

whole Earth affords." I think Mark Twain was right. That beautiful lake, that is shared by the States of Nevada and California, is the fairest place in all the Earth.

That beautiful piece of real estate is also shared with the Federal Government because the Federal Government owns about 75 percent of the land mass within the Tahoe basin.

The reason, Mr. President, that the President was asked to come to Lake Tahoe is because that beautiful resource is in distress. Approximately 50 percent of the trees in the basin are dead or dying. Erosion is taking away the beautiful clarity of that lake. The clarity of that lake is leaving at the rate of over a foot a year because of erosion and pollutants going into that lake. Additionally, we have tremendous fear, through the whole basin, of forest fires.

Lake Tahoe is clearly the crown jewel of our national treasures and it must be preserved.

Mr. President, we should all be proud of what took place there these past several months. The planning and execution of the summit involved over 1,000 local people. We had four Cabinet officers who came to the area on more than one occasion. The workshops and the forums that were held prepared the Vice President and the President for their visits. It was not the result of the President coming and saying, "Here's what we are going to do."

In fact, what the President decided to do was based upon what the thousand people said should be done. It was not possible to determine who was speaking, whether it was an environmentalist, an owner of a business in the area, or a local government official. They were all speaking as if they were singing from the same sheet of music.

In fact, the President said that one of the most remarkable things is that this summit, this Presidential forum set the pattern of how disputes should be resolved all around the world, not only in our own country, because he felt that people joined together for a common cause and decided that the environment could be taken care of and the economy could still grow. The people said that unanimously. At Lake Tahoe, there is no false choice between the economy and the environment. Each depends upon the other.

The people of the Tahoe Basin and the States of California and Nevada agree that something must be done. They asked for a partnership with the Federal Government, and they got that partnership.

Holding such a forum at this time is critical: If we continue our current path for another 10 years, the damage already done would become irreversible. If we continue on our current path for 30 years, Lake Tahoe will be no better than any other lake. It will be just an average lake. This would be devastating to the people of this country.

Lake Tahoe is not just another lake and we must not let it become one.

We have tens of millions of visitors each year that visit the lake. We can no longer let the lake be treated the way it has been in the past. History will not be kind to us if we let this jewel slip away. We have been given a gift, and we must provide adequate stewardship over this gift.

I have indicated that 75 percent of the land in the basin is federally owned. There is a Federal responsibility to do our share.

Mr. President, when the President came, he not only acknowledged that there was a problem with the lake, but this was more than a photo opportunity. The President came and signed an Executive order indicating that all Federal agencies would have to work together to save the lake.

The first chairman of the Federal task force is Secretary Glickman. The first work being done as a result of the President's visit started yesterday. Some of the things being done I think are significant. I am not going to mention the 28 different action items that the President initiated that have dollar signs attached to them, but it is about \$50 million worth over two years, a doubling of the current effort.

One of the things that so impressed me is that the President said that this year 29 miles of old logging roads will be obliterated. Some of the roads have been in existence for more than 100 years going back to the days of the Comstock when they took away all the forests in the area to satisfy the voracious appetite of the mines in the Virginia City area. After 10 years, all the old roads will be gone. These roads have added significantly to the erosion that has taken place in that lake over these many years.

In addition to that, Mr. President, there will be work done on watershed assessments so that people will understand what we are dealing with there. Two million dollars will be used to clear dead brush and deadwood from the more than 3,500 federally owned lots. These lots have been purchased as a result of Federal lands being sold 500 miles away in the Las Vegas area. These lots now need to be cleaned up. As a result of the action of the President, they will be cleaned up.

The Forest Service also, Mr. President, will begin a program immediately of prescribed burns. We spend about \$1 billion a year fighting fires in this Nation. We are now going to spend part of these moneys starting controlled fires. It is the only way that that forest around Lake Tahoe can be regenerated and made safe. In the past we have burned about 100 to 200 acres a year. This will be an increase of up to 1,000 acres a year which will be burned carefully and on purpose.

The Forest Service will also use prescribed fires, and other means, to reduce fuels on another 4,000 acres per year. This will be 4,000 acres a year that will become a much better, safer place.

Mr. President, the work that was done these past 3 months is something

that I think we should all be proud of. It shows that the Federal Government can work with State and local governments in a nonadversarial way. I think what took place here is an indication of what can take place in the future in other areas around the country.

It is possible, I repeat, that you can grow the economy and protect and preserve the environment, as indicated with the work that has taken place in the Lake Tahoe area during the last 3 months. Lake Tahoe and the area around there is only 26 percent registered Democrats. But it was impossible to determine, these past 3 months, who was a Democrat and who was a Republican. Everyone joined together to recognize that this great lake is in trouble and that we all need to work together—a Democratic President and a Republican Congress.

I hope, Mr. President, that the American people realize that we can work together, as indicated by the budget agreement that has been worked out around here these past few weeks, and that we can work together on difficult problems, not only environmental problems, but economic problems.

So, I'm very happy that the President accepted my invitation to come to Lake Tahoe. I think that his coming there was a home run for the economy and the environment and government in general.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Thank you, Mr. President.

THE BUDGET AGREEMENT

Mr. DORGAN. Mr. President, today, we learned that last evening the White House and congressional leaders reached agreement on a budget and tax cut proposal. I think that will be good news for the American people.

I have been in Congress for some long while, as has been the Presiding Officer, and we have seen budgets and more budgets. We have seen claims and counterclaims. We have seen good times and bad times. We have seen economies that are expanding and economies that are contracting.

I remember the action taken in 1993 by this Congress, at a point in time in 1993 when the budget deficit was swelling in an almost uncontrolled manner and the budget deficit was, in the unified budget, over \$290 billion—if you count all the money the way you ought to, it was well over \$300 billion—and then in 1993, with that deficit out of control, this Congress took action. By one vote here in the Senate and one vote in the other body, this Congress passed what should be called the Balanced Budget Act. We then called it a deficit reduction bill. And it has worked.

From 1993 until now, we have seen the budget deficit go down, down, down and way down. That has allowed, I think, the American people to be more

confident about this Congress' willingness and ability to deal with fiscal policy in a responsible way. The economy has blossomed and provided more economic growth, and because of that, unemployment has gone down, way down; inflation is down, way, way down; and because all the economic indicators are good and because economic growth has been up, we have seen the budget deficit now nearly disappear.

As a result of this economic boom, Members of Congress, working with the President, have reached a budget accord on not only spending issues for the coming 5 years, but also the question of what kind of tax reductions should be made available.

The one thing that is certain about all of us is that none of us will be around here 100 years from now; 100 years from now, we will all be gone. We will be faint memories. And 100 years from now, if someone wanted to look and evaluate what was this Congress about, what were the American people about, what did they hold dear and what did they think was important, they could look back a century at the budget of the United States of America 100 years prior to that time and evaluate what that Congress and the American people felt they should spend their money on, what they felt they should invest in. So 100 years from now, if they look back and evaluate what it is we held most dear, what we thought was most important, they could look into this budget agreement and evaluate what, in July 1997, motivated these men and women, what did they think was important.

The reason I came to the floor this morning is I think a number of the impulses in this budget agreement and the tax agreement are precisely the right kind of impulses for this Congress and for the American people to act on. First of all, I have, over time, tended to categorize the policy issues as kids, jobs and values; working on the issues of kids, jobs and values. Somehow the threading of those issues together in providing the right kinds of policy initiatives gives us the right direction.

Well, let's take a look at what's in this budget agreement and the proposal on tax reductions relative to kids, jobs and values.

First of all, what has happened in this agreement is the President pushed, and we pushed, and we pushed some more, and we have in an agreement a substantial new investment in education, \$35 billion worth of tax relief targeted for education. This agreement says to the American people that when you send your kids to college, you are going to get a tax credit that is an inviting and important tax credit for you.

Why is that important? Because there is no substitute for education. A society, a country that is not educated is not going to improve and advance. Thomas Jefferson once said, "Those who believe a country can be both ignorant and free believe in something that never was and never could be."

So this agreement, thanks to the President, thanks to many of us in Congress who pushed and pushed and pushed and would not quit, says to parents who are going to send their kids to school, there is \$35 billion for investment in education in the form of tax credits, a 100 percent tax credit for the first \$1,000 you spend in sending your child to college, and 50 percent of the second \$1,000 in the first 2 years of postsecondary education. This agreement says education is important. That is the one that says kids and their future represent the future of this country.

Also, child health. Twenty-four billion dollars in this agreement is dedicated to insure more children in this country who are now uninsured. Of the 10 million children who have no health insurance and no health coverage, 5 million of those children will be able to see the benefits of health insurance under this piece of legislation. That is a priority. That represents the kids portion of what we deem important here in this Congress and in our country. For poor children, 5 million poor children, the question of whether they get health care will no longer be a function of whether their parents have money. Health care for those sick children ought to be a right. And this budget agreement—again, thanks to this President and to many of us in Congress who pushed very hard to say children's health is important; when we have 10 million children without health coverage, we had to do something about it—moves a giant step in that direction.

Jobs, values. Well, this proposal on the budget and on taxes also is a proposal that says that saving is important. Savings and investment are important. It manifests that by the tax incentives; it says that we want the American people to have the incentives to save and to invest by providing tax incentives for that purpose. My grandmother, who is gone now, bless her soul, once said to me, "You know, Byron, I never hear anybody talking about saving up to buy anything anymore because the whole economy is to say, 'Come over here and buy this, we will give you a rebate and give you the product, and you don't have to make the first payment for 6 months.'" That is the whole economy these days.

But the fact is, our economic strength and future economic growth rests on the ability to promote savings and, therefore, investment. Savings is critically important, and this budget agreement provides incentives, more tax incentives, for savings.

Home ownership. This tax agreement provides substantial tax help for those who sell their home and who now will no longer be paying any kind of capital gains tax on the value of that home sale.

Most importantly, with respect to children again, is the children's tax credit, a \$500 tax credit. It is phased in in different ways. But the fact is, for

those families who have children and who are struggling to make ends meet and pay bills and go to work every day and provide for their children's needs and send their kids to school, this provides a \$500 child tax credit. The President pushed for that, the Congress pushed for that. That is also part of this agreement.

Now, we had a big fight about who is going to get that and should some children be left out because their parents don't make enough money—both parents working, both at minimum wage, neither of which pay much income taxes, but both of which pay a substantial payroll tax, and the payroll tax is the tax that has been increasing.

This agreement, as I understand it from last evening, does move in the direction of saying, yes, you are a taxpayer, if you make \$25,000 a year and don't pay much in income tax but if you are paying a payroll tax, we consider you a taxpayer, and we think you deserve some tax reduction as well. So this \$500 per child tax credit is going to be very beneficial to a good number of families who feel the pinch of the burden of taxes that they would like to be relieved of if they could in order to better provide for themselves and their families.

Now, I happen to think that the first goal and the first objective of eliminating the budget deficit is the important one. I want to go back to 1993, which is where I started this discussion. In 1993, when we passed on the floor of this Senate a budget agreement which we thought of as the Deficit Reduction Act. I voted for it. It wasn't the popular thing to do and certainly wasn't the political thing to do. There was nothing but political heartache and headache as a result of voting for that. It passed by only one vote. Some of my colleagues are no longer in this Chamber because they voted for it. They were defeated or they left.

I think, in retrospect, that history will show that, in 1993, this Congress turned the corner and made a U-turn and said to the American people: we want to tell you something. We are committed to deficit reduction and we are willing to make the tough choices and demonstrate that to you. And we passed the Deficit Reduction Act, which should really be called the Balanced Budget Act, because that is what has created the confidence in this country by the American people that Congress was willing to head in the right direction.

We have all these economists in the country who explain to us what has happened and what will happen. Most of them don't have the foggiest notion of either what happened or what will happen. I used to teach economics for a couple of years in college. I think economics is principally psychology pumped up with a little helium. All these economists tell us what is going to happen. Well, in 1993, we had this what I call the Balanced Budget Act, which I voted for. We had people here,

some of whom were economists, stand up and say, "If you pass this legislation, this economy is going to go in the tank. We are going to have a recession, or a depression, and joblessness." I mean, the predictions were very dire.

In fact we passed that legislation and we have had unemployment go straight down, new jobs go straight up, inflation go straight down, and the deficit go straight down. The unified budget deficit was \$290 billion in 1992. This year it may end up at less than \$40 billion. The economy is on better footing. Why? Because it is not the economists that understand what is going on.

This economy rests on a cushion of confidence. If the American people are confident about what we are doing and the direction in which this country is heading, then they make the right decisions. "We are confident about the future," they say, so they buy the next washer and dryer or the next car and make the decision to purchase a home.

If they are not confident, they make the other decision. "We will defer the purchase. We will not buy the car. We won't buy the home. We won't buy the washer and dryer. We won't buy the refrigerator." And, as a result, the economy contracts.

But this economy is expanding. Why? Because in 1993 this Congress made the right decision—the tough decision—to put this country on the right course. It allows us now, in 1997, to make some other decisions. Yes, to make budget choices that are the right choices in many cases and to make tax reduction decisions that will be good decisions for many families in this country.

Are there some things in this piece of legislation that I don't like? Sure. There are probably some of them I don't yet know about.

Watching this crowd work on budget issues is a lot like taking your car to a garage. Once they lift your hood and tell you what they are charging you for, you do not have the foggiest idea what they are talking about. Some of that same mentality can certainly be true about the budget negotiations here in Congress because they are down there outside the regular committee process making deals. And I am sure that I will discover things that give me heartburn and stomach ache with respect to what they have put in this legislation. So, will there be some things that I don't like? Yes.

But, in the main, have we succeeded in pushing and pushing the kind of agenda that is important for this country? Have we expanded health insurance for 5 million kids? Have we provided a \$500 tax credit that goes to working families—yes, all working families? Have we improved your ability to pass on a family farm or a small business to your sons and daughters who want to run it with the estate tax changes that are in this piece of legislation that Senator DASCHLE from South Dakota worked on and that I worked and others have worked on? Have we helped you to more easily send

your kid to college and get tax credit for doing so, helped working families so that their kids have the opportunity to go to college? Have we done all of these things? The answer is: yes, we have.

Are they going to be helpful? I think so.

So I come to the floor today feeling that we are moving in the right direction and we are making the right decisions. Frankly, I am one who believes that the ability for the Republicans and Democrats to get together and work together and have common goals together for the future of this country is good for this country. Sometimes we should fight over things, and we do. We fought, for example, over the question of whether a family that is going to make \$25,000 a year working full time should have access to the \$500-per-child tax credit. Some in Congress said, absolutely not, because they are not paying much of an income tax. We said absolutely that they should get it, because they are paying taxes—significant payroll taxes. So we fight about those things.

But I am pleased to say that in the main much, much more of what we fought for is going to be in this conference agreement. I think the joining of the issues today on these range of issues in this budget agreement will spell good news for this country.

Let me finally mention one additional point. As we proceed to do these things on both the spending side and the tax side of this budget reconciliation agreement, it is very, very important that all of us decide that the budget deficit still matters, and at the first sign of ratcheting up a budget deficit once again, this Congress must take action. What we hope will happen is that this agreement will continue the economic growth we have had, and to the extent it does, that we will have a balanced budget not only in the year 2002 and perhaps even before, but also in subsequent years thereafter.

But when and if it appears that expenditures will exceed revenues—that we will run a deficit—then this Congress must be prepared to take action to stop it, because balanced budgets are important.

Now we have some room to provide some capability of tax cuts and some other things in the budget agreement that makes some sense for the American families. But American families most of all understand that balancing the budget is what will give them confidence in this economy. They know that balancing the budget is what will give this country the chance to grow and to provide jobs and to provide hope for all Americans, now and in the years to come.

Mr. President, I yield the floor, and I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RESULTS OF THE 1993 BUDGET PLAN

Mr. CONRAD. Mr. President, I rise to comment briefly on the agreement that has now been reached between negotiators on the budget and tax package. That agreement will soon be before us.

I would like to put what has happened in some historical perspective. I have been reading and listening to the commentary over the last several days of how we got to the position we are in today, in which we can consider significant tax relief and continue on a path to balance the unified budget by the year 2002.

I think we have to go back to 1993 when President Clinton came into office and faced a \$290 billion deficit he had inherited from the year before. I think we have to go back to the economic plan that he laid on the table to get our fiscal house in order and to lay the basis for strong economic growth.

When we go back to that period, I think we remember the situation we confronted. Deficits had been growing, were out of control. There were many who wondered if the best years of the United States were behind us.

The President put out an economic plan that proposed cutting spending. It also proposed higher taxes on the wealthiest among us, asking the wealthiest 1 percent in this country to pay higher income taxes. That plan passed the Congress. In fact, it passed in this body only because the Vice President of the United States broke a tie and voted in favor. There were those on the other side of the aisle who said this plan, which was going to raise taxes on the wealthiest and was going to have spending cuts, was going to crater the economy. They said at the time it was going to increase unemployment; it was going to reduce economic growth. All these bad things were going to happen.

Now we can look back and see what has really happened. None of the bad things came true. Instead, what we have seen is really a remarkable economic record.

Just with respect to the deficit, the so-called unified deficit, it was \$290 billion in 1992 and came down every year under that economic plan. This year, the most recent projection was \$67 billion, but even that is now outdated. We are now told that the deficit this year may be \$45 billion, or may be as little as \$30 billion.

So the fact is that the economic plan which passed in 1993, a 5-year plan, has exceeded every expectation. The deficit has come down each and every year under that economic plan and come down sharply. In fact, we are close to balancing the unified budget without any additional action. According to the