

year, put it in place in the statute book, and let this agriculture sector of ours, which has become so productive and so important to our national pride, continue to flourish and to do so in an environment of partnership with the Federal Government to make sure that it continues to be a successful part of our national economy.

Mr. DORGAN. Mr. President, I came to the floor to speak about a number of issues. I ask unanimous consent to be allowed to proceed for 10 minutes.

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

#### FARM PROGRAM

Mr. DORGAN. Mr. President, the statement by the Senator from Mississippi is absolutely correct. I do not agree with the conclusion that we ought to include the provisions that were in the last Balanced Budget Act as to the next farm plan, but I certainly agree with him that this Congress owes a decision on what kind of a farm program we will have for the family farmers in this country—not just the family farmers, but especially for them—for the lenders, for the agribusinesses that rely on them. They need to understand as they head toward spring planting what kind of a farm program do we have in this country.

We did not enact a 5-year farm plan last year. There are a lot of reasons for that. We do owe them, it seems to me, a response; if nothing else, an expanded and accelerated debate now to try to figure out what we could agree on for a decent farm program. I support that, although the Senate will not be in session with votes for some days and some weeks, perhaps, so that may not be possible.

It will be my intention tomorrow to introduce a piece of legislation in the Senate to extend the current farm program for 1 year and provide some additional flexibility for planting decisions by farmers in that extension and, additionally, to provide forgiveness for some of the advance deficiency payments for those farmers who suffered a crop failure last year.

I do not necessarily think the best solution is to extend the previous farm program or the current farm program, but it is a solution that is preferable to doing nothing. I do believe we owe an answer to farmers, to their lenders, to agribusinesses and others, and I appreciate the Senator from Mississippi raising the issue.

All of us have a responsibility to work together to provide some certainty. My best guess is that the way to provide certainty at this point would be to extend the current farm program for 1 year, then during this year to have a substantial debate about what kind of farm policy we want in the future, for Republicans and Democrats to reach some consensus and agreement, and then move forward with it.

Again, I share most of the issues and concerns expressed by the Senator from Mississippi.

Mr. COCHRAN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. COCHRAN. Will the Senator yield for a response?

Mr. DORGAN. I will be happy to yield.

Mr. COCHRAN. I appreciate the kind comments of the Senator from North Dakota. I just want to say, too, I agree with him that some changes are indicated. We just do not want the status quo. I think we can do better than the status quo. There is too much insistence on the status quo right now from the administration on a number of subject areas, vetoing a number of initiatives for change and for improvement of programs.

We have some very good improvements in the agriculture programs included in that Balanced Budget Act, and to just say that we are not going to consider that I think would be a big mistake. So I was heartened by the comments the Senator made about the fact that he would suggest in his legislation changes for more flexibility, for more sensitivity to the realities of the current situation in agriculture. We have had a lot of changes. We have had higher commodity prices in a number of areas. But we do need to get on with it.

I applaud the Senator and assure him that my interest, this Senator's interest, is working in a positive way to reach agreement so we can put it in place. I am glad he is going to introduce legislation along that line.

Mr. DORGAN. Mr. President, I have never indicated that I do not believe there are changes that are necessary. There are changes needed. The current farm program is frightfully complicated. It has the Government hip deep in trying to tell farmers where to plant, what to plant, and when to plant. We can have, in my judgment, a much better farm program that has much greater flexibility for producers.

I do not like the so-called Freedom To Farm Act in terms of where it leaves us after 7 years, because my fear is we are in a situation, then, where there is no safety net at all and when international prices drop and stay down, family farmers just get washed away. That is my major concern. But there are some aspects of the plan that was put in the reconciliation bill which I could support. Flexibility is one of them. So I hope we can get together and have a thoughtful debate and do this the right way. Republicans and Democrats can join hands here and reach a common solution.

#### A BUDGET COMPROMISE

Mr. DORGAN. I did want to mention a couple of other points on the floor today. This is a new year. It is January. I hope all of us have thought

through some New Year's resolutions, one of which ought to be for all of us in the Congress, both in the House and the Senate, and for all of us on both sides of the political aisle, to see if we cannot, in 1996, solve problems rather than create problems.

It has been a year in which we have had shutdowns, threatened defaults, and chaos, and a year in which there were days when this looked a lot more like a food fight than it did serious legislating in the U.S. Congress. I think most of us coming back would believe it would serve the country's interests if there were less rancor, if there were a little more understanding, and if we turned down the volume just a bit.

It does not mean that these are not very important issues that are being debated. But it does mean you cannot, in a democracy, create a situation where you say, "Here is the way we approach our legislative duties. You are all wrong, and we are all right." That does not make sense. That is not the way it works. One side is not all right and the other side is not all wrong. There are good ideas on both sides of the political aisle. But you cannot, in this process, say it is all or nothing, it is our way or no way, and we have seen too much of that in 1995.

Both political parties, in my judgment, contribute to the well-being of this country. I have said it a dozen times and I will say it again: The Republicans do this country a service by advancing and continuing to push on the issue of Federal deficits. The Democrats do a service to this country by saying, yes, let us balance the budget, let us deal with the deficit, but let us also worry about the priorities, let us worry about a program like Medicare, which is important to low-income elderly people in this country. Both sides do us a service. But we ought to, it seems to me, be willing to engage in more thoughtful discussion about how we get the best from each rather than ending up with the worst of both.

Most of all, we ought not be in a circumstance in January 1996, again, in which we see another Government shutdown. That, it seems to me, pokes taxpayers in the eye by saying to taxpayers, "We are going to insist you pay for work that we prevent from being completed," and dangles Federal workers out there on the end of a string saying, "You are the pawns in this dispute we have about the Federal budget."

The majority leader talked about the budget debate. He did so, in my judgment, in very thoughtful terms. I just want to respond to a couple of points.

If you simply took the offers of the Republicans and the Democrats that were last laid on the table in these negotiations and said we will accept the least savings in each of these categories offered by either Republicans or Democrats, and just took the lowest amount of savings from each proposal, you end up in 7 years with \$711 billion in savings. That is sufficient to balance the budget, if you simply take the

lower of both offers that have been laid on the table in the last meetings that occurred on the balanced budget.

We are not so far apart. But the major difference is over the tax cut, about \$130 billion extra in tax breaks especially for upper income people. I am not talking about the lower tax cut for children. I am talking about the upper income tax breaks in the corporate welfare area and \$132 billion in extra cuts for Medicare, Medicaid, and the earned income tax credit. That really represents the see-saw, the difference between the two positions in negotiations.

There ought to be a way to bridge that, and I hope there will be. I hope, in the next month or so, this issue will be put behind us and we will have balanced the budget and we will have balanced the budget with a plan that does it in the right way for this country.

#### FLAT TAX

Mr. DORGAN. Mr. President, in just a couple of moments I wanted to make an observation about the topic of the week last week, and I expect the topic for the next couple of months, that will generate a lot of interest. That is the so-called flat tax, or the "Grey Poupon plan," I call it. The flat tax is a fascinating one. I call it that because it is kind of entertaining, always, for someone who comes from a small town of 300 people to watch a debate between millionaires and billionaires about who can propose a tax plan that will allow investors to get to a zero tax rate the most quickly.

We have the Armey plan, the Forbes plan, and some others. I just wanted to mention, in case people hear about flat taxes and they think, "Gee, that sounds like a good idea, flat, curved, rolling hills, up or down," I mean, I do not know what the geometry of all of this is. But if you think that we should not allow a deduction for your home mortgage interest on your tax return, then you would really like the flat tax because the flat tax says you cannot deduct your home interest mortgage. If you think you ought to be required to take your fringe benefits, like your health insurance that your employer might provide and now start paying taxes on that, declare it as income and pay taxes, then you would really like the flat tax because that is what you would have to do. No home mortgage interest deduction, no charitable deduction, and they would take all your fringe benefits, add them up, and you start paying taxes on that income.

Then they say flat tax, except it is not flat. It is a tax that has a flat rate for those who work and a zero tax rate for those who invest. Here is the way it works. You go to work every day and work and you are going to pay whatever flat tax rate they talk about. But if you happen to have an enormous amount of money and your income comes from dividends and interest and you make \$10 million a year in divi-

dends and interest and capital gains, your tax rate is not flat, it is zero—zero. So it is not appropriately called a flat tax. It is flat for people who work and zero for people who invest.

That might sound good, I guess, if you are a millionaire or billionaire and you might debate, if you are a millionaire or a billionaire, about which plan gets you to a zero rate first. But, in my judgment, the more the American people dissect this they will understand more what Mr. Forbes and others are talking about, that they really want to say, if you work for a wage you pay an income tax, but if you get your money through capital gains or interest or dividends and get \$10 million a year or \$1 million a year or \$50 million a year, guess what, you do not have to pay taxes in this country because you are going to get an exemption.

I tell you, I think our tax system is frightfully complicated. It needs to be radically simplified. But we do not need a plan that says, if you work you pay taxes, and if you invest you have a massive exemption. That is not a fair tax plan. They might call it flat, but it is flat and no tax, a flat tax and no tax, flat tax for those who work, no tax for those who invest. I think when the American people dissect it and take a good look at it, they are going to say, no, let us radically simplify the tax program, but let us have everybody pay a little something. If you make \$10 million from interest, dividends, or capital gains, you pay a tax. Maybe it is flat, maybe it is not, but it seems to me everybody ought to contribute.

I find it interesting in this discussion that we always hear people say, "Why should you penalize success?" Whenever they use those terms, they all define success as someone who has had a capital gain or gets a dividend or interest. What about the success of someone working? What about someone who goes to work every day all year and takes care of his or her family and earns a wage; is that not success? Of course it is. Working is achieving success as well. Work, investing, managing, entrepreneurship, all of that is success. It is not just investment that is successful. Work is successful. Let us just make sure we have a tax system that recognizes that all of those folks in this country are successful.

We do not want to create a circumstance where we say America has an income tax, but it only applies to those who work for a wage. Those who are fortunate enough to have inherited \$100 million or reached a position in life where they have \$50 million and they collect \$1 million or \$10 million a year in dividends, they have decided that they do not have to pay taxes.

So I hope, as we think through this this year, that we will come to an understanding of what all these proposals are and how they affect various parts of this country.

Let me end where I began, Mr. President. I know that no one is waiting for time, and you have been generous with the time today.

I hope that all of us, no matter how passionately we feel about all of these issues this year, will decide that we can work together. We might have deep disagreements about a lot of issues. But democracy only works if all of us in this room decide to work together to try to bridge our differences. We can spend all of our time building walls, or we can spend some of our time starting to build bridges. It makes a whole lot of sense for us to tone down the rhetoric just a bit and have the deep disagreements and work through these things but start solving problems for the American people rather than creating problems for the American people.

I hope that at the end of 1996 the legacy will have been that we turned the corner and created a much more productive role in the life of this country than we did in 1995.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I may speak as in morning business for a few minutes.

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

#### THE PRESIDENT'S BUDGET PROPOSAL

Mr. MURKOWSKI. Mr. President, I recently returned from my State of Alaska, where I had the opportunity to speak to our legislature in a joint session and visit constituents in Juneau, Anchorage, and Fairbanks.

Mr. President, what I heard from my constituents was, I think, best reflected in their inability to simply understand why we could not reach an accord on a balanced budget. We have seen from the administration several budgets come before the Congress. I think we all recall the first one that came before this body, which did not receive one vote, neither Republican or Democrat.

Subsequently, we have had a series of more than five budgets, until the administration has progressed to the point where they claim they have submitted a balanced budget. But virtually everyone is aware of the reality that the sixth and seventh years are where the Clinton cuts occur. As a consequence, I think it is fair to say that virtually everyone who analyzes that proposal finds it unrealistic.

It is unrealistic for two reasons. First of all, in the sixth or seventh year, whatever Members are in office clearly are not going to have the ability to make those cuts in just 2 years. Those are going to be draconian cuts,