. Patent Office was required to

keep secret the contents of a patent application until a patent was granted, and to return the application in secret to the inventor if a patent was not granted. That protected the legal rights of the inventor, who could then go back to the drawing board to perfect his invention and try again.

A mischievous congressional “reform” in 1999 authorized the U.S. Patent Office to shift to the Japanese and European practice of publishing patent applications **18 months** after filing **whether or not** a decision is yet made on granting a patent. “Publish” means posting online on the internet.

The U.S. Patent Office reports that it is now taking an average of 31 months to grant a patent! So, when the Patent Office publishes (*i.e.*, posts online) a patent application before a patent is granted, this gives patent pirates all over the world an average of 13 months (31 minus 18) to study detailed descriptions of virtually all U.S. patent applications, to steal and adapt these new American ideas to their own purposes, and to go into production.

Foreign governments, foreign corporations, and patent pirates are thus able to systematically “mine” U.S. patent applications and steal American-owned inventions.

By 2006, the U.S. Patent Office had placed 1,271,000 patent applications on the internet, giving access to anyone anywhere in the world. This foolish practice created a gold mine for China, Russia and India to steal U.S. innovations and get to market quickly.

Chinese pirates don’t roam the high seas looking for booty but sit at their computers, scan the internet,

and steal the details of U.S. inventions that the U.S. Patent Office loads online. This practice has become China's R&D program, and it is even more efficient than China's network of industrial and military spies.

The unconscionable delay in processing patent applications resulted when Congress diverted the fees paid by inventors into pork and other pet projects. That meant the Patent Office could not hire the additional examiners it needed to process the rising number of domestic and foreign patent applications, and so a massive backlog built up.

What recourse does the inventor have? The 1999 "reform" law allows a patent application to be exempt from the publication requirement **if** the inventor agrees **not** to file a patent application in another country. But the default procedure is to publish.

If the other country infringes on the U.S. inventor's rights, the U.S. inventor must file his lawsuit in that foreign country. Other countries do not respect inventors' rights granted by the U.S. Patent Office, and China is a notorious thief of U.S. intellectual property.

The 2007 Patent "Reform" bill would delete this exemption and require publication of all patent applications 18 months after filing even though a decision has not yet been made on granting a patent. The 2007 Patent "Reform" bill is a fraud because it does nothing to require or induce other countries to respect U.S. patents and because it makes U.S. inventors even more vulnerable to theft of their property.

U.S. policy has always been to grant a patent to the first one who actually invents something. But the proposed Patent "Reform" Act, sponsored by Senators Patrick Leahy (D-VT) and Orrin Hatch (R-UT) and Reps. Howard Berman (D-CA) and Lamar Smith (R-TX), would further reduce inventors' rights by replacing our unique and successful "first to invent" system with the foreign "first to file" system.

The U.S. now gives priority to the first one who actually invents something rather than to the first to file papers. The change to "first to file" would create a race to the Patent Office and would severely disadvantage the small and independent inventors who lack the resources of the big corporations.

First-to-file would be a windfall to the mega-corporations. First-to-file would invite an avalanche of applications from the big companies that have the resources to grind out multiple filings, and the small inventor would be lost in the shuffle.

The new Patent "Reform" bill offers yet another way for patent pirates to steal our technology. It's called post-grant review: a plan to make it easier to challenge patents during the entire life of the patent.

Still another provision of the new Patent "Reform" bill would shift decision-making about damages for patent infringement in such a way that the patent holders would get virtually no payment from infringers. This provision would increase

litigation and limit the ability of independent inventors and small companies to enforce their rights or to win just compensation from those who infringe their rights.

The new Patent "Reform" bill would also transfer unprecedented rule-making authority to the Patent office. That's an abdication of congressional responsibility. The inevitable result would be the politicizing of the Patent Office.

Add it all up, and it is clear that the new Patent "Reform" bill is a big attack on the constitutional property rights of individual inventors and small enterprises, the very kind of entrepreneurs who give us our most important innovations. About a third of all U.S.-origin patent applications are filed by individual inventors, small companies, universities, and non-profit groups.

The common thread in the changes to be made by the new Patent bill is that they favor big companies like Microsoft and hurt individual and small-entity inventors.

Microsoft has thousands of patents, and recently argued that the free GNU/Linux operating system infringes over 200 of them. Microsoft wants to be able to use its huge patent portfolio to intimidate potential competitors, and at the same time it wants it to be easier to knock out individual patents.

While the real goal of the Patent "Reform" bill is to advantage big corporations over small and small-entity inventors, the "world is flat" globalists hide behind the mantra of the alleged need for "harmonization" and "consistency" to level the U.S. patent system with other countries. In introducing the new bill, Rep. Berman said it will "harmonize U.S. patent law with the patent law of most other countries." The explanation of the bill issued by Senator Leahy's office states that the bill's purpose is to eliminate "a lack of international consistency."

But since the U.S. system produces more important inventions than the rest of the world combined, there is no reason to legislate "consistency" with inferior foreign policies.

If Congress wants to do something constructive for our patent system, Congress should reinstate the rule that the Patent Office may not publish a patent application until a patent is granted, and if it is denied the application must be returned to the inventor with his secrets intact.

Congress should also give back to the Patent Office the flow of fees paid by inventors, which Congress took away in 1999 to spend on other projects. Then the Patent Office can hire more examiners and reduce its backlog of 800,000 applications.

Congress should put trade penalties on Communist China until it stops its notorious business of stealing our intellectual property.

The U.S. patent system is the vital factor in the technological lead that gives us the edge over competitors and enemies. We must not let the globalists and the lobbyists for multinational corporations destroy it.

American Innovators Beware

— by Rep. Dana Rohrabacher (R-CA), senior Member on the House Science and Technology Committee

The electronics industry does not want to pay royalties. That's really the bottom line. We've seen this from the time RCA's David Sarnoff ripped off Philo Farnsworth over the patent right to the television picture tube, a fight that went all the way to the Supreme Court. In a tribute to American justice, Philo Farnsworth, the personification of the little guy, won over a corporate Goliath headed by a bully.

There is a statue of Farnsworth in our nation's Capitol. Congress shouldn't let the would-be technology thieves of our day change the law so the Philo Farnsworths of our era will be smashed into submission by current and future big guys and bullies. If we change the rules like that, the American spirit of innovation will evaporate, and America, not just nerdy inventors, will lose, big time.

Patent 'Reform' Is a Giveaway to Foreigners

(The following is excerpted from a news article published in the *Economic Times*, a newspaper in New Delhi, India. It teaches computer specialists in India how to steal U.S. technology by using the Patent "Reform" bill now pending in Congress.)

New Delhi. A crucial bill making its way through the U.S. Congress is set to give a new inexpensive option for Indian drug makers to attack the patents. . . . The bill allows an interested party to invalidate patents outside a court of law. . . . The Patent Reform bill is beneficial to Indian companies as they are usually not patent holders. . . . This provision will subject many existing U.S. patents to an immediate threat of invalidation. . . . Seeking invalidation of patent is likely to be a part of the patent strategy that Indian generics companies may follow in the U.S. . . . The Patent Reform bill will give more flexibility and freedom for adopting the appropriate patent challenge strategy on a case to case basis.

What Americans Owe Inventors

— from Phyllis Schlafly's *Bicentennial Speech*, 1987

The American Revolution gave us independence and political and religious liberty, but economic conditions had changed very little in thousands of years. Then, suddenly, in the short space of two centuries, America experienced a tremendous explosion of human energy, an expansion of wealth, a rise in living standards that exceeded all the economic changes in the thousands of years that preceded our Constitution.

What made America different was the economic freedom

guaranteed by the U.S. Constitution. The Founding Fathers also understood that securing to individual inventors the right to own and market their original ideas is just as much a part of economic freedom as any other personal labor. On April 10, 1790, President George Washington signed the Patent Act, which established the distinctively American rule that inventions should be encouraged by guaranteeing to every inventor the exclusive right to his

invention for a fixed term of years, after which the public is free to use it. Thomas Jefferson, the first administrator of the American patent system, said: "The issue of patents for new discoveries as given a spring to invention beyond my conception."

Freezing Out Independent Inventors

— by Kevin Kearns, president of the U.S. Business and Industry Council

Lawyers, bankers and leading high-tech firms like Microsoft, Palm, and Intel have dominated this year's hearings. Yet smaller enterprises have driven true innovation. About one-third of all patent applications are made by independent inventors, small companies, universities and nonprofit research groups. These efforts are usually the most important for leading-edge scientific advancement. The future of American innovation hangs in the balance.



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