

States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-712. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of carrying out Federal marketing agreements and orders; to the Committee on Agriculture, Nutrition, and Forestry.

EC-713. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93-2; to the Committee on Appropriations.

EC-714. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 94-05; to the Committee on Appropriations.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources:

Harriet M. Zimmerman, of Florida, to be a member of the Board of Directors of the United States Institute of Peace for a term expiring January 19, 1999, vice William R. Kintner, term expired.

The above nomination was reported with the recommendation that she be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI (for himself, Mr. NUNN, and Mr. KERREY):

S. 722. A bill to amend the Internal Revenue Code of 1986 to restructure and replace the income tax system of the United States to meet national priorities, and for other purposes; to the Committee on Finance.

By Mr. BAUCUS:

S. 723. A bill entitled the "Badger-Two Medicine Protection Act"; to the Committee on Energy and Natural Resources.

By Mr. KOHL (for himself and Mr. SPECTER):

S. 724. A bill to authorize the Administrator of the Office of Juvenile Justice and Delinquency Prevention Programs to make grants to States and units of local government to assist in providing secure facilities for violent and chronic juvenile offenders, and for other purposes; to the Committee on the Judiciary.

By Mr. ROCKEFELLER (for himself, Mr. DASCHLE, Mr. AKAKA, Mr. DORGAN, and Mr. WELLSTONE):

S. 725. A bill to amend title 38, United States Code, to extend certain authorities relating to the provision of community-based health care by the Department of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. NUNN, and Mr. KERREY):

S. 722. A bill to amend the Internal Revenue Code of 1986 to restructure and replace the income tax system of the United States to meet national priorities, and for other purposes; to the Committee on Finance.

USA TAX ACT

Mr. DOMENICI. Mr. President, today for Senator NUNN and myself, this is a very exciting day because—after more than 2 years of study, research, and tremendous help from a lot of people and a lot of experts—we are today going to introduce a totally new income tax law for this land, both as to individuals and corporations.

Today we are going to introduce a totally new Tax Code. We will explain it to the Senate and the American people for the next 40 or 50 minutes. And it is our hope, since we have gone to extreme lengths to develop a totally new tax code in all respects—and indeed we will today introduce that totally new tax code—which will replace and get rid of the current income tax system in its totality both as to corporations, businesses and individuals in the United States.

We are hopeful that this document will begin a serious debate and that this approach, which we will explain today, will find its rightful place very high on anyone's list as they look at the needs of the United States for the future.

Before I go to my prepared remarks, let me suggest that for the Senator from New Mexico these are very exciting times because I believe the vision that most of us have is for a better America, for a better America for our children, a more competitive America with more good solid high-paying jobs for which we can train and educate our people and provide them with an opportunity for a satisfactory and happy life from the standpoint of material well-being.

The two things that haunt us in our efforts as leaders who say we are going to do our best to provide that for America are the enormous amount of debt that we incur in our Federal budget processes because we refuse to find a way to pay for the programs and actions of the Federal Government rather than to borrow for them. Thus we gobble up huge amounts of savings of U.S. citizens and corporate savings just to pay that debt, thus minimizing our future growth potential and increasing interest rates dramatically, and in a very real way diminish the productivity of our country.

The second thing is that we have a U.S. Tax Code that instead of promot-

ing and prompting savings and investment is actually a disincentive to both. Instead of saying to the American people and American corporations we want you to invest more, we want you to save more, we have a Tax Code that says just the opposite. If you do either of those things, you are penalized under the American Tax Code; that is, the savings or investment. If you spend your money, in a sense you only pay taxes on that money which you spend once.

We very much hope in our new bill to create a level playing field from the date that it is adopted by the U.S. Congress forward, a level field in that people have a real choice as between investing and saving some of their disposable income and spending it. And as to American corporations, we hope we will greatly simplify the process by which they pay taxes to their country and at the same time dramatically encourage capital investment as compared with a Tax Code today which penalizes that.

So in order to get where we want to go, you have to know how to get there. This is common sense. The advice for a traveler seeking a destination and for a nation that is in quest of its destiny, and when leaders talk about their vision for the future, they invariably speak of creating a higher standard of living, better-paying jobs, and stronger economic growth. We do not do that or say that just because those are nice sounding words, but because they are indeed at the heart and soul of what America ought to offer to its people when we say this is a land of opportunity. We know where we want to go. But how do we get there?

The challenge facing the American economy, and those who work, those who invest, those who start companies, and those who continue companies in a prosperous way, the challenge facing them and the best way to improve the Nation's prosperity, in almost everyone's opinion, is to increase savings and investment.

When Americans save, they are really investing in America, and our Tax Code should reflect that national priority. Our major trading partners encourage in their tax codes savings, and so should we. There are many causes of inadequate private savings and investment, and I have already indicated that our inability to develop a budget year by year and over decades, whereby we pay for what we give our citizens instead of borrowing to give to them, is one very serious way that we do not save, or use our savings to pay for our profligacy.

The other very serious problem and perhaps most important is the disincentive in our Nation's tax policies. The Federal Income Tax Code is un-American in spirit and wrong in principle because it levies a double tax on dividends and taxes savings. It discourages risk taking, entrepreneurship, and