

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