

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.

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#### 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.

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#### 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 either killed or driven into exile in neighboring countries. Many of their homes have been burned to the ground. Whole villages have been destroyed, with the result that hundreds of thousands of people have become refugees with no worldly possessions except what they could carry on their backs.

On March 23, on the eve of NATO's bombing campaign, Secretary of State Madeleine Albright stated that there was a specific purpose, and that was to:

Deter Slobodan Milosevic from continuing on this rampage and going in and torching—having his soldiers and special police torch the villages. So it is designed to deter that, and also to damage his capability to do that.

Well, less than 4 weeks later, it is clear that Secretary Albright and the Administration seem to have misjudged Milosevic. NATO bombing has in no way deterred the torching and ethnic cleansing. It has, in fact, intensified since the bombing began. There can be no doubt that if, as Secretary Albright stated, our goal was to deter the rampage against the ethnic Albanians, our policy has failed.

When it became apparent to the Administration that its policy of protecting the Albanian Kosovars had failed, the Administration in early April shifted the message and claimed that the bombing was designed to "degrade" Serbia's military capacity. However, we appear to be doing this indirectly in that our bombs and cruise

missiles have been targeting infrastructure, specifically bridges, oil refineries, rail lines, and telecommunications, rather than hitting tanks, heavy guns and, of course, the troops.

Despite the massive air campaign, the Serbs' ability to wage war on Kosovo continues unabated. Fuel for the Serbian war machine flows through Montenegro, whose ports are filled with tankers. Although we have sought to blockade the ports, our allies, primarily the French, have blocked that effort for fear of widening the conflict.

What greatly concerns me, however, is that while the Serbian war machine continues to roll south unimpeded, it is the American military that has been substantially degraded by the shortsighted policies of the Clinton administration.

When NATO bombing began, the military fired between 30 and 50 air-launched cruise missiles targeted primarily against Serbian air defenses. The air-launched cruise missiles are a critical element in our military because they can be fired hundreds of miles away from heavily guarded targets without directly risking pilots and other air personnel. In addition, since they rely on global positioning satellites for navigation, they can hit their targets in both good and bad weather.

Unfortunately, there is a crucial shortage of cruise missiles because the Administration has had a propensity to use them for some dubious purposes in the past. In the short 4-day bombing that occurred in Iraq, Operation Desert Fox, the United States used 90 air-launched cruise missiles. We fired an additional barrage of cruise missiles against Sudan and Afghanistan last summer. In both instances, it is not clear that we achieved any policy objectives beyond using up a large percentage of our arsenal of cruise missiles.

Now, what is truly astonishing is that today the United States is not, and I emphasize not, producing a single cruise missile. There is not a single production line operating that is manufacturing or refitting cruise missiles to replace the missiles in our arsenal.

Today there are only 90 to 100—that's right—90 to 100 air-launched cruise missiles in our inventory. They apparently won't be replaced any time soon.

Because of operations in Kosovo, the Office of Management and Budget has requested \$51 million to convert 92 nuclear-tipped cruise missiles into conventional cruise missiles. That is what it cost—almost a half million dollars each for that conversion. However, the first converted cruise missile would not be available for at least 7 months, by November at the earliest. If the production line for new air-launched cruise missiles was reopened at Boeing, it would take several million dollars of commitment and funding simply to restart it. Even if that happened, the line would not even begin producing new missiles for more than a year.

Why have the cruise missile production lines closed? The answer appears to be that a new generation of air-launched cruise missiles will be added to the Air Force's inventory, and the military hence decided it no longer needed to add to its current inventory. However, the new generation of missiles will not be available before 2001 or 2002 at the earliest.

Given President Clinton's propensity to fire off cruise missiles apparently at whim, and given Secretary Albright's blustery rhetoric, we wonder if anyone in the Administration in recent years gave consideration in advance to re-opening the closed production lines to allow us to rebuild our inventory before we began the air campaign in Yugoslavia. Or did they believe that diplomatic bluster from the State Department would convince adversaries that military confrontations would not happen until our new generation cruise missiles were on line in 3 to 4 years?

A similar, but less dangerous, scenario exists with the Navy cruise missile, the Tomahawk. During the past 10 years, we have had approximately 2,500 Tomahawks in our inventory. That number is down considerably—down to about 2,000 since we used 330 during the 4-day bombing in Operation Desert Fox and 150 by the Navy so far in Kosovo. As in the case with the Air Force, the Tomahawk production line has also been shut down because a new generation of missiles will be produced. However, again that missile production will not be available before the year 2003.

By one estimate, the cost of restarting the Tomahawk production line would be \$40 million, and it would take 2½ years before a missile, a single missile, would come off that line. Clearly, this is not an option. Although the Navy is seeking \$113 million to re-manufacture 324 older model Tomahawks, those will not be available in the foreseeable future.

Mr. President, there are very strong indications that if nothing changes, the bombing campaign in Yugoslavia could last through the summer. Quite frankly, I do not believe that anyone in the Administration really knows how long this campaign is going to continue. But so long as the air campaign continues, the shortage of cruise missiles means that it is our pilots who will have to take greater risks and they will be subjected to those risks.

It is our pilots who will have to hit the facilities that cruise missiles could have hit. They will have to deal with the surface-to-air missiles and ground fire that have a minimal impact on the unmanned cruise missiles. They will have to deal with the vagaries of the weather, something that does not affect the capabilities of our cruise missiles.

Moreover, we have many responsibilities and vital interests in other areas throughout the world. What would happen if Saddam Hussein began posing threats to Kuwait again? What would happen with regard to threats that we

have seen regularly coming from North Korea? A recent article in the Washington Post quoted Russian analysts who have been interviewed from time to time and have picked up sensitive material advising us of the North Korean officials and their continued threat. North Korean officials have indicated that the NATO bombing has had a sufficient impact on their Government that could lead to further upgrades of its missile and military capability.

Clearly, the severe shortage of cruise missiles diminishes some of our military options and surely makes the world a more dangerous place.

But the shortage of cruise missiles also reflects on the shortsightedness and overcommitments made by the Administration over the last few years. At the same time that this Administration was committing us to military interventions of some dubious purposes, they have been cutting military spending. They have shortchanged our military readiness because they have been unwilling to sacrifice domestic spending and provide our troops with the necessary means to carry out our military objectives, and particularly to have an adequate inventory.

Now that we are engaged in this very serious mission in Kosovo, the shortfalls in our military spending are becoming dangerously obvious. I believe it is incumbent on the Administration and Congress to realistically assess the state of our military readiness and to provide the appropriate funds to maintain that we, indeed, have a technological support base for our troops and adequate inventories of cruise missiles and other military armaments.

At the same time, we need to have a real debate about the goals in this conflict in Yugoslavia and our strategy to achieve those goals. I fear the Administration completely miscalculated when it launched the air campaign. It is my view that they thought the air campaign would be a short campaign. I believe they assumed that the Serbs would immediately retreat when the bombs began to descend and that the Serbs would passively accept Secretary Albright's demand that NATO troops be positioned in Kosovo.

That has not happened. And now the question is, What is next? Why are we to assume that if bombing had not worked in this last 4 weeks, that another 4 weeks or another 4 months of bombing will change anything on the ground? History suggests that bombing by itself tends to steel the will of the people who are under assault. Why would the Serbian people react any differently than the people of London, who endured far harsher bombings by the Nazis and still never gave in?

Mr. President, it has been said that when it comes to the Balkans, there are no good options. What is clear to me is that even if the refugees would somehow be allowed to return to Kosovo, a very large occupation force on the ground, including Americans,

would be needed to maintain any semblance of peace, and that force would be required to stay not for months but for years, and perhaps decades.

This is not an outcome I can support. We were told by the President that we were only going to be in Bosnia for 1 year. Four years later, we are still there and there is little sign that Bosnian peace can survive without a military presence to maintain that peace.

I think it was shortsighted of the Administration to allow cruise missile production to end and to initiate a conflict without an adequate inventory. That same shortsightedness marks our foreign policy. And the result today is that we are engaged in a conflict, with NATO's credibility on the line.

I believe the only solution to the crisis in Kosovo is to re-engage the Serbs in diplomatic negotiations. Most importantly, we need to recognize that the ethnic conflicts in the Balkans have a long history and the people living there may never live in peace so long as the borders are drawn as they are today. Unfortunate as this may be, it may ultimately become necessary to redraw some of those borders in the Balkans to reflect political and ethnic realities.

Mr. President, I came across an article written by David Greenberg. Mr. Greenberg writes the History Lesson column for Slate and is a Richard Hofstadter fellow in American history at Columbia University.

This particular article poses the question, What solution does history dictate for Kosovo?

I thought it an excellent treaty on the history and background. Knowing the Presiding Officer's familiarity with this particular subject, I will read this article into the RECORD at this time.

Mr. Greenberg writes:

Ever since the United States began contemplating doing something about war and ethnic cleansing in the collapsing state of Yugoslavia in 1991, all sides have invoked history as a guide to action. Those who opposed involvement in Bosnia in the early '90s—and who doubt that NATO can bring peace to Kosovo today—argue that the long record of intractable ethnic tension among the Balkan peoples means we should stay out. Any settlement, they say, is doomed to be temporary. Robert Kaplan's book "Balkan Ghosts," which advances this thesis regarding Bosnia, reportedly convinced President Clinton to steer clear of military action there for a time.

Interventionists also invoke history. They note the longstanding claim of ethnic Albanians to the territory of Kosovo dating back to 1200 B.C., when the Albanians' supposed ancestors, the Illyrians, settled there. This ancient history forms the basis of demands for self-determination on the part of the long-suffering Albanian Kosovars. But the Serbs, too, stake a historical claim. Their Slavic forebears migrated to Kosovo around A.D. 500, and they contend that Serbs have lived there ever since.

In fact, each of these assertions is subject to qualification, as is made clear in Noel Malcolm's masterly (but misnamed) "Kosovo: A Short History" (my main source along with Hugh Poulton's "The Balkans: Minorities and States in Conflict"). The tie of today's Albanian Kosovars to the ancient

Illyrians is fairly attenuated. And while Slavs did move into the area around 500, when the Bulgarian Empire conquered the Balkans, the Serbs didn't gain control of Kosovo until the 12th century, when a dynasty of their leaders known as the Nemanjids invaded it after a period of Byzantine rule.

For two centuries the Nemanjids basked in their Balkan kingdom. Serb nationalists today are fond of noting that in 1389 it was in Kosovo that the Serbian Prince Lazar and his armies made their last stand against the invading Ottoman Empire at the Battle of Kosovo. They're less likely to note that the Albanians of Kosovo fought alongside them. (Explicit references to the Albanian people as opposed to the Illyrians begin to appear around the 11th century.)

During Turkey's 500-year rule, most of Kosovo's Albanians—and Albania's Albanians, also subjects of the Ottoman Empire—converted to Islam. The Serbs remained Orthodox Christians. That may be one reason that the Serbs sought independence first. In 1804 they rose up and in 1828 broke free. Kosovo, however, remained largely content under Turkish rule. Serbs, believing that Kosovo still rightfully belonged to them, did briefly conquer it in 1877 when, along with Russia, the new Serbian state made war on Turkey. But under the Russian-Ottoman armistice a year later, Serbia was forced to withdraw.

At this point, the Albanians—of both Kosovo and Albania proper—commenced their so-called "national awakening." A group called the League of Prizren, named for the Kosovo town where it met, lobbied for autonomy within the Ottoman Empire. A generation later, this movement flowered into insurrection, as Albanians throughout the western pocket of the Balkans revolted. Albania secured statehood in 1912, but before the status of Kosovo could be resolved, the entire region was rocked, in quick succession by the First Balkan War (1912), the Second Balkan War (1913) and, for good measure, World War I (1914-18).

First to invade Kosovo in these years were the Serbs. The Serbs were knocked out by the Austrians, who were knocked out by the French. The French handed the province back to their allies the Serbs. After the war, the Allies, following Wilsonian ideals of self-determination, straightened up Europe into tidy nation-states. With minimal thought on the part of the mapmakers, Kosovo was folded into Serbia, which joined five neighboring Balkan territories to form the new state of Yugoslavia. Albania appealed to the Allies for control of Kosovo but, considered an insignificant state, was rebuffed in deference to Serbian claims.

As the largest republic in the multinational state, Serbia dominated Yugoslavia. Its capital of Belgrade, for example, was the nation's capital too. Under Serbian rule, Kosovo again became a battleground.

In the late 19th century, Serbian nationalists had built up national myths about the heroics of Prince Lazar and cast Kosovo's status as a Jerusalem-like holy land populated with Orthodox religious shrines. Throughout the 1920s and '30s, the central government in Belgrade pushed Albanians out of the region and moved Serbs in—efforts the Albanian majority resisted, often to their peril.

In World War II, Kosovo again resembled Europe's Grand Central Station. The Axis powers rolled in and carved up the region: Albania's Fascist government, headed by a puppet of Mussolini's, seized the biggest chunk, while Bulgaria and Germany each occupied a strip. Communist partisans retook the province in 1944, and when the war ended, the partisan leader Josip Broz Tito became

dictator of the reconstituted Yugoslav federation. The Communists considered ceding Kosovo to Albania but instead decided that it should revert to its antebellum status quo. They deemed Kosovo not an autonomous republic but a province of Serbia.

In the name of Yugoslav unity, Tito suppressed most assertions of ethnic identity. He jailed or killed thousands of Albanian Kosovars and banned Albanian-language publications. But he was, to some degree, an equal opportunity tyrant: He also halted Serbian efforts to settle Kosovo. In 1968, with uprisings sweeping the globe, student protests triggered a wave of demands for greater Kosovar autonomy. Tito acceded to a series of reforms, culminating in a new Yugoslav Constitution in 1974, which gave Kosovo control over much of its internal affairs. That year marked the high point for Kosovar aspirations to independence, and it remains the benchmark for NATO's demand at Rambouillet for a restoration of Kosovo's "pre-1989" autonomy.

Tito died in 1980. The next year, Albanian Kosovar students erupted again, with some Kosovars clamoring for republichood. Belgrade, no longer restrained by Tito's aversion to exacerbating ethnic conflict, cracked down. Polarization followed: Slobodan Milosevic—first as a Communist and then as a Serbian nationalist—whipped up anti-Albanian sentiment. In 1989, he stripped Kosovo of its cherished autonomy. Meanwhile, Albanian Kosovars proclaimed their territory a republic and, through channels violent and nonviolent, sought actual independence. Unrelenting, Milosevic undertook the massacres of the last year, which finally precipitated NATO's bombing.

That, in a nutshell, is the history of Kosovo. If you can find a solution to today's mess in there, let me know. Take a snapshot at 1200 B.C. and the Albanians can claim it; look at A.D. 1200 and it's a Serbian kingdom. The United States prefers to use the 1974 benchmark. Milosevic points to 1989. But even at those points, the snapshot looks pretty blurry.

Before NATO began bombing Yugoslavia March 24, the proposed Rambouillet solution—restoring Kosovo's autonomy but not granting it independence—seemed like a plausible outcome. Now it's hard to imagine Kosovars accepting any kind of Serbian rule. If victorious, NATO may grant Kosovo independence or perhaps divide it up. History won't decide Kosovo's fate. Our actions in the weeks ahead will decide history.

I bring this to the attention of my colleagues simply to highlight a little history and point to the complexities in reaching a resolution to this very difficult foreign policy question.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

UNANIMOUS-CONSENT  
AGREEMENT—S. 531

Mr. VOINOVICH. Madam President, I ask unanimous consent that at 4:30 the Banking Committee be discharged from further consideration of S. 531 and