

United States is engaged in military conflict which causes an imminent and serious threat to national security. But any new taxes imposed under such a waiver could only remain in effect for a maximum of two years.

Most Americans believe the federal government is already taxing them far too much. In 1950, the average family paid one dollar in taxes to the federal government out of every 50 dollars earned. Today, it pays almost one dollar out of every three dollars earned. Add state and local taxes to the mix, and the tax bite is closer to one out of every two-and-a-half dollars earned.

I would note that the Tax Limitation Amendment would not affect Congress' ability to cut taxes. That could still be achieved by simple majority vote. It would, however, make it much harder to raise taxes, particularly if there is no broad-based, bipartisan support for the proposition in Congress or around the country. It would, for example, have prevented enactment of the tax hike of 1993, one of the largest in history, and one which even a majority of Senators did not support. Vice President GORE broke a 50 to 50 vote tie to secure its passage. The TLA would have prevented enactment of the Bush tax increase of 1990.

Raising sufficient revenue to pay for government's essential operations is obviously a necessary part of governing, but raising tax rates is not necessarily the best way to raise revenue. And in any event, voters around the country seem to believe that raising taxes should only be done when there is broad support for the proposition. The TLA will ensure that no tax can be raised in the future without such consensus.

I invite my colleagues to cosponsor the initiative, and I ask unanimous consent that the text of the amendment be reprinted in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 9

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein) That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE—

"SECTION 1. Any bill to levy a new tax or increase the rate or base of any tax may pass only by a two-thirds majority of the whole number of each House of Congress.

"SEC. 2. The Congress may waive section 1 when a declaration of war is in effect. The Congress may also waive section 1 when the United States is engaged in military conflict which causes an imminent and serious threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law. Any provision of law which would, standing alone, be subject to section 1 but for this section and which becomes law pursuant to such a waiver shall be effective for not longer than 2 years.

"SEC. 3. All votes taken by the House of Representatives or the Senate under this ar-

ticle shall be determined by yeas and nays and the names of persons voting for and against shall be entered on the Journal of each House respectively."

SENATE RESOLUTION 15—RELATIVE TO BIOMEDICAL RESEARCH

Mr. MACK (for himself, Mr. FRIST, Mr. D'AMATO, Mr. SPECTER, and Mr. GRAMM) submitted the following resolution; which was referred to the Committee on Appropriations:

S. RES. 15

Whereas heart disease was the leading cause of death for both men and women in every year from 1970 to 1993;

Whereas mortality rates for individuals suffering from prostate cancer, skin cancer, and kidney cancer continue to rise;

Whereas the mortality rate for African American women suffering from diabetes is 134 percent higher than the mortality rate for Caucasian women suffering from diabetes;

Whereas asthma rates for children increased 58 percent from 1982 to 1992;

Whereas nearly half of all American women between the ages of 65 and 75 reported having arthritis;

Whereas AIDS is the leading cause of death for Americans between the ages of 24 and 44;

Whereas the Institute of Medicine has described United States clinical research to be "in a state of crisis" and the National Academy of Sciences concluded in 1994 that "the present cohort of clinical investigators is not adequate;

Whereas biomedical research has been shown to be effective in saving lives and reducing health care expenditures;

Whereas research sponsored by the National Institutes of Health has contributed significantly to the first overall reduction in cancer death rates since recordkeeping was instituted;

Whereas research sponsored by the National Institutes of Health has resulted in the identification of genetic mutations for osteoporosis; Lou Gehrig's Disease, cystic fibrosis, and Huntington's Disease, breast, skin and prostate cancer; and a variety of other illnesses;

Whereas research sponsored by the National Institutes of Health has been key to the development of Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET) scanning technologies;

Whereas research sponsored by the National Institutes of Health has developed effective treatments for Acute Lymphoblastic Leukemia (ALL). Today, 80 percent of children diagnosed with Acute Lymphoblastic Leukemia are alive and free of the disease after 5 years; and

Whereas research sponsored by the National Institutes of Health contribute to the development of a new, cost-saving cure for peptic ulcers: Now, therefore, be it

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Biomedical Research Commitment Resolution of 1997".

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that appropriations for the National Institutes of Health should be increased by 100 percent over the next 5 fiscal years.

Mr. MACK. Mr. President, I will take just a couple of minutes to explain this resolution and also the motivation, if you will.

The Senate resolution calls for doubling the investment in medical research at the National Institutes of Health over the next 5 years. There are

many, many motivations for doing this. As most of my colleagues know, both my wife and I are survivors of cancer, Priscilla with breast cancer; I am a melanoma survivor.

In my quest to gain more knowledge about the various weapons that might be at our disposal to fight this disease and to hope that someday we can find a series of cures. I have also had the opportunity to listen to research scientist in many different areas, many different diseases, whether that be Parkinson's disease, whether that be diabetes, whether that be in spinal cord injuries, in the area of cancer, prostate, breast cancer, melanoma, and so forth.

There was a hearing held at the end of the last Congress by now retired Senator Mark Hatfield and Senator Bill Cohen. There were a number of individuals who testified at that hearing and made, I thought, a remarkable case about why it was no longer acceptable for the Congress of the United States, for the Federal Government to continue a kind of business-as-usual attitude with respect to medical research, biomedical research. One of the individuals who spoke to us, Joan Samuelson, speaking about Parkinson's disease, said:

The current Federal policy on Parkinson's wastes billions in public and private dollars coping with its effects, when millions could simply cure it.

I remember vividly the testimony of Travis Roy, a young man who today is a quadriplegic, the result of an injury during an ice hockey game. Part of his testimony was that he dreams in essence for the day when he can hug his mother again.

Now, if that statement had been made before a hearing of the Congress 20, 25, 30 years ago, the response pretty much would have been that we all certainly could understand the hurt that this individual and this family has experienced. Most of us probably would have concluded, well, but there is nothing that we can do. To put more money into research of a problem we all know; we can remember those stories about spinal cord injuries years ago—there is no way to find a cure.

The reality is in America today, this Nation happens to believe that in all areas, or in so many different areas of diseases we are on the verge of discovering many cures, that we can no longer take this attitude of business as usual, and that if we make the investment in research we can in fact find ways to solve these problems, and to find cures, and, most importantly, to offer hope to our loved ones.

So I have introduced S. 15. I know there will be people, for example, who will say, "Well, Senator, you are talking about spending more money." Yes, I am talking about spending more money, but it is an area in which I believe the Federal Government should

be more active, and I believe it is an area where we will get a major return for it. In response to a question just recently about budget matters, my reaction was stop and calculate what we have saved as a Nation as a result of finding the cure for polio. In my view, there is no reason why we cannot today operate from the perspective that there are cures out there if we could just provide the resources to our research scientists around this Nation. I am confident we can succeed, and I must say, Mr. President, I stand here today filled with joy, with the recognition that so many of my colleagues feel the same as I. I am confident again, if we make this investment, we can offer great hope to so many millions of Americans.

I thank the Chair.

SENATE RESOLUTION 16—RELATIVE TO ABOLISHING THE INCOME TAX

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

S. RES. 16

Whereas the savings level in the United States has steadily declined over the past twenty-five years, and lagged behind our industrialized trading partners;

Whereas our economy 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 & gift tax discourage savings and investment;

Whereas the methods necessary to enforce the income tax infringe on the privacy of our citizens and divert an estimated \$157 billion of taxpayer resources to comply with its rules and regulations;

Whereas the Internal Revenue System estimates that each year it fails to collect 17 percent, or \$127 billion, 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 our savings rate 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 record keeping 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 United States exporting on a level playing field with our foreign competitors;

Whereas a national sales tax is a transparent tax system that would raise Americans' awareness of the cost of the federal government;

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 their efforts; and

(4) the Congress and states work together in an effort to repeal the sixteenth amendment.

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.

Despite a booming stock market and several years of economic growth, I have found that many citizens—particularly young Americans—are anxious about their future and have diminishing hope for better economic opportunities.

Long-term economic trends justify these apprehensions. From 1950 through 1973, hourly compensation—including both wages and benefits—increased an average of 3.0 percent per year. Since 1973, the average wage increase has been less than one half of one percent. During the past two decades, economic growth has been cut in half, averaging only 2.5 percent annually. If this isn't discouraging enough, limiting growth to 2.5 percent appears to be the economic course of the Federal Reserve Board.

Much of this economic underachievement can be attributed to our national savings rate, which has fallen to alarmingly low levels. After averaging 13.3 percent in the 1960's, our Nation's savings rate has sunk to 5.5 percent in the 1990's. Because of this low rate of savings, capital to fuel our economy has become increasingly scarce. As a result, productivity gains have averaged just 1.1 percent from 1974 to 1994. The Concord Coalition estimates that had our productivity held its pre-1974 annual growth rate of 2.9 percent, the median family income would now be \$50,000 annually, instead of the current level of \$35,000.

Although several other factors have contributed to this slowing of savings and prosperity, including continuing Federal budget deficits and the ensuing debt, our income tax system remains a significant drag on our long-term economic expansion. I propose that Congress should work toward the elimination of the income tax, the accompanying capital gains tax, and the estate and gift tax and replace them with a broad-based, single-rate national sales tax on goods and services.

The Federal income tax system is inherently flawed. By taxing savings and investment at least twice, it 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. That is equal to the total worker output of my State of Indiana. It is unfair and riddled with loopholes. It has been changed 31 times in the past 41 years. And finally, it 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 several 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 recent 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.

The first factor in choosing an effective tax system is its simplicity. 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. The money a person made would be his or her own. You may decide if you want to save it, invest it, or give it to your children. It is only when you buy something that you pay a tax.

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 record keeping, deductions, or exemptions that are part of the current tax code.

The national sales tax is the fairest. 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