(1) congratulates Michael Jordan on his retirement from the Chicago Bulls and professional basketball; and

(2) expresses its wishes that Michael Jordan enjoy his life after basketball with his wife, Juanita, and their 3 children, Jeffrey, Marcus, and Jasmine.

SENATE RESOLUTION 24—EXPRESSING THE SENSE OF THE SENATE THAT THE INCOME TAX SHOULD BE ELIMINATED AND REPLACED WITH A NATIONAL SALES TAX

Mr. LUGAR submitted the following resolution; which ws referred to the Committee on Finance.

S. RES. 24

Whereas the savings level in the United States has steadily declined over the past 25 years, and lagged behind the industrialized trading partners of the United States;

Whereas the economy of the United States cannot achieve strong, sustained growth without adequate levels of savings to fuel productive activity;

Whereas the income tax, the accompanying capital gains tax, and the estate and gift tax discourage savings and investment;

Whereas the methods necessary to enforce the income tax infringe on the privacy of the citizens of the United States and, according to the Tax Foundation, divert an estimated $225,000,000,000 of taxpayer resources to comply with income tax rules and regulations;

Whereas the Internal Revenue Service estimates that each year it fails to collect 17 per centum, or $127,000,000,000, of the income tax owed to the Federal Government;

Whereas the income tax system employs a withholding mechanism that limits the transparency of Federal taxes;

Whereas the most effective tax system is one that promotes savings, fairness, simplicity, privacy, border adjustability, and transparency;

Whereas it is estimated that the replacement of the income tax system with a national sales tax would cause the savings rate of Americans to substantially increase;

Whereas the national sales tax would achieve fairness by employing a single tax rate, taxing the underground economy, and closing loopholes and deductions;

Whereas the national sales tax would achieve simplicity by eliminating recordkeeping for most taxpayers and greatly reducing the number of collection points;

Whereas the national sales tax would be the least intrusive tax system because most taxpayers would not be required to file returns or face audits from the Internal Revenue Service;

Whereas the national sales tax is border adjustable and would place exporting by Americans on a level playing field with the foreign competitors of the United States;

Whereas a national sales tax is a transparent tax system that would raise Americans' awareness of the cost of the Federal Government; and

Whereas a national sales tax would best achieve the goals of an effective tax system: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the income tax system, both personal and corporate, the estate and gift tax, and the accompanying capital gains tax be replaced with a broad-based, single-rate national sales tax on goods and services;

(2) the national sales tax rate be set at a level that raises an equivalent level of revenue as the income taxes replaced;

(3) the Federal Government work with the States to develop a State-based system to administer the national sales tax and that States be adequately compensated for such administration; and

(4) the Congress and States work together in an effort to repeal the sixteenth amendment of the United States Constitution.

Mr. LUGAR. Mr. President, I am pleased to submit a Senate resolution expressing the sense of the Senate that the income tax system be abolished and replaced with a broad-based consumption tax on goods and services.

I supported IRS reform legislation passed last Congress and will continue to work within the confines of our tax system to improve it. However, the fundamental flaws of the income tax system remain. I strongly believe that Congress should abolish the income tax system in its entirety and begin anew.

The problems of the income tax are well documented. By taxing savings and investment at least twice, the income tax has become the biggest impediment to economic growth in the country. Each year it costs Americans more than 5 billion hours of time to comply with it. The system is unfair and riddled with loopholes. It favors foreign imports and discourages American exports. As witnesses testified before Congress last year, the IRS regularly violates the privacy rights of individuals while enforcing the income tax. And finally, the system doesn't work. By its own admission, the Internal Revenue Service fails to collect from nearly 10 million taxpayers, with an estimated $127 billion in uncollected taxes annually. Anything this broken should be ended decisively.

One can evaluate a tax system using many criteria. It must be: (1) simple, (2) the least intrusive, (3) fair, (4) transparent, (5) border adjustable, and (6) friendly to savings and investment. I have studied tax reform proposals with these six factors in mind. Many are better than the current income tax. But if we are going to overhaul our tax system, we should choose the one that meets these criteria. I have concluded that a national sales tax is the best alternative.

An effective tax system should be simple. Under a national sales tax, the burden of complying with the income tax code would be lifted. There would be no records to keep or audits to fear. According to the Tax Foundation, businesses and individuals spend more than $225 billion to comply with the Tax Code. Under a national sales tax, compliance costs would drop by 90 percent. More than 100 million individuals who currently file taxes would be dropped from the tax rolls. With a national sales tax, the money individuals earned would be their own. Its your decision to save it, invest it, or give it to your children. It is only when you buy something that you are taxed.

The national sales tax is the least intrusive of the tax proposals. The IRS would be substantially dismantled. The IRS would no longer look over the shoulders of every taxpayer. Americans would not waste time and effort worrying about recordkeeping, deductions, or exemptions that are part of the current Tax Code.

The national sales tax is the fairest alternative. Everyone pays the tax including criminals, illegal aliens, and others who currently avoid taxation. Wealthy Americans with lavish spending habits would pay substantial amounts of taxes under the national sales tax. Individuals who save and invest their money will pay less. Gone are the loopholes and deductions that provide advantages to those with the resources to shelter their income.

The national sales tax would also tax the underground economy. When criminals consume the proceeds of their activities, they will pay a tax. Foreign tourists and illegal aliens will pay the tax. Tax systems that rely on income reporting will never collect any of this potential revenue.

Of course, the fairness test must likewise consider those with limited means to pay taxes. Like the income tax system, a national sales tax can and should be constructed to lessen the tax burden on those individuals with the least ability to pay. One strategy for addressing this problem would exempt a threshold level of goods and services consumed by each American from the federal sales tax. Another strategy is to exempt items such as housing, food or medicine. I am committed to designing a tax system that does not fall disproportionately on the less fortunate.

The national sales tax is the most transparent. A federal tax that is evident to everyone would bolster efforts in Congress to achieve prudence in federal spending. There should be no hidden corporate taxes that are passed on to consumers or withholding mechanisms that mask the amount we pay in taxes. Harvard economist Dale Jorgenson estimates that the corporate income tax and its compliance costs increase the cost of goods by 20 to 25 percent. The national sales tax would bring all these hidden costs into the sunshine. Every year the public and Congress should openly debate the tax rate necessary for the federal government to meet its obligations. If average Americans are paying that rate every day, they will make certain that Congress spends public funds wisely.

American exports would also benefit from the enactment of a national sales tax. We must adopt a tax system that encourages exports. Most of our trading partners have tax systems that are border adjustable. They are able to strip out their tax when exporting their goods. In comparison, the income tax is not border adjustable. American goods that are sent overseas are taxed twice—once by the income tax and once when they reach their destination. In comparison, the national sales tax would not be levied on exports. It would place our exports on a level playing field with those of our trading partners.

But the last and most imperative reason for replacing the income tax

with a national sales tax is that it would energize our economy by encouraging savings. The bottom line is that as a nation, we do not save enough. Savings are vital because they are the source of all investment and productivity gains—savings supply the capital for buying a new machine, developing a new product or service, or employing an extra worker.

The Japanese save at a rate nine times greater than Americans, and the Germans save five times as much as we do. Today, many believe that Americans inherently consume beyond their means and cannot save enough for the future. Few realize that before World War II, before the income tax system developed into its present form, Americans saved a larger portion of their earnings than the Japanese.

A national sales tax would reverse this trend by directly taxing consumption and leaving savings and investment untaxed. Economists agree that a broad-based consumption tax would increase our savings rate substantially. Economist Laurence Kotlikoff of Boston University estimates that our savings rate would more than triple in the first year. Economist Dale Jorgenson of Harvard University has concluded that the United States would have experienced one trillion dollars in additional economic growth if it had adopted a consumption tax like the national sales tax in 1986 instead of the current system.

As I have outlined here today, I believe the national sales tax is the best tax system to replace the income tax. If we enact a tax system that encourages investment and savings, billions of dollars of investment will flow into our country. This makes sense—America has the most stable political system, the best infrastructure, a highly educated workforce and the largest consumer market in the world. Our economic growth and prosperity would be unsurpassed. I am committed to bringing this message of hope to all Americans, and I look forward to working with my colleagues on advancing this important endeavor.

SENATE RESOLUTION 25—TO REFORM THE BUDGET PROCESS BY MAKING THE PROCESS FAIRER, MORE EFFICIENT, AND MORE CLEAN

Mr. MCCAIN (for himself and Mr. KYL) submitted the following resolution; which was referred to the Committee on Rules and Administration.

S. RES. 25

SECTION 1. REQUIREMENT OF AUTHORIZATION FOR PROGRAMS OVER $1,000,000.

(a) IN GENERAL.—Paragraph 1 of rule XVI of the Standing Rules of the Senate is amended by inserting ''in excess of $1,000,000,'' after ''new item of appropriation,''.

(b) 60 VOTE POINT OF ORDER.—Rule XVI of the Standing Rule of the Senate is amended by adding at the end the following:

''9. Paragraph 1 may be waived or suspended only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph 1.''.

SEC. 2. PROCEEDING TO APPROPRIATIONS BILLS IN THE SENATE.

Rule XVI of the Standing Rules of the Senate is amended by adding at the end the following:

''10. On any day after June 30 of a calendar year, a motion to proceed to the consideration of an appropriations measure shall be decided without debate.''.

ADDITIONAL STATEMENTS

OPENNESS ON THE IMPEACHMENT TRIAL

• Mr. FEINGOLD. Mr. President, I rise today in strong support of opening Senate deliberations to the public during the course of the impeachment trial against President Clinton. I will therefore support the motion to be offered by Senators HARKIN and WELLSTONE to suspend the rules in order to open these proceedings to public scrutiny.

In this trial, the United States Senate is charged by the Constitution with deciding whether to remove from office a President twice elected by the American people. Although I am certain that every member of the Senate will undertake this Constitutional responsibility with the utmost gravity and perform ''impartial justice'' as our oath commands, I am concerned that the American people will be shut out of this process at some of its most crucial moments.

America's great experiment in democracy trusts the people to elect a President in a process that consists of months of public discussion, primaries, caucuses, debates, and finally an election open to everyone who chooses to participate. In stark contrast, the Senate's rules preclude the public from seeing its deliberations on whether an impeachment case will be dismissed, whether witnesses will be called or further evidence introduced, and even the ultimate debate regarding the guilt or innocence of the President. In short, Mr. President, the Constitution trusts the people to elect a President, but our current Senate impeachment rules do not trust them to have even the most passive involvement in our deliberative process, even when the debate might result in overturning the people's judgment in a national election.

Let me take a moment to describe again for my colleagues how our current impeachment rules work. The Senate is not only the trier of fact in this case, but it also acts as the ultimate arbiter of law. It can overturn the Chief Justice's rulings on evidentiary questions and make decisions, which cannot be appealed to any court, on motions. But the Senate's impeachment rules, which were first drafted in connection with the Andrew Johnson impeachment and most recently revisited in 1986, do not permit the Senate to debate any of the decisions that it must make, except in closed session. In fact, the rules provide that decisions on evidentiary rulings are to be made with no debate whatsoever.

Other motions can be debated, but only in private. So, for example, we expect that after the presentations are made on both sides, a motion will be made to dismiss the case against the President. Under our current rules, the House managers and the President's lawyers will argue that motion, but the Senate cannot debate it in open session. In fact, if a majority of the Senate wants to preclude debate entirely, it can do that by simply voting against a motion to take the Senate into private session for deliberations. Thus, before we vote on what could be a dispositive motion in this case, our only options are to discuss it behind closed doors or not discuss it at all.

I think this is wrong. We need a chance to debate this motion as Senators. I want to hear from my colleagues before I vote, not just afterward on television. I intend to carefully and respectfully entertain my colleagues' arguments, and I refuse to rule out the possibility that a well-reasoned argument offering a different perspective will influence my decision. But the American people also deserve to hear what we say to each other as we debate this motion. I see little to be gained from closing these deliberations and much to be lost. We must do everything we can to ensure public confidence in our fairness and impartiality. How can we expect the public to have faith in us if we close the doors at the very moment when we finally will speak on the dispositive questions of this historic trial?

Opponents of openness argue that in the only Presidential impeachment trial in our nation's history, that of Andrew Johnson, the Senate's deliberations were closed. While it may be tempting to rely on the precedent of the one previous Presidential impeachment trial, which occurred one-hundred and thirty years ago, I believe we should take a fresh look at this issue. In particular, we should consider how drastically the rules of the Senate and the composition of the Senate have changed.

The Senators who presided over President Johnson's impeachment were not elected by the American people directly, but were chosen by the various state legislatures, and thus were not directly responsive to the popular will. Today, we as Senators represent the citizens of our state directly and we are accountable to them at the ballot box. Furthermore, until 1929, the Senate debated nominations and treaties in closed sessions; and until 1975, many committee sessions took place in private. Today, all of our proceedings are open to the public, except in rare cases involving national security. The rules governing membership in the Senate as well as the openness of Senate proceedings have consistently evolved