no one seeming to want to do something about it, either cut spending or raise taxes, both of which would be necessary to address the problem.

I have said on the floor before, so far as I am concerned, regardless of what President Clinton does before or from now on, his legacy is going to be the bill in 1993 that addressed that problem in a very courageous way, so courageous it cost a lot of Members on my side of the aisle their seats. But it reduced the deficit from $290 billion a year, and it is reduced to this year $22.6 billion. That is an awesome, awesome result, and one in which the people in this country ought to take great pride.

Then I hear on the House side where the Speaker said, if we have a surplus left next year, he would like to have it go on to defense spending. Completely aside from what I want to say on the subject, that is not where I want it to go. I want the so-called surplus to go right into the National Treasury, because even though the deficit this year is $22.6 billion, that does not include $114 billion that we are using in trust funds—Social Security, airport, highway trust funds—to get to that point.

So while we are all patting ourselves on the back, Senator HOLLINGS says giving ourselves the Good Government Award, for doing something about the deficit, we should not ever lose sight of the fact that the $22.6 billion is not the deficit. The deficit is $22.6 billion plus the $114 billion we are spending in trust funds by borrowing, and until we add $114 billion in surplus to the $22.6 billion in deficit, we will not have a balanced budget.

I agree with Alan Greenspan—I don't always agree with him—but I agree with him on one thing. Even using the jargon of the Senate and assuming that $22.6 billion is the deficit, that is not the honest deficit, but assuming that it is, if we have anything in excess of that next year, I would like to see it go into the Treasury, because the more we pay on the national debt, the lower interest rates are going to go, and the lower interest rates go, the better off the economy is going to be.

INTERNAL REVENUE SERVICE

Mr. BUMPERS. Mr. President, everybody has heard that old expression about fools walk in where angels fear to tread. I have heard as a practicing lawyer, as a citizen and certainly as a Member of the U.S. Senate, as many tales about the IRS as anybody in this body. There have been unbelievable abuses, a lot of which have been aired in the hearings that Chairman ROTH held in the Finance Committee.

You don't get accomplished diplomats for what we pay auditors in the IRS. Oftentimes, you get somebody who really is, indeed, abusive. Even though he is spending the taxpayer's money he is auditing, he can be very unpleasant. It isn't just the abusiveness of the auditors. Occasionally it is also their incompetence.

I was trying to help somebody one time and made a phone call back when I was practicing law. ''We can't talk to you; send us a letter authorizing us.''

I was a little offended by that, but at the same time, I understood. Anybody could call and say, ''I'm calling on behalf of'' somebody else. They don't know who they are, so I had to get an affidavit from my client and send it in saying I was authorized to represent her in a tax dispute.

But my point is all this legislation to abolish the IRS without putting anything in its place is not all that troubling to me because something has to give. You can't abolish the IRS and abolish the Tax Code without replacing it with something.

What you replace it with certainly ought not to be a flat tax. So far as I am concerned, the flat tax was created by the Flat Earth Society. A flat tax, No. 1, is not ever going to pass here because invariably it does not allow people to deduct interest on their homes. It doesn't allow charitable contributions. The church people, the universities of the country who depend so extensively on giving are not ever going to sit still for a flat tax. If the middle- and lower-income groups of the country knew what the flat tax would do to them, they wouldn't stand still for it.

I can promise you that under every flat-tax scenario I have seen, people who make between $30,000 and $100,000 are going to wind up paying more, and people who make more than that are going to wind up paying less. I have not seen one single flat-tax proposal that doesn't take all the progressivity out of the Tax Code.

I can tell you, I only have 1 more year in the Senate, but I am not going to vote during that year for anything that even smacks of a flat tax. Oh, everybody thinks it is so simple. Do you know why the Tax Code is so complex? Because of the U.S. Congress. They drafted it. We just got through adding about 800 pages to it with the so-called balanced budget bill.

Of course, it is complex. When you consider the myriad of transactions that occur in this country and you are trying to deal with all of them and there are lobbyists all over the city asking for special favors—this little thing in our business, and this little thing in our business—that is the reason the code is indecipherable today. So don't blame the IRS because the Tax Code is indecipherable, blame the U.S. Congress. We are the ones who drafted every word of it.

So, Mr. President, bear in mind that for the last year—and the IRS has many statistics on it—there is about $100 billion, somewhere between $92 and $95 billion in tax evasion every year.

What does that mean? Let's assume in the year 1997 that we collected $600 billion in personal income tax, and that is probably pretty close to correct. Assume further that the IRS had been able to collect the $100 billion which is not being paid that ought to be paid. You could reduce taxes by $100 billion. That would be pretty nice.

You hear all kinds of talk around here about tax cuts. But nobody ever wants to give the IRS any more money to enforce the Tax Code against those people who are paying no taxes. One of the reasons our taxes are as high as they are is because of the underground economy operated by people who deal in cash and do not pay taxes for the privilege of being an American citizen.

I am inclined to support—I read an op-ed piece in the Post this week strongly opposed to this idea. I do not know whether it was this week or not. But this business of shifting the burden to the IRS from the taxpayer has some merit.

I offered a bill in 1980, and it passed the Senate. It never passed the House, but it passed the Senate. The Republicans liked it so well they put it in their platform in the convention in 1980. But I had a provision that said, any time a regulator comes into your plant and charges you with a violation, you would have to sustain the burden of proving that that regulation was valid.

If somebody comes into your plant and says, ''Your fire extinguisher is 2 inches too high off the floor and, therefore, I'm fining you $100,'' it would be incumbent, under existing law, for the person who owned that plant to prove that Congress did not intend for him to pay a fine because his fire extinguisher was 2 inches too high off the ground.

Under my bill that passed the Senate in 1980, the burden would have shifted to the regulator, the guy who is trying to impose the fine. He would have to prove that the regulation is valid and within the intent of Congress. You shift the burden. But my bill excluded the Internal Revenue Code. I won't go into all the reasons we did that. It did not seem workable.

But now I am going to look very closely at this proposal of BILL ARCHER's, from the House, to shift the burden to the IRS when they allege that somebody is deficient or made a mistake on their tax return or generally state when the IRS is accusing somebody of owing money, they will have to sustain the burden of proving that instead of shifting the burden immediately to the taxpayer.

Mr. President, I had one or two other issues I was going to talk about. But in the interest of expediting this evening and allowing people in the Senate to get out of here—they all look at me with mean looks, so I know everybody is wanting to shut this place down—I will forgo a couple of other items and save them for next Friday afternoon.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MOTOR SAFETY DEMONSTRATION PROJECT

Mr. DORGAN. Mr. President, section 344 of the National Highway System Designation Act of 1995 required the Department of Transportation to implement a motor carrier regulatory relief and safety demonstration project. The purpose of this project was to determine whether certain motor carriers with exemplary safety records could operate safely with fewer regulatory burdens.

Specifically, the Department was required to establish a pilot program for operators of vehicles between 10,001 and 26,000 pounds, under which eligible drivers, vehicles, and carriers would be exempt from some of the Federal motor carrier safety regulations.

The safety data generated from this project was to serve as the basis for assessing the appropriate level of future safety regulation for the motor carrier industry.

The statute was clear. Section 344 required the Department of Transportation to ensure that participants in the project would be ''subject to a minimum of paperwork and regulatory burdens necessary to ensure compliance with the requirements of the program'' and to ''represent a broad cross section of fleet size and drivers of eligible vehicles''.

Mr. President, I would inquire of the Majority Leader, what is the status of the motor carrier regulatory relief and safety demonstration project which we mandated in 1995?

Mr. LOTT. Mr. President, I thank the Senator for raising this issue. The letter and intent of the law concerning this program are not being carried out at all.

The National Highway System Designation Act passed in 1995, and section 334 mandated the motor carrier regulatory relief and safety demonstration project. It required the Department of Transportation to implement this project no later than August, 1996. However, the Department of Transportation did not even publish Final Guidelines for the project until June 10 of this year—1 year later than required by law.

Mr. DORGAN. I am, to be honest, somewhat taken aback by the Department of Transportation's obvious delay in implementing a congressionally mandated program. And I understand that delay is not the only problem afflicting this program.

The Final Guidelines, only published this year, appear to fall far short of what was intended in section 334, both in terms of reducing paperwork and regulatory burdens and attracting a broad cross section of participating businesses. Potential business participants invested many months of effort attempting to work with the Department of Transportation to create a functional program. However, the Department's Final Guidelines still create unreasonable barriers to motor carrier participation, produce uncertainty in implementation and enforcement, and fail to reduce business paperwork.

Mr. LOTT. Mr. President, I would add that, at this time, there is not a single applicant for the motor safety demonstration project.

This has not kept the Department from heralding the project as a centerpiece of their so-called regulatory reform. For example, in the August 11, 1997 issue, of the industry publication ''Transport Topics,'' the Department's Associate Administrator for Motor Carriers, George Reagle, referred to the project as a key part of the administration's effort to ''provide common-sense government * * *.'' which offers ''the opportunity to further regulatory reform''. Mr. Reagle further stated that ''This early step toward reform will set the tone for our entire regulatory future * * *.''

A centerpiece with no participants is an empty centerpiece. Words of self-praise are an inadequate response. The law was clear and implementation is overdue.

Mr. DORGAN. Mr. President, it seems to me that if there has not been a single participant in this program—which was intended as a way to relieve the regulatory burden on those companies that have demonstrated a good safety record—then something is amiss with this program.

I would hope that the Department would take a second look at this program and give serious consideration to making some changes that will permit the program to work in the manner in which Congress intended. It is clear that Congress desired to establish a means to achieve some regulatory relief and, thus far, we have not seen that result.

Mr. LOTT. Mr. President, I fully agree with the Senator. I do not believe the Department has followed the provisions established under the National Highway System Designation Act. I am disappointed.

The Senate Committee on Commerce, Science and Transportation has been working to advance legislation expanding the Department of Transportation's use of pilot programs and regulatory exemptions. I will be working with the committee to help reduce, as much as is safely possible, some of the unnecessary regulations and paperwork imposed on the motor carrier industry.

Given the Department's handling of the motor safety demonstration project to date, I am very concerned about the Department's sincerity in implementing such legislatively mandated programs. I will also be working very closely with the committee to ensure that the mandates we have already passed are complied with by the Department of Transportation.

AMERICAN MANUFACTURING AT ITS BEST

Mr. FORD. Mr. President, today I rise to pay tribute to the Paducah gaseous diffusion plant [PGDP] in Paducah, KY. On October 20, 1997, Industry Week Magazine recognized the Paducah facility as one of ''America's 10 Best Plants'' from among 275 plants nominated for the honor in 1997.

According to Industry Week, a national publication which annually salutes the top performing manufacturing facilities in North America, the dual purposes of the competition are ''to recognize plants that are on the leading edge of North American efforts to increase competitiveness, enhance customer satisfaction, and create stimulating and rewarding work environments; and, to encourage other North American managers and work teams to emulate the honorees by adopting world-class practices, technologies, and improvement strategies.''

There is no question that the Paducah facility, a federally owned nuclear fuel enrichment plant managed by Lockheed Martin Utility Services, meets these criteria. In fact, it is a model for any manufacturing plant in any industry in the country. Over the past 10 years, the Paducah plant has nearly tripled output from 2.3 million units per year to 6.8 million units per year. And this amazing increase in productivity was achieved using existing equipment and machinery. Similarly, the percentage of production units in-line has risen from 57 percent of capacity in August 1993, to an impressive 96.9 percent in April 1997. To top it all off, the Paducah facility boasts 100 percent on-time delivery for the past 5 years with a zero product defect rate. Now that, Mr. President, is what quality American manufacturing is all about.

On July 25, the Clinton administration gave formal approval to move forward with privatization for the U.S. Enrichment Corporation [USEC], the Government entity that currently owns PGDP. Hopefully, this process will be completed early in 1998. As I have maintained for the better part of 10 years, privatization will not only enable Paducah to utilize cutting edge technologies to keep it competitive in the world uranium market, it will also keep thousands of productive employees on the job well into the next century.

Mr. President, I ask unanimous consent that the article entitled ''Lockheed Martin Utility Services'' be printed in the RECORD following my remarks.

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