

this country when the folks who gas up the tractor in the spring, borrow money to buy seed, fertilizer, plant the crop, harvest the wheat, sell it in the market, and then go broke because they are told that the wheat they produced from their fields has no value? But the people who buy that wheat and turn it into Cheerios or Wheaties or Lucky Charms, even though the prices of commodities have collapsed and they are paying the farmer less—in fact, so little that family farmers are going broke in record numbers—they say they need to boost cereal prices that people pay at the grocery store.

I woke up this morning and I ate a bowl of cereal. I will not advertise which cereal it was, but I ate a bowl of cereal. I looked at the box, after I had seen this in the paper on Saturday, and I read the label about what is in this cereal I am eating. I will tell you what is in the cereal—grain.

So this company buys it from farmers, pays them a pittance, and then they puff it or crisp it or shred it. Once they have it all puffed and labeled as Puffed Wheat or Shredded Wheat, the process is all done. They have added the air to the grain or they have shredded it with a knife, then they put it on the grocery store shelf and charge a fortune for it.

Buy a box of cereal at the grocery store and ask yourself whether you like that price. Now, they say it is not enough. While farmers are going broke, they say they need to boost cereal prices. Talk about a disconnection and evidence that the market system does not work in agriculture. There must surely be a golden rule here, the one that says—those who have the gold make the rules—there must be a golden rule here that says cereal manufacturers can increase prices with impunity while family farmers go broke because they are selling their grain at the elevator and are told that their food has no value.

I mentioned last week an auction sale by a farm wife in North Dakota. She wrote a letter and said they were forced to sell out. She said her 17-year-old son would not even come down, he stayed in bed during the day of the auction sale and refused to come down to witness the auction sale of this farm because he was heartbroken. It was breaking his heart. It was breaking his heart that they were having to sell their farm. He wanted to farm.

This is all about human misery, failure—and it is not their fault. It is not the family farmers' fault that commodity prices have collapsed at the same time we have a hungry world. Hundreds of millions of people go to bed with an ache in their belly every night because they do not have enough to eat, while our farmers are told their product has no value. And when companies take the farmers product and turn it into cereal by puffing it, then they

send it to the grocery store, they say it not only has value, in fact, they are announcing a price increase. Yet, they have received record profits and now want to increase cereal prices.

I want to put up a chart that shows the average annual return on equity for the major cereal manufacturers, 1993 to 1997: 29 percent, 24 percent, 25 percent, 22 percent.

Our family farmers are going broke raising the products that go into these cereals; and the largest corporations that make cereal are making very substantial returns on their equity. There is something wrong with that economic system. Some say, "Well, that's just the way it works. The big get bigger and the small get phased out." If this country decides it is worth losing family farmers, it will have lost something of great value to our country.

Some in this Chamber think having only giant agrifactories around in the future is fine. They will buy up farms from coast to coast. Only having large farms in America is not fine with me. This country will have taken a giant step backwards, unless we fundamentally change the farm law this year and provide a decent safety net for family farmers. We do it for another segment in our economy. We provide a safety net for workers with a minimum wage.

Family farmers were told, under the current farm bill—about 3 years ago—"We're going to pull the safety net out from under you." And then, of course, prices collapsed, and the result is family farmers have no effective safety net.

I just say that when you look at what is going on in the business page of the newspaper, "Cargill profits from decline in farm prices" and "General Mills to boost cereal prices"—I do not mean to single out these two companies, they are doing what economic clout and power allows them to do—but it is unfair to family farmers.

We have asked for substantial investigations by the Justice Department about the concentration of economic power and what it is doing to the family-sized farm. I hope the Justice Department will move, and move aggressively, on these issues. But more importantly, this Congress needs to decide, in the next few weeks, whether it wants family farmers left in this country. And if it does, we have to do a U-turn on farm policy and reconnect a decent safety net for family-sized farms.

I know what some people say, "Well, all this is wonderful, but it's boring and it's not very important." It is critically important to families out there struggling to make a living.

Will Rogers said, many years ago, "You know, if on one day all the lawyers on Wall Street failed to show up for lunch, it wouldn't mean a thing for this country. But if one day all the cows in our country failed to show up to be milked, that would be a prob-

lem." What he was trying to describe was a difference between those who move paper around in America and those who produce real products on the farm, that are of real value and contribute to feeding our country. That admonition by Will Rogers is just as important today.

I hope the Justice Department will take a look at the Cargill-Continental merger with a critical eye, to say, why do we need corporations in this system, already too large, to get bigger? Why do we need them to impose their economic will on small producers? Why do we need to give them more economic clout to do that?

I hope the Justice Department will look at market concentration in meat packing and in a whole range of other areas, because those are the kinds of things that are undermining the foundation of America's family farms.

A number of us will speak at greater length on these issue in the coming days, because we must convince this Congress that we have a responsibility to develop a farm program that works, one that tells family farmers: "You matter to our future. And we want you to be able to make a decent living if you work hard on the family farm."

INCOME TAXES

Mr. DORGAN. Mr. President, last Thursday was tax filing day, and we had a number of my colleagues come to the floor of the Senate and talk about taxes. I have yet to meet anybody who likes taxes. I know taxes pay for the cost of civilization. I know we would not have the kind of country we have in this country without taxes. I know that the ability to drive on good roads, to have a police force, to have a fire department, to have a Defense Department, to have safe food through food inspectors, to be able to control our borders—all of those things require the payment of taxes.

But our tax system has become enormously complicated, and it ought to change. I authored, about a year and a half ago, a proposal called the Fair and Simple Shortcut Tax Plan; it is called the FASST Plan.

You want to file your tax return with minimum bother? You want to avoid having to file an income tax return at all? Then this is a plan that will work for you.

It was not too many years ago that the American people, by and large, did not have to file an income tax return because only a small percentage of the American people paid income taxes. About 6 percent of the American people had a requirement to file a tax return. The rest of the people did not. For those who had to file, they had a very thin instruction booklet, just a couple of pages.

Now we have an instruction booklet with our income tax return that looks

very much like a J.C. Penney's catalog. We have moved dramatically in the wrong direction with a highly complicated federal income tax system. Taxpayers are spending more than 3 billion hours at a cost of some \$75 billion in trying to comply with our federal income tax laws every year; and it need not be that way.

We have had people come to the floor of the Senate to say, "I have a better idea. Let's abolish the whole federal income tax." I would like to know what they want to put in its place before abolishing it. Others say, "Let's have a flat tax so that the person making \$30,000 a year can pay the same tax rate as Ross Perot or Donald Trump pay." I do not happen to share that belief.

Still some others say, "Let's have a national sales tax; get rid of the income tax and put a national sales tax on everything." I don't know how much you would like to buy a home and discover you have to pay a 35 percent sales tax on the value of the home. Or if that is the first thing you would exempt, how much higher would the national sales tax rate increase in order to get the required money to make the difference?

My point is, it sounds great to say, "Let's abolish the income tax," but I want to know what you want to do in place of it. Some would say—and some have offered plans here in the Senate and the House—"Let's have a different tax system. Let's have one that taxes work. You go out and work for a living? We want you to pay a tax. But if, on the other hand, you get your income from capital gains, dividends or interest, you don't pay a tax. Let's tax only activities from work; and let's exempt investments."

I guess that sounds pretty good, if all your income comes from investment. Guess who would pay taxes and be exempt under that kind of scheme. The wealthiest folks would be exempt and the working people would pay the taxes. That is a tax on work.

My point is, let's take a look at seeing if we can't change the current system in a way that benefits at least a fair number of the American people.

Here is what I propose we do. More than 30 countries have some kind of income tax system in which most of the taxpayers, or many of the taxpayers, do not have a requirement to file an income tax return. Here is how I would propose we do it. Everyone who signs in at work for a job fills out a W-4 form. It says, My name is so and so. My Social Security number is x, y, and z. I'm claiming this many allowances. And I am married, filing jointly, or whatever that information would conclude; and therefore your employer calculates how much income tax shall be withheld from your weekly or monthly wage.

I propose an approach where we would put a couple of extra lines on the

W-4 form, and for a lot of Americans—perhaps 60 to 70 million Americans—with a few extra checkmarks on the W-4 form, their withholding at work will become their exact tax liability for the year. They would have no requirement to file a tax return—no return to be filed at all—therefore, no trips to the post office on April 15 and no worry about major audits. What is your wage? and based on what you checked on your W-4 form, what kind of withholding is necessary.

Let me give you an example of how we would do that. Families earning up to \$100,000 in annual wages—\$50,000 for singles—and up to \$5,000 in capital gains, dividends and other non-wage income—\$2,500 for singles—may elect this tax return-free filing system at work. This other income would be tax free. When they sign in at work, they would simply fill out a slightly modified W-4 form that allows them to have their employers withhold their exact tax obligation computed by using a table provided by the IRS, and they would pay a single low tax rate of 15 percent on their wages. They would still be allowed their standard deduction, their personal exemptions, a deduction for home mortgage interest and property taxes paid, and their child tax credits. Those would be the couple of extra boxes checked on the W-4 form. But by and large, this would radically simplify income tax filing for 60 to 70 million Americans to say to them, check these extra boxes, you, therefore, do not have to file an April 15 tax return. You have a flat 15-percent tax rate on wages, and your other income, up to \$5,000 for married, filing jointly, is totally exempt from any income tax obligation.

This system makes a great deal of sense in my judgment, and, as I indicated, anywhere from 60 to 70 million Americans will be able to decide if they want to use this system and, therefore, not be required to file any income tax return at all on April 15.

The reason I am describing this system today is the discussion last week on tax day was interesting. I do not quarrel with those who say we ought to change the current tax system. Yes, we should.

The first step would be to dramatically simplify the responsibility for filing income tax returns for the bulk of the American people. I am saying that the majority of taxpayers could avoid having to file any income tax return at all on April 15, could avoid all of the problems of getting paperwork together, and could stop worrying about a subsequent major audit. They could avoid all of that with the Fair and Simple Shortcut Tax plan.

My proposal allows every taxpayer, if they want, to compute and file their tax returns under the old system. You could get your tax return and your catalog size instructions, and you can go through it and you can labor and

agonize and sweat and talk to accountants if you want. That is your choice. You will have the choice. But the second choice and I believe much more appealing for most Americans is to access the return-free income tax system with a single 15-percent rate, with the abolition of both the marriage tax penalty and the Alternative Minimum Tax under this system, with up to \$5,000 of capital gains, dividends and interest income completely tax free.

We can do this. We can do it easily, and we can do it now. More than 30 countries have some kind of approach like this. This is better tailored to our system, but some 30 countries already have some form of a tax return free system. This country can do that for the 60 to 70 million Americans it would relieve of having to file an annual federal income tax return.

As we debate and discuss the tax system in this Congress, it is important for us to listen to all of the ideas that exist, and there are plenty, some wonderful, some crackpot, some workable, some unworkable. This, in my judgment, is a system that can be implemented almost immediately, is eminently workable, and will address the first roadblock that exists in our current income tax system—that is, complexity. It can eliminate all of the complexities all at once for up to 60 to 70 million American people. That makes a great deal of sense.

I will be visiting with a number of my colleagues about it, and we are going to introduce it as a formal plan very soon. I hope that some of my colleagues will consider it favorably.

Mr. President, I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

EXTENSION OF MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, it is my understanding that morning business is to conclude at 2 o'clock. Therefore, I ask unanimous consent that morning business be extended with Senators permitted to speak for up to 10 minutes each. I believe I have 20 minutes reserved; is that correct?

The PRESIDING OFFICER. That is correct.

Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Chair, and I wish my friend a pleasant afternoon.

KOSOVO POLICY

Mr. MURKOWSKI. Mr. President, I come to the floor today to discuss certain aspects of our military campaign in Kosovo that deeply trouble me.

We are now into the fourth week of the NATO bombing campaign, and so far things are far worse for the Albanian Kosovars who have been systematically uprooted from their homes and