

happened to see each other accidentally, and I said I read the story about the supposed budget surplus. I said, "You know that's not in surplus."

Well, that reporter understood about unified budget surpluses and on-budget deficits. But the fact is that CBO was reporting half the story last week, and the press dutifully reports it the way CBO says it, and CBO and everybody here knows they are wrong.

So I hope those who began last week to talk about what they want to do with all this alleged surplus, and who will likely waste this week trying to figure it out, I hope they will take a look at page 32-33 of The Economic and Budget Outlook produced by CBO in January. There—not in the monthly review, but in the annual January report—CBO has a line that describes what the real deficit is.

But that line is nowhere to be found on their monthly reports that they put on the Internet that resulted in last week's press statements. I hope CBO will change that, and put the information about the real state of our budget in its monthly reviews. And I hope the press picks up on that information and starts reporting it.

That information will add enormously to our budget discussions this summer. Then we might have an honest debate on whether there really is going to be a surplus at the end of this fiscal year, a surplus that can be used for purposes other than Social Security. I don't think there will be, and I look forward to making that point.

A RETURN-FREE TAX SYSTEM

Mr. President, one additional point. Last week we passed a major IRS reform bill. I voted for the bill because I think it has many provisions that ought to be very helpful for taxpayers dealing with the IRS. I have some continuing concerns about other parts of the bill. For example, I am concerned about the method used to pay for it. It was a sleight-of-hand kind of method and needs to be changed in conference.

Having said all that, in this Chamber last week I complimented Senators ROTH, MOYNIHAN and others for their leadership in writing some of these provisions. I want to point out a significant provision in the bill that requires the Treasury Department to study and develop procedures for implementing a return-free tax system beginning after the year 2007.

I have described to my colleagues a piece of legislation that I have worked on for many months that could provide a return-free tax system for up to 70 million Americans. While I am very encouraged by what Senator ROTH and Senator MOYNIHAN have done and fully support it—and think they have advanced this issue some, I have also visited with both, encouraging them to work with us in conference to move up this 2007 date.

The fact is we could much more quickly go to a return-free income tax filing system for anywhere from 50 to 70 million Americans. It is not a very

complicated thing to do. It would be relatively easy to say to most Americans with incomes mostly from wages and salaries—and who have only a modest amount of non-wage income such as interests, dividends and capital gains—that they could decide never to file a federal income tax return again. These taxpayers would make a few simple adjustments on their W-4 form at work, and their employers would withhold their precise tax liability over the year using a table provided by the IRS. This withholding now becomes their exact tax liability for the year. No return needs to be filed. They don't have to go looking for records. They don't have to rush to the post office on the night of April 15 to get a postmark. It becomes the exact tax liability. And, in most cases, these taxpayers won't have to worry about an audit.

Two additional adjustments would be put on the W-4, which all employees now file with their employer, to capture the per child tax credit that Congress adopted last year and a tax deduction for home ownership. These adjustments are provided by the IRS on a table. These adjustments would be no more difficult for the employer.

But from that process, I believe that 50 to 70 million people could be relieved of the obligation to file an income tax return. Some 365 million hours of work now done by taxpayers to prepare returns and get them filed could be eliminated. How much paper for 70 million tax returns and supporting materials gone? And we could do this in the next year or so.

I rise today only to say I am very pleased that Senator ROTH and Senator MOYNIHAN included this return-free approach in the Senate's IRS restructuring bill. I would just commend to them that a piece of legislation I have written would advance that very quickly. We could do it in a year or so. More than thirty countries around the world use some form of return-free filing system—no paper. Employees do not have to file a return. Some of the countries, incidentally, have a reconciliation by the taxing agency, while others mirror my approach where you simply retool the W-4 form to make it slightly more accurate. It isn't much longer and is no more difficulty for the employer, but my plan relieves probably 50 to 70 million people from having to file an income tax return.

I think if we did that, it would be a giant step towards real tax simplification for millions and millions of Americans. There are others in Congress who say, well, what we want to do is get rid of the entire tax system, which is fine. If one believes we should do that, then with what do you replace it? They say, well, a flat tax so that Donald Trump pays the same tax rate as the barber in my hometown.

I don't happen to share the belief that would be a fair system. I think maybe Donald—maybe I shouldn't use his name, but he seems to have his name on everything. He probably

would not mind my using it. I think Donald might want to pay a slightly higher rate than the barber in my hometown; or others say, well, let's have a national sales tax.

A study by a tax expert at the Brookings Institution says if you have a national sales tax, the rates would probably be over 30 percent, and then add the State and local taxes, and that would be on almost everything. So say you would like to buy a house and here is the price we have agreed on, and then have someone tell you, oh, yes, you have a 37-percent sales tax applied to that price, 30 percent Federal, 7 percent State and local.

Others say a value-added tax. There are all kinds of ideas for how to change the tax system. I would say it is unlikely that we are going to see the current income tax system completely obliterated. I expect that in some form it will be around for some while, and if it is, I would very much like to see it radically simplified for most of the American people. It is hard to have a one-size-fits-all. I understand that some people have very complicated income situations; they have a lot of income from different areas and a lot of expenses from other areas. I think in some cases those are very complicated; it is very hard to simplify that. But for the vast majority of the American people, working families whose main income comes from a wage or salary and who have very little other income, this income tax system need not be a headache. It could be radically simplified. It could be done very quickly.

We could move to a return-free system, as I indicated, for up to 70 million Americans and we could do it in a year. I very much hope—with the cooperation of my friend, the Senator from Delaware, Senator ROTH, and Senator MOYNIHAN—we can make some progress on that.

As I close, let me also say, as I did last week, they have provided significant leadership, I think, to pass the legislation we did through the Senate last week. I once again commend both of them for that leadership.

Mr. President, I yield the floor and I make a point of order a quorum is not present.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—
S. 1618, S. 1723, S. 1260, and S. 2037

Mr. McCAIN. Madam President, I intend to, on behalf of the majority leader, propound a unanimous consent request. I understand that at this time the Democratic leader may have to oppose this unanimous consent request.

But I also believe that given the next couple of hours perhaps we can get some agreement. Both Senator LOTT and Senator DASCHLE, I understand, are in discussion. But I think we ought to move forward as we told the Senate we would and at least start discussions of these bills.

So, therefore, understanding that we have some optimism about a unanimous consent agreement within the next couple of hours, I will propound the unanimous consent request. I understand Senator DORGAN, the Senator from North Dakota, will object.

Madam President, on behalf of the leader, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to the consideration of S. 1618.

I further ask unanimous consent that there be a total of 2 hours of debate equally divided in the usual form. I further ask that the only amendment in order other than the committee amendments be a managers' amendment.

I finally ask unanimous consent that following the disposition of the above amendments the bill be read a third time and the Senate then proceed to a vote on passage of S. 1618 with no intervening action or debate.

Madam President, that is the antislamming bill, on which, as we know, there have been numerous hearings and discussion and debate not only within the Senate but in the entire country.

Additionally, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to the consideration of S. 1723. I further ask unanimous consent that there be a total of 2 hours of debate equally divided in the usual form. I further ask that no amendment be in order other than the committee-reported substitute amendment.

I finally ask unanimous consent that following disposition of the above amendment, the bill be read a third time and the Senate then proceed to a vote on passage of S. 1723 with no intervening action or debate. That, Madam President, is the skilled workers immigration bill that is sponsored by Senator ABRAHAM.

I also ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to the consideration of S. 1260. I further ask unanimous consent that there be a total of 2 hours of debate equally divided in the usual form. I further ask that no amendments be in order other than the committee-reported substitute amendment.

I finally ask unanimous consent that following the disposition of the above amendment, the bill be read a third time and the Senate then proceed to a vote on passage of S. 1260 with no intervening action or debate. That bill is the Uniform Standards Act.

Finally, I ask unanimous consent that the majority leader, after consultation with the Democratic leader,

may proceed to the consideration of S. 2037. I further ask consent there be a total of 30 minutes of debate equally divided in the usual form, with an additional 15 minutes under the control of Senator ASHCROFT. I further ask that no amendment be in order to the bill.

I finally ask unanimous consent that following the expiration or yielding back of the time, the bill be read a third time and the Senate proceed to a vote on the passage of S. 2037 with no intervening action or debate.

Madam President, that is the so-called WIPO copyright legislation from Senator HATCH, reported out of the Judiciary Committee.

I yield the floor.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. And I shall object, but under my reservation let me point out, as I think the Senator from Arizona pointed out, no such agreement has been reached between the majority and minority leaders on these pieces of legislation dealing with the procedures under which they will be considered. All of the unanimous consent requests provide a limited time and limited amendments. I think in most cases only the managers' amendment would be allowed, which would then preclude amendments from other Members of the Senate. It is my hope that some kind of an agreement will be reached by the majority and minority leaders, but until such an agreement is reached, I am constrained to object, so I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Madam President, I remain hopeful that within the next couple of hours we can reach this unanimous consent agreement. There has been a great deal of discussion about taking up these pieces of legislation—in fact, several others in addition. But I believe that the Senator from North Dakota shares my optimism that perhaps we can, with some modifications, achieve a unanimous consent agreement.

I yield to the Senator.

Mr. DORGAN. Madam President, if the Senator will yield, I do not think the question here is about the particular issues the Senator proposes to bring to the floor. In fact, most of them will have rather wide support. The question deals with the conditions under which they will be brought to the floor and on the restriction on amendments. As the Senator knows, that is a product of having to consult with other members of the caucus and the consultation between the majority leader and the minority leader. I know they are visiting, and I would expect and hope that that is resolved. But until it is resolved we

must object, and I appreciate very much the understanding of the Senator from Arizona.

THE EFFECT OF INFORMATION TECHNOLOGY ON THE ECONOMY

Mr. McCAIN. Madam President, I want to quote from the Department of Commerce:

During the past few years, the U.S. economy has performed beyond most expectations. A shrinking budget deficit, low interest rates, a stable macroeconomic environment, expanding international trade with fewer barriers, and effective private sector management are all credited with playing a role in this healthy economic performance. Many observers believe that advances in information technology driven by the growth of the Internet have also contributed to creating this healthier than expected economy.

In recent testimony to Congress, Federal Reserve Board Chairman Alan Greenspan noted:

"Our Nation has been experiencing a higher growth rate of productivity—output per hour worked—in recent years. The dramatic improvements in computing power and communication and information technology appear to have been a major force behind this beneficial trend."

Madam President, we all pay close attention to Federal Reserve Board Chairman Alan Greenspan, and usually, especially in this case, we agree.

Some have even suggested that these advances will create a long boom which will take the economy to new heights over the next quarter century.

While the full impact of information technology cannot yet be precisely evaluated, its impact is significant. Information technology industries have been growing at more than double the rate of the overall economy, a trend that is likely to continue. Investments in information technology now represent over 45 percent of all business equipment investment. Declining prices for information technology products have lowered overall inflation.

Because the Internet is new and its uses are developing very rapidly, reliable economy-wide statistics are hard to find and further research is needed. Therefore, we have to use industry and company examples to illustrate the rapid pace at which Internet commerce is being deployed and benefits are being realized. Examples showing the growth of the Internet in electronic commerce this past year are numerous.

Fewer than 40 million people around the world were connected to the Internet during 1996. By the end of 1997, more than 100 million people were using the Internet. As of December 1996, about 627,000 Internet domain names had been registered. By the end of 1997, the number of domain names more than doubled to reach 1.5 million.

Traffic on the Internet has been doubling every 100 days.

Madam President, I feel compelled to repeat that.

Traffic on the Internet has been doubling every 100 days.

Cisco Systems closed 1996 having booked just over \$100 million in sales on the Internet. By the end of 1997, its Internet sales were running at a \$3.2 billion annual rate.

In 1996, Amazon.com, the first Internet bookstore, recorded sales of less than \$16 million. In 1997, it sold \$148 million worth of books to Internet customers.

One of the Nation's largest book retailers, Barnes & Noble, launched its own on-line