

will be a couple of additional check marks—one for child credit and the second for home ownership.

When you complete that W-4 form at work, if you choose the option of using the Fair and Simple Shortcut Tax plan, then you don't have to file a federal income tax return. Your employer, working from a table prepared by the IRS, will determine what your withholding is. When your employer sends in that withholding to the IRS that is your exact tax liability, no tax return is needed.

Up to 70 million Americans would be able to do that easily, quickly, with no tax return filed and no records to be gathered. In addition, up to \$5,000 in other income would be exempt from taxation because you are not trying to trace every nickel and track down every dime of some other income stream in order to have withholding from it.

It is a wonderful incentive at that point because there is an incentive for interest and capital gains at the bottom that is nontaxable. The incentive for the rest of your wage income is to say that you are going to pay taxes at a 15% after claiming several important deductions. And you are not going to have to file a tax return. The W-4 is modified slightly so that you are still able to get credit for home ownership and a deduction for interest payments on a home mortgage.

All of that can be done today. It can be done in Congress now. It is not complicated. Some 30 countries have some modified approach to this no-return filing system.

Is it as aggressive as some saying, "Let's just get rid of the entire Code?" No, it is not. In fact, my plan would say every taxpayer has the choice. The choice is do you want to use the Fair and Simple Shortcut Tax plan and not file a return or they can say, "I really don't want to do this. I fit the income requirements, but I don't want to do it. I prefer to file a return every year. I prefer to go searching for my records. I prefer to wait at the post office because I enjoy that. I just prefer to do it the hard way. I prefer the current system."

I don't think many would do that, but my point is this would be a choice for most taxpayers. However, those who do not fit in this system would file, as they do now, under the current system. I would make some changes to help simplify things for them too.

I would eliminate, for a fairly sizable part of the population, the alternative minimum tax calculations which have become very complicated and were never intended to harness a bunch of taxpayers who are making \$80,000 or \$150,000. The alternative minimum tax calculations were designed to try to get the largest enterprises in the country that were making tens of millions of dollars and paying nothing, to start becoming taxpayers once again.

I also propose for those who want to use the old system that they get a tax credit to help offset the cost of tax

preparation. Businesses would get a tax credit to offset the cost of preparing the W-4 forms. There would be almost no added cost here for businesses, but I would provide some incentive for them.

Again, this is an approach that can be done, and it can be done quickly and easily. This Congress could embrace it. It is the only plan that I am aware of that really relates to honest simplification of the Tax Code. Taking 70 million people out of the loop of having to file an annual income tax return is a huge step forward toward simplification.

I hope, Mr. President, as we begin talking about what we do about this frightful complexity in the Tax Code, that we will decide as a Senate and a Congress that this is a plan that we can embrace.

William Gale, a senior fellow at the Brookings Institute says:

Roughly half of the U.S. taxpayers could be placed on a no-return system with relatively minor changes in the tax laws."

A no-income-tax-return system.

The GAO says:

No-return systems are proven. More than 30 countries, including Germany, Japan, and the United Kingdom use some form of the no-return system.

I hope that some of my colleagues will join me as I begin to discuss some of these issues in the context of tax reform in this Congress.

Mr. President, I have a couple of other items that I wish to discuss today briefly. There was a substantial amount of discussion this morning about a range of issues, most of them dealing with taxation. I just wanted to cover a couple of other items—one, that I have spent a lot of time talking about on the floor of the Senate, but then I want to talk about the larger agenda issues those of us on this side of the political aisle in the Senate want to see brought to the Senate for debate.

#### OUR TRADE POLICY WITH CHINA

Mr. DORGAN. I noticed that China decided recently that it is going to ban direct marketing in China. That means that Amway, Avon, Mary Kay Corporation and similar companies are told they cannot any longer direct market. Apparently, some scams were going on in China—not by these companies, mind you—that was causing some problems, so China just said no more direct marketing in this country.

Our trade ambassador, Charlene Barshefsky, immediately went into action and met with China's Minister, Wu Yi, on Friday to discuss the issue. And that is fine. I do not know much about Mary Kay, Avon or Amway, but they are aggrieved. They are legitimate businesses, but China has banned them. They ought to be able to do business in China. I think it is fine for the trade ambassador to jump in and say, "Why don't you own up to our trade agreements here and let these people market?"

But I just ask this: Could we be as aggressive on behalf of wheat and meat as we are on behalf of cosmetics? Could we be as aggressive on behalf of farmers who cannot get enough wheat into China?

We have been dealing with China for a decade on this thing called TCK smut. China, for example, has displaced America as the major wheat supplier to China, even as they send us all their shirts and shoes and trousers and trinkets. And they have ratcheted up this huge trade surplus with us, but we cannot get enough wheat into China. We cannot get enough meat into China. We can't get hardly any pork into China. We can't get enough beef or chicken into China.

I say to our trade representatives, that is fine. You be aggressive about cosmetics and you be aggressive about direct selling, but why don't you also start being as aggressive for wheat and meat? Why don't you be aggressive on behalf of individual American farmers who all across this country discover they cannot get their products into a country, China, that is ratcheting up a huge trade surplus with us?

We have become an unbelievable cash cow for China's hard currency needs. Shame on us for a trade policy that allows that. I just ask the trade ambassador, get busy. Get aggressive. It is fine that you care about Amway, Mary Kay, Avon, and other direct sellers. But get busy on behalf of those who get up at sunrise and do chores, who plow fields, who produce wheat and meat and want to get that into China as well.

Mr. President, that was therapeutic to say on a Friday anyway.

#### THE DEMOCRATIC AGENDA IN THE SENATE

Mr. DORGAN. Let me talk about one last point, and that is the agenda of the Senate. The fact is, I come from a side of the political aisle in the Senate that does not control the agenda. The reason why is because we lost the election. The other side has more people, they elect the majority leader, and the majority leader decides the agenda of the Senate. I am not complaining about that. That is the way the Senate works and that is what the rules are.

But we being a minority still have an agenda, and we still have certain rules in this Senate to work with to try to make certain our agenda is also considered. I want to mention just for a moment a couple of points in that agenda. I started out by discussing the Patients' Bill of Rights and the issue of health care quality in this country. We intend to see that there is a vote on managed care reform, the Patients' Bill of Rights, in this Congress.

We also fully intend to see that a tobacco bill is brought up, and I think the majority leader now is going to a tobacco bill for consideration. We must as a country decide that this country will no longer countenance tobacco

companies targeting kids. You cannot addict 30-year-olds. Who reaches age 30 and says, "What can I do to improve my life?" and comes up with the answer of smoking? The tobacco companies addict kids. They get kids when they are 14, 15, 16 years old and addict them to nicotine. Those are the new customers for tobacco. By age 30, you know tobacco causes cancer and heart disease and a whole range of enormous health problems that threaten the American people. So almost nobody who is not addicted to nicotine by age 30 discovers that they could improve their life by starting to smoke.

We must decide that we will not any longer in this country allow tobacco to target kids. The tobacco industry does not have that right. We have written a piece of tobacco legislation in the Senate Commerce Committee under the leadership of Senator MCCAIN. It is a good piece of legislation. It is not perfect. I voted for it. I proposed some changes to it during the Committee's consideration, and I will propose some changes on the floor of the Senate as well. But overall it is a good piece of legislation.

Senator MCCAIN should be commended for his leadership. And the product of his leadership will be brought to the floor of the Senate. We need a wide open debate on that. This Congress must pass a tobacco bill. And we ought to do it soon.

We did just discuss education on the floor of the Senate and, frankly, many of us are dissatisfied. Obviously, we did not get what we wanted from that debate. The way that debate was structured, we had 30 minutes on this side of the aisle—30 minutes—to discuss an issue of substantial national importance, and that is the decay of America's school infrastructure.

We proposed that the Federal Government just provide some help with respect to the interest costs on bonds that are used to build or modernize new schools. That is a significant priority, in my judgment. Yet the Senate said no, the priority should be to give tax subsidies, the bulk of which will go to kids who go to private schools.

Last Sunday, I was in Fort Yates, ND, on the Standing Rock Indian Reservation, at the Bureau of Indian Affairs school there. The elementary school has roughly 150 students, but it is closed now. If you go into the school building, you will see there is no carpeting, and the ceiling tiles have been removed. The lights were leaking PCBs, which is a carcinogen. And all the kids had to be removed from the school. That was February 13. The kids—these are mostly Indian children—are going to school in a gymnasium. The air is stale in this gymnasium, and there is no air-conditioning or ventilation that moves the air around.

They have created classrooms by putting in big, make-shift plywood dividers that are not anchored to the floor. You just touch the dividers and they go

back and forth. In some cases, the children are sitting on the bleachers and trying to do their classwork. And the noise from the 100-some kids in this gymnasium creates just a din. And that has been the quality of their education since February 13.

And so one can talk about whether the condition of our schools matters. The school I just spoke of happens to be a BIA school. It is the responsibility of this Congress and the Bureau of Indian Affairs. It is not the responsibility of some local school district. It is our responsibility.

Up the road 45 miles, I was in a school that I have mentioned a couple of times, the Cannon Ball Elementary School. This is a public school, although it happens to be on an Indian reservation as well. Nobody here in this Chamber would want to send their children to that school. There are 140 kids, plus teachers and staff, and only two bathrooms and one water fountain in the school. Part of the school is 90 years old and has been condemned. The choir room, which is a former janitor's closet, has to be abandoned once or twice a week because sewer gas seeps in and they cannot continue to have kids in that room. Nobody here would say that would be a good place to have their children attend school. It is a public school, but it does not have any money because its tax base is so poor.

So what do school officials do when large parts of the school has been condemned, kids are crammed into a classroom 12 foot by 8 foot, with not 1 inch between their desks because it is so crowded, and with twice as many kids scheduled to go into that classroom the next year? What they will do is split that class up, and they will put them in a big, open room. One teacher will teach two classes at the same time, going back and forth between the two groups of kids.

And you can say, well, school construction is not important or it is somebody else's job. That school district does not have the capability ever to build a new school on its own because it simply does not have the tax base to support a bonding initiative. The cost of building a new school of the size that is needed is about \$2.5 million. Yet the maximum bonding capacity of that school district, because it is on Indian land and its tax base is so small, is only \$750,000.

So 140 children—mostly Indian children—will continue to go to a school that none of us would want our kids to attend unless we do something to help them. The teachers at the school there are wonderful. The administrator is a wonderful man. They do a terrific job under tough circumstances. But those kids deserve better than that. When those kids walk through that school-room door, they deserve better than that.

A little second grader named Rosie Two Bears asked me when I was in the classroom, she said, "Mr. Senator, will you buy me a new school?" Well, I

can't buy her a new school, but part of the debate about the education agenda ought to be school construction important and is this a national problem and is there something we can do, at least at the margin, to say this is a priority? Is it a higher priority than giving a tax credit to somebody who wants to send their child to a private school? I think so. At least it ought to be, but we only had 30 minutes to make that case. And we didn't have the votes, unfortunately, to prevail on that amendment.

Our point is that we have an agenda that relates to the center of what most people are concerned about and we want that agenda considered by the Senate. Most people are in their homes in the evening and talking at the dinner table. They are asking themselves pretty routine questions about life. How did the job go today, how is your job, do you have a job that pays well, has decent security? Do you have benefits? So how is the job? Or how about health care? Do grandpa and grandma have access to health care? How about the kids; do they have access to health care? What about the neighborhood; is it safe? Are the streets safe to walk in?

Jobs and health care and education. What about our kids? Are they going to good schools? Are we proud in the morning when we send them off to schools? Those are the central issues—schools, health care, jobs, safety and security, crime. Those are the central issues that we must debate on the floor of the Senate.

We have developed an agenda under the leadership of Senator DASCHLE and many others in our caucus. We don't believe we have the exclusive ideas that represent all the best ideas or the only ideas. We understand there are plenty of other people in this Chamber that have ideas of their own, some of which might fit better than the ideas we have, but we believe that the topics I just discussed are the central topics that relate to how most people live every day, and most of the conditions they have every day, and we very much want to see all of these topics—the agenda that the Republicans have and the agenda that the Democrats have—brought to the floor of the Senate for a full debate and have the American people weigh in on that discussion and tell us what they think is important.

As we continue holding hearings and developing the agenda here in the Congress, I hope that agenda brought to the floor of the Senate will reflect the agenda we think is important. I say again, we fully intend to pursue this agenda with great vigor. For those who now suggest that they will keep it off the floor of the Senate—managed care reform, for example—I say to them we will be awfully annoying for a long time because we insist it come to the floor.

Let me make another point that I think will represent a significant area of priority debate in this Congress, and that is there are these folks who stand

up at the desks in the Senate and the House of Representatives and talk about the surplus, what we should do with the surplus. In fact, some are talking about how large a tax cut they can give this year to deal with the budget surplus. There is no budget surplus. There isn't a budget surplus. We have made wonderful progress in wrestling the budget deficit to the ground, but there is not a budget surplus unless you save the Social Security revenues for the purpose they were intended to be saved for.

I say to all of those who are rushing to embrace their favorite tax cut plan, President Clinton said it in the State of the Union Address, and we still believe it, save Social Security first. When people, from their paychecks, make a payment to the Social Security trust fund in the form of a tax that is dedicated to be used only for one purpose, do not misuse it. Don't use it as other revenue. Don't count it as part of your budget calculation. Save it in the trust fund and save Social Security

first. That is the responsibility of this Congress.

All of those folks who have ideas either to provide tax breaks or to spend the money that doesn't exist, I say to them you have and we have a responsibility to save Social Security first. When we get to a budget debate on a budget conference report, we will once again, I assume, have that kind of contest about what ought to be done with respect to this budget.

I say as emphatically as I can, you do not have a budget surplus until you have made whole the Social Security funds and kept the promise to the American people to save Social Security first.

I yield the floor.

ADJOURNMENT UNTIL 11 A.M.  
MONDAY, MAY 4, 1998

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 11 a.m., Monday, May 4, 1998.

Thereupon, the Senate, at 1:34 p.m., adjourned until Monday, May 4, 1998.

NOMINATIONS

Executive nominations received by the Senate May 1, 1998:

THE JUDICIARY

NATALIA COMBS GREENE, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE STEPHEN F. EILPERIN.

NEAL E. KRAVITZ, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE PAUL RAINEY WEBBER, III, TERM EXPIRED.

WITHDRAWAL

Executive message transmitted by the President to the Senate on May 1, 1998, withdrawing from further Senate consideration the following nominations:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

KEVIN EMANUEL MARCHMAN, OF COLORADO, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE JOSEPH SHULDINER, WHICH WAS SENT TO THE SENATE ON MARCH 19, 1997, AND ON JANUARY 29, 1998.