

talking to health care experts in Washington State, I concluded my home State could still serve our most vulnerable populations while absorbing a significant cut to Medicaid. I am willing to concede that point, and I know now that if we all give a little, we can reach compromise.

However, we should not be cutting Medicaid simply to hand out politically-popular tax breaks. That does not make good sense—that would not fall in line with our recent efforts to become more fiscally responsible.

And, Mr. President, let us remember exactly where we are on this road to ending the deficit. Since 1993, we have made great progress toward reducing this Nation's deficit. CBO estimates the 1996 deficit will fall to \$130 billion—the fourth straight year the deficit has declined. We have cut the budget deficit in half in less than 4 years, and today's annual deficit is the lowest percent of our gross domestic product since 1980. I'm proud of this fact. I am proud to have been involved in crafting the omnibus budget package of 1993. That deficit reduction package has us on the right track.

Our need to do more, however, spawned a bipartisan group of Senators to come together and formulate a well-reasoned, well-balanced budget proposal. I commend Senators CHAFEE and BREAUX for their leadership and hard work on this matter. I voted for their budget alternative because it is exactly the kind of bipartisan teamwork congress needs. Certainly, I would like to see less savings come out of discretionary accounts that include education, job training, trade promotion, and the environment. And the tax cuts may be too generous.

The Chafee-Breaux plan may not be perfect, but I believe it is probably the most realistic compromise one could craft. I am hopeful this centrist plan will become the framework for future budget negotiations.

Mr. President, this past year has taught us we can reach a balanced budget. We learned we can formulate a balanced budget that uses common sense and reflects America's values and priorities. That is why Senator KERRY and I offered an amendment to restore education and job training funds in the Republican budget. As my colleagues know, this amendment failed despite the fact that the Republican budget will cut education spending 20 percent from current levels.

Americans understand how important education and job training investments are for our children, and the future success of this Nation. A recent USA Today poll found that education has become the most important issue for Americans—ranking above crime, the economy, and the quality of one's job.

Mr. President, we have a lot of work to do if we are going to reach a balanced budget. But the truth of the matter is that both parties have agreed to enough savings that we could bal-

ance the budget today if we really want to. When considering the entire budget, the difference between the two parties amounts to less than 1 percent of the Federal Government's spending. A balanced budget plan is possible. All we need is the courage to find compromise.

I look forward to working with my colleagues on the Appropriations and Budget Committees in order to make sure this Congress' spending priorities are balanced and in line with our constituents' wishes. Unfortunately, today's budget resolution fails to strike a balance. It is simply a replay of last year's failed Republican budget. And I will be fighting to make sure this Congress does not lose sight of what is truly important to our friends and families.

We have made tremendous progress in the past 3 years. The 1993 budget reconciliation enabled us to cut the deficit in half, and create over 9 million jobs in the process. This is great news; but that is not all—last year we narrowed the differences in the competing budget plans to just a few, and a centrist plan to bridge the gap fell short by only five votes. We are close. We are very close to finishing the job.

I urge my colleagues to reject this partisan plan and rededicate themselves to reaching a workable compromise.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as in morning business.

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

COMMUNICATIONS DECENCY ACT

Mr. FEINGOLD. Mr. President, this morning, the three-judge panel sitting in the U.S. district court in Philadelphia issued its decision in the case involving the Communications Decency Act, which was included in the telecommunications bill signed into law earlier this year.

I opposed the Communications Decency Act when it was first proposed in the U.S. Senate, because I believe this measure would have a chilling effect upon communications transmitted over the Internet, and it would stifle the expansion of this important and exciting new communications vehicle.

My concern was that the Communications Decency Act injected Government censorship into communications over the Internet that would not withstand a first amendment challenge and would be harmful to the development of technology to do what the proponents of the Communications Decency Act said they wanted to do, and that is to protect minors from exposure to pornographic material transmitted or made available on the Internet.

I also joined the Senator from Vermont [Mr. LEAHY] in introducing legislation to repeal this patently un-

constitutional infringement of first amendment rights. Let me take my hat off to the Senator from Vermont who has been a great leader on this issue. It has been a bit of a lonely fight out here, given the vote we had on the Communications Decency Act, but the Senator from Vermont has been very instrumental in raising this challenge.

I am delighted to report that the court this morning acted in a decisive manner and issued a preliminary injunction blocking the Federal Government from enforcing the act. In a decision which I believe recognized the unique nature of the Internet, the court wrote:

As the most participatory form of mass speech yet developed, the Internet deserves the highest level of protection from Government intrusion.

Mr. President, let me repeat. The court has said "the Internet deserves the highest level of protection" of any form of communication or mass speech.

This decision followed an extraordinary court proceeding in Philadelphia where the three judges were actively involved in learning about how people communicate across the Internet and the limitless potential the Internet now provides. They were also exposed to detailed information on how this same technology can and should be used to block access to certain material by minors. What they found, as some of us tried to note in the congressional debate, was there were far less intrusive means of achieving the goal of protecting minors than the approach utilized in the Communications Decency Act, which would impose content-based restrictions on information transmitted by adults over the Internet.

It is a longstanding constitutional doctrine that when the Government chooses to interfere with fundamental constitutional rights, even for a very good cause, it can only do so in the least restrictive means available. Clearly, the Communications Decency Act has failed to meet that test.

I firmly believe that if Members of Congress had this kind of tutorial that the members of the court had on the workings of the Internet and the alternatives available to protect access by minors to certain material, I think the Communications Decency Act would never have become law in the first place. This measure was pushed through Congress with minimal understanding or debate over the far-reaching implications of its provisions, and I think that was a mistake.

The issues relating to the Communications Decency Act are larger than the so-called adult expression or communication. The core issue is whether Government, and in particular the Federal Government in Washington, DC, should decide what we see, hear, and write. The Constitution protects every American from this kind of censorship, except for very narrow circumstances, which did not exist in this case.

So today, the court in Philadelphia affirmed our basic fundamental right to freedom of expression in this new mode of communication. I think it is a victory for those who support freedom of speech and for those who want to see this new dynamic communications technology develop safe from the chilling threat of Government control and censorship.

Mr. President, I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. HOLLINGS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, the explanation of the conferees has come to my attention. It is a joint explanatory statement of the committee of conference on this particular conference report, and on pages 32 and 33, starting at the bottom of page 32, it reads:

The first use of reconciliation was for legislation that reduced revenues. In 1975, the applicable budget resolution, House Concurrent Resolution 466, provided an instruction to both Ways and Means and Finance to report legislation decreasing revenues. Notwithstanding the fact that the authors of this 1974 Budget Act were neutral as to the policy objectives of reconciliation, since 1975, reconciliation and reconciliation legislation has been used to reduce the deficit. The cited conferees notes while this resolution includes a reconciliation instruction to reduce revenues, the sum of the instructions would not only reduce the deficit but would result in a balanced budget by the year 2002.

On the last point, of course, Mr. President, we only have to turn, once again to the facts. This is almost getting to be an exercise in futility. Somehow this is the only place in America where the truth cannot be recognized, even when they print it for you in black and white.

I refer specifically to the concurrent resolution on the budget for the fiscal year 1997. At the top of page 4, you will see where they have listed deficits for the purpose of the enforcement of this resolution. "The amounts of the deficits are as follows," and it lists fiscal years 1997, 1998, 1999, 2000, 2001, and for the fiscal year 2002, where the distinguished conferees, and particularly the chairman of the Budget Committee, is using the expression "balanced budget," his own document, for fiscal year 2002, shows a deficit of \$103,845,000,000.

Reading further down the page to section 102 on page 4, you will find that in the fiscal year 2002, the amount of the increase in the public debt, subject to limitations, are for that year \$130 billion. So how do you balance the budget by the year 2002, and yet you have to go out and borrow \$130 billion?

My point here is to change this record with respect to reconciliation, because the truth, as stated by the distinguished Senator from New Mexico at that particular time—is shown here

on page S. 15351 of the CONGRESSIONAL RECORD of the U.S. Senate dated December 3, 1980—not 1975. And I read the words of the distinguished chairman, now chairman of the Budget Committee, Senator DOMENICI of New Mexico:

I think it is fitting that that last event signifies the possibility of a new beginning because, as a matter of fact, this is the first time in the history of our country that we will send a bill to the President that is called a reconciliation bill, and that means that some of the laws of this country have been reconciled with the budget. That means that they have been changed so that they come more into sync or more harmonious with a budget that is left unchanged. That is what reconciliation means. With all the years that our distinguished Republican leader, Senator Bellmon, has spent patiently working with the institution to bring some real support for this process into fiscal restraint reality, I think it is at least reaching fruition when we have a reconciliation law that will go to the President. I hope after the Senate votes today I commend him for that. Also obviously, it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of the committee for very long, but he worked on the committee for years, and I think he must feel very good today knowing that under his leadership, this first reconciliation act will become a reality.

That is the record made by the now chairman of the Budget Committee in 1980 and not 5 years previous thereto in 1975.

Specifically, Mr. President, in 1975, and I read from page 40297, dated December 12, 1975:

Mr. MANSFIELD. Mr. President, for the information of the Senate, I have a few announcements. At 12 o'clock today, we will be proceed to the consideration of the conference report, of the defense appropriations conference report. After that, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the tax bill, H.R. 5559 that is to be laid before the Senate and be the pending business.

The majority leader called it a tax bill. A wrangle ensued. My good and very clever friend Senator Long, the former distinguished chairman of the Finance Committee, was trying to limit debate and limit amendments. He very liberally referred to it as a reconciliation bill, but it was not a reconciliation. It was a tax bill.

At that particular time, the former chairman of the Budget Committee, Senator Muskie, was momentarily misled trying to back Senator Long. But if you will read the RECORD, they finally ended up, Mr. President, by calling it a tax bill and entering into a unanimous-consent agreement requiring that all amendments be germane except for one nongermane amendment to be offered by Senator Hartke, the then-Senator from Indiana. The RECORD is clear that the bill was a tax bill despite the erroneous use of the word "reconciliation."

Having worked on that budget, having been a part of the process during the 1970's, having helped Senator Muskie on budget conferences, we know that the first reconciliation bill in the history of the United States was in December 1980.

That is not only supported by the statements made by the Senator from New Mexico, but also by the statements made by our House colleagues. I could refer to what Congressman Dick Bolling called it, Congressman Latta, Congressman Panetta, and others as well.

So the precedent relied upon by the Parliamentarian which we had to appeal quite simply misrepresents what actually happened. I hope that it will not have any standing whatsoever in this body because when they look at the facts, the truth will have out that reconciliation throughout its history has always been used as a budgetary tool to reduce the deficit, not increase the deficit.

My point is, Mr. President, that under this reconciliation bill, the Republicans have perverted the process in order to cut taxes somewhere between \$122 and \$180 billion. It is very difficult to estimate it at this particular point.

Mr. President, I ask unanimous consent that I be yielded 2 more minutes.

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

Mr. HOLLINGS. Mr. President, what they have in mind is to split up the reconciliation bill. To use the process for political purposes in sending the President a legislation that combines Medicaid and welfare reforms to pay for tax cuts. Even the casual observer should be able to see what's going on. The Medicaid cuts will have to be vetoed by the President because they take away the fundamental protection that we give children in the United States of America. Even the Governors do not want to do that.

Then it comes down to September and last of three bills that they will call a reconciliation bill. And in the heat of a national presidential campaign, they will come forward with the political gift of a tax cut.

But a tax cut for wealthy corporations, or for the poor, or for the rich, or for the middle class, or for anybody is sheer nonsense.

We are running deficits right now, according to this conference report that we are going to vote on. I started to say, they know no shame. But I have to amend that comment for the simple reason that the House Members know some shame. I say that because somebody over there has held the budget up that we were going to—bam, bam—put through the House, put through the Senate, and finish this afternoon. The reason we do not have it this afternoon—it increases deficits.

Under this conference report, for the year 2002, the Government will run, under a best case scenario, a deficit of \$103.8 billion.

In sum, Mr. President, we do not have the luxury of revenues to cut. We cannot go in two different directions at once, but that is exactly the road that this conference report takes us down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent for 1 more minute.