

able to deduct zero. With the passage of this piece of legislation, he will be able to deduct only 25 percent; 25 percent is a step forward. That is good. We certainly need to restore that. But I have introduced legislation and supported legislation and fought for legislation for years to make sure that we treat all businesses alike—unincorporated and incorporated.

Health care costs ought to be fully, 100 percent deductible as a business expense for farmers and sole proprietorships just as it now is for corporations.

So I commend the Senator from New York and the Senator from Oregon for bringing this legislation to the floor. I fully support it. I think the work the two Senators have done to correct this is admirable work and I hope we all can work together for a full 100-percent deduction for all sole proprietorships in the years ahead.

Mr. PACKWOOD. Mr. President, I yield as much time to the Senator from Rhode Island as he may need.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first I thank the distinguished chairman of the Finance Committee and the ranking member of the Finance Committee, the former chairman, for giving me this time.

Mr. President, I am very pleased that this bill has come to the floor today and will be considered in an expeditious manner. I believe Congress needs to pass this legislation promptly so that hundreds of thousands of self-employed taxpayers can complete the filing of their 1994 income tax returns.

The bill reported by the Finance Committee includes sufficient revenues to pay for the extension of the health insurance deduction. That is covered. We also came up with additional money which will reduce the deficit by about \$1.4 billion over the next 5 years. In terms of the entire Federal budget this is a modest amount—\$1.5 billion over 5 years. But it represents a step in the right direction.

What concerns me about this bill, Mr. President, is that it provided a modest test—not a gigantic test but a modest test—of our desire to reduce the deficit; and I am afraid that we are in danger of failing that test.

Let me review the bidding. The immediate need which prompted the quick consideration of this legislation was a desire to extend the 25-percent deduction for the health insurance of self-employed individuals for 1994. Absent this action, they would not have been able to take that 25 percent deduction because it expired at the end of 1993. And we wanted to get this done before the filing date of April 17 for the income tax returns. That is the way it started out—take care of this year.

In the Ways and Means Committee the members chose to permanently extend the deduction. In other words, the 25 percent deduction for health care costs paid by the self-employed was to remain permanently on the books. The

Finance Committee went a step further by not only making it permanent but also increasing the deduction from 25 to 30 percent for the year 1995 and thereafter.

So what started off as a bill that would have cost \$500 million, a half a billion dollars, to address an immediate need, turned into a bill that costs \$3.5 billion over the next 5 years.

I strongly support the 25 percent health insurance deduction for the self-employed. Always have. The mainstream coalition health care legislation that we presented last year included it. Indeed, we phased it up to a 100 percent over a period of years. And so, therefore, I can understand and sympathize with the effort to not only give the self-employed the 25-percent deduction but to bring it up to 30 percent next year and the years thereafter. All that is understandable.

I would make the point; however, that those who are working for a business where their insurance is not paid for by the employer and the individual must obtain his or her own insurance, cannot deduct a nickel of his or her payments for health insurance. The self-employed can, but if you are working for somebody else, you are employed by a corporation or a self-employed person, you cannot deduct the cost of your health insurance. You cannot deduct anything.

So, yes, it is nice that we have gotten it up to 30 percent for the self-employed. But we have not done anything for those who work for corporations.

But here is my concern, Mr. President. Sixty-six Senators in this body voted in favor of a constitutional amendment to provide a balanced budget amendment by the year 2002. Achieving that goal is going to take incredible effort. We are going to have to reduce Federal spending from what it otherwise would have been over these 7 years by \$1.2 trillion.

Now, even for somebody from Washington, DC, \$1.2 trillion is a lot of money. That is a monumental challenge. Yet, here we have a bill that gave us some money to start down this deficit reduction path, to use toward the \$1.2 trillion, and what is the action we take? We increase the deduction and make it permanent.

I am going to support this bill as it was reported by the Finance Committee because we did exercise some discipline by providing for a modest amount of deficit reduction.

But I greatly fear that, in the conference, the House conferees will say, "Well, the Senate increased the deduction from 25 percent to 30 percent. There is additional money in the bill that is directed toward deficit reduction. But let us not use it for deficit reduction. Let us use it to increase the deduction from 30 percent to 35 percent or 40 percent," whatever the traffic will bear. And that, Mr. President, would be a very great mistake, a very great mistake.

So I just want to go on record here to say that, should the conferees come

back using up the money we set aside for deficit reduction for another purpose, I will not support that conference report. I believe it would be a great mistake. We in this body are determined to do something about these deficits. And to do something about it means we have got to make tough choices. It means we have to forgo attractive proposals, such as increasing the self-employed health insurance deduction.

I thank the Chair, and I thank the managers for giving me this time.

Mr. MOYNIHAN. 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. PACKWOOD. 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. PACKWOOD. Mr. President, I yield as much time to the Senator from Missouri as he may want.

The PRESIDING OFFICER. The Senator from Missouri.

LINE-ITEM VETO

Mr. ASHCROFT. Mr. President, on occasion after occasion, you and I have heard it said that under the dark of night, in the late hours of evening or the early hours of the morning, this body does things that are a discredit to a democratic society—pay raises, pork-barrel projects, and profligate spending. The kind of things that we would not want to have brought to the light of day.

But late last night, something very befitting of this body took place. And, Mr. President, it did so at your hand and at the hand of your colleague, Senator MCCAIN of Arizona. Because under your leadership, late last night, the U.S. Senate passed the line-item veto. And in so doing, we placed a tool in the hands of Presidents which will allow us to move toward the aspiration of a balanced budget. In the cover of darkness, we uncovered the darkest parts of our behavior, and said no more. We put the national interest ahead of the special interests. We said that in the future, if you want to put projects in an appropriations bill, you will have to contend with the possibility of a veto by the President of the United States.

So I rise today, Mr. President, to draw attention to the importance of the action taken late last night to change the culture and structure of spending here in Washington.

Forty-three of the 50 States have some variant of the line-item veto. During the debate, however, we heard people talk hypothetically about potential abuses. It is important to note that, of the 43 States, there has not

been a single effort by any of the legislatures to repeal the line-item veto authority. In fact, it works so well that there is a consensus in the States that it should be left in place so that they might continue to provide a foundation for the financial integrity of the Nation.

Someone came to me recently and said, "JOHN, there is a State that has changed their line-item veto. In 1990, the State of Wisconsin amended their provision." Well, it was interesting when I looked at what the amendment really said. It reads, and I quote: "in approving an appropriations bill in part, the Governor may not create a new word by rejecting individual letters in a word of the enrolled bill."

Mr. President, what the legislature said was that the Governor could not change the word "cannot" into "can" by striking out the last three letters of the word. That is not a real change in the philosophy behind the veto authority. It is simply a housekeeping detail about making the measure what it ought to be, namely, the capacity of the executive to knock those things out of spending bills which are not in the best interest of the State. So, it is important as we go to conference to understand the success that the line-item veto has enjoyed in the States.

In the end, I was encouraged by the vote last night. Sixty-nine votes in favor of the line-item veto reflected a strong understanding that we must adopt measures to restrain spending, and reduce the deficit. So we have made a significant step forward. For if the people sent us here for any purpose at all, it was to enact changes, such as this, that will fundamentally alter the way we do business.

I look forward to the time when the conference report comes back and we again have an opportunity to address this issue. It is critically important. The vote last night was encouraging. However, while the battle has been won, the war is not over. And as we work out the differences between the two bills, I hope that the end product gives us as great a promise for financial integrity as the measure we passed last night.

Mr. President, as the Senator from Indiana, you are to be commended for your role, along with Senator MCCAIN. It was your hard work that ensured we arrived at a product which could be subscribed to by such a broad majority of the Senate. I hope that this body acts on the conference report as it did last night. It was nighttime behavior, maybe somewhat reminiscent of times when we have done the wrong thing under the cover of darkness. Last night's behavior, however, was commendable in that it was in the national interest. We should seek to replicate it in the future.

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

The PRESIDING OFFICER. If the Senator will suspend his request. The Senator from New York.

Mr. MOYNIHAN. Mr. President, the Senator from Vermont would like 10 minutes to discuss and discourse on what was the once and possibly future national pastime. I yield those 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

MAJOR LEAGUE BASEBALL ANTITRUST REFORM ACT OF 1995

Mr. LEAHY. Mr. President, I thank my good friend, the distinguished senior Senator from New York and my neighbor. And like the distinguished Senator from New York, I, too, hope that we will some day actually have baseball played. I share his sense of patriotism in all things. I admire his sense of history. But I suspect he, like I, is at many, many events this time of year when our national anthem is played. We are all very proud to hear it, but we sometimes, as spring arrives, wait for the words, "Play ball," right after it is played.

So the Major League Baseball Antitrust Reform Act of 1995 is being introduced, Mr. President. It is being introduced by Senators HATCH, THURMOND, and myself. I want the Senate to know why I back this.

Senator THURMOND and I introduced on February 14 an earlier version of this legislation to remove the antitrust law exemption that major league baseball has enjoyed for over 70 years. Major league baseball, unlike practically any other business in this country, has an exemption from the antitrust laws, and Senator THURMOND, Senator HATCH, and I, and others, feel that should be removed.

Actually, we are just saying that nobody should be above the law. We did this for Congress. We passed the Congressional Accountability Act, something I backed for years, which applies the same laws to Congress as apply to everybody else. We are just saying baseball should live by the same laws as everybody else.

I regret very much that the owners of major league baseball teams and major league baseball players have been unable to get through their impasse. Mediation has not been successful. Presidential entreaties could not do it. Congressional pleas for a voluntary settlement have gone for naught.

What we have always thought of as our national pastime may become a thing of the past. I am afraid that what we saw as children when we would follow games, when we would go to our Little League games and identify with various major leaguers at that time is gone. Seniors who look forward to the joys of spring training and following their favorite teams on radio, youngsters who identify with heroes in the world of baseball, this will be gone.

And let us not forget so many who make monthly mortgage payments by being vendors of everything from T-shirts to hot dogs, who park the cars, who take the tickets. These people are also out of a job.

There is a public interest in the resumption of major league baseball. I am concerned that the owners show no intent of really getting a strong commissioner who might look out for the best interest of baseball. That is what the commissioner is supposed to do—not the private interest of those who make the money from baseball, whether owners or players, but rather for the best interests of baseball itself.

Our antitrust laws are designed to protect consumers, but for over 70 years consumers have not seen these applied to baseball, on the assumption that there would be a strong commissioner and the major league would operate in the best interest of baseball. But that is not what is going on.

In Vermont, where I grew up, virtually everybody was a Red Sox fan. Now there is divided loyalty between the Red Sox and the Montreal Expos, and there is also the minor league team, the Vermont Expos.

We also have jobs in the State of Vermont that rely on baseball. There is a company called Moot Wood Turnings in Northfield Falls, VT. "Turnings" is wood turnings. They make the souvenir, replica baseball bats, the little bats that have been passed out for 40 years on bat day at baseball games. They had to drop a third of their 24-person work force because of the strike last summer. That is just one small company. These are not people who make a great deal of money. They make \$5 and \$6 an hour, and they were out of work because a small group of people cannot figure out how to divide up \$2 billion. It makes absolutely no sense.

We had a chance last year to right this situation when we were considering a bill to repeal baseball's antitrust exemption, but we decided to hold off in the Senate, thinking that maybe everybody would work it out. Right after that, negotiations between the major league baseball owners and players disintegrated. We saw a pre-emptive strike, the unilateral imposition of a salary cap, failed efforts at mediation, the loss of one season and likely obliteration of a second, and pleas from all corners to get it going again.

I think if we had repealed this out-of-date, judicially proclaimed immunity from the antitrust laws, this matter would not still be festering. No other business, professional or amateur sport, has this exemption from law that major league baseball has enjoyed and, Mr. President, has abused.

In fact, one of the players who testified at the Judiciary Committee hearing this year asked a very perceptive question. He said, let us suppose that baseball did not have an antitrust exemption and let us suppose they were in the sorry state they are in today and then let us suppose baseball came to Congress and said, "Oh, by the way, we cannot clean up this mess we have, but would you kindly give us an antitrust