

are talking about. We are not talking about passing a budget plan. We are not talking about passing a statute. We are talking about changing the organic law of this country. We are talking about changing the document that has made this country the greatest one in human history. We are talking about changing the document that has provided a protection and a series of guarantees to the American people, unrivaled in world history. We are talking about putting the definition of a balanced budget in that document that says, yes, it is OK to go loot and raid trust funds to call it a balanced budget.

I will tell you, I really have to think, what would Benjamin Franklin think of that? What would Thomas Jefferson think of that? What would George Washington think of that? I do not think that would be a very proud moment in America's history—to enshrine in the Constitution of the United States the definition of a balanced budget that includes raiding every trust fund in sight in order to achieve balance.

Mr. President, that cannot be the outcome here.

Mr. DORGAN. Will the Senator yield?

Mr. CONRAD. Yes.

Mr. DORGAN. I ask the Senator if he has heard this. I have heard people stand on the Senate floor and say this issue you are raising about the Social Security trust funds is a bogus issue. There is a fellow, whose name I will not give, who wrote a piece in the Washington Post that said this is a bogus issue, that the Social Security trust funds are just part of the regular revenues of the Federal Government. Do they just profoundly misunderstand the circumstances here? How would the Senator respond to the folks who try to create kind of a smokescreen and say this is all bogus and none of this means anything?

Mr. CONRAD. I always hesitate to characterize the statements or motivations of others. But I will simply say this. It matters a lot what we do here. You know, sometimes the actions in this Chamber do not matter and the actions in the other Chamber do not matter much. This action matters a lot. Here is why it matters. For those who say, "Well, we have been doing that; we have been taking Social Security surpluses, so what does it matter that we keep on doing it?" The reason it matters is because, back in 1983, we saw we were headed for a cliff, for a circumstance in which the Social Security system would be broke. So Congress took action. Congress put into place a system that would assure Social Security surpluses so we would be prepared for when the baby boom generation started to retire. We know now that we have a short period of time to prepare for when those baby boomers start to retire.

The idea is to run surpluses to get ready for when those baby boomers

have retired and have 48 million people on the system instead of 24 million, because if we do not have surpluses, we will have to have either an 82-percent tax rate in this country, or a one-third cut in all benefits. Does anybody believe we are going to have an 82-percent tax rate? I do not. That means we are going to have some dramatic cuts in benefits which people have paid into to secure for themselves. So the money is not available.

Mr. DORGAN. I have one additional question. There is virtue in balancing the budget. We ought to care about that and not spending our children's money or charging to our children and grandchildren. There is also virtue in keeping your promise. If you promise you are going to save by taking money out of people's paychecks, and if you say we are going to put that aside in a trust fund, there is virtue in keeping that promise as well; is that correct?

Mr. CONRAD. I think there is not only virtue in it, but it is required that we do it because the hard reality in this town is that while it is true we have been talking Social Security surpluses—about \$500 billion so far—this is the tip of the iceberg. We are about to run, over the next 15 years, \$2 trillion in Social Security surpluses, and we need every dime of it to be ready for when the baby boomers retire. If we spent it all, squandered every penny, if we deluded ourselves by passing a phony balanced budget amendment to the Constitution, and the baby boomers retire and they go to the cupboard and the cupboard is bare, we are going to have some mighty angry folks in this country, and they are going to ask some pretty tough questions. They are going to ask, "Where did the money go? I thought you balanced the budget and secured the solvency of the Social Security System."

Mr. President, the hard reality is that we have been doing something wrong and we have to stop it to prepare for the future. We have to get ready for when the baby boom generation retires. The only way we can do that is to balance the budget and do it honestly, without counting Social Security surpluses. To put it into the Constitution of the United States, to put a definition in the Constitution of the United States that a balanced budget includes raiding and looting the Social Security trust funds is just profoundly wrong. There is no principle in that.

The PRESIDING OFFICER. All time has expired under the previous order.

Mr. CONRAD. Mr. President, I ask unanimous consent for an additional 5 minutes.

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

A BROKEN PROMISE TO THE FARMERS

Mr. CONRAD. Mr. President, on a different matter, on Friday last, I learned that the Republicans on the House side have now broken the promise to farm-

ers contained in the most recent farm bill.

Mr. President, I think everyone in this Chamber remembers that America's farmers were told that if you accept this new farm bill that has sharply declining payments in it and has no safety net for when prices plunge, you will at least be assured that for the 7 years of this farm bill the payments contained in that will be guaranteed. In fact, the proponents of the so-called Freedom to Farm Act told the American farm producers that this is like a contract. In fact, they related it to the Conservation Reserve Program contracts. They said, "Farmers, at least you will be assured you are going to get payments of these amounts."

Mr. President, last week, the House Appropriations subcommittee broke the promise, violated the pledge, and said to the American farmers that that was all a trick. We promised you a contract, but we are breaking the contract before the ink is even dry. The farm bill has just been signed into law, and already you might as well throw it out the window because the fundamental pledge and promise has turned out to be a hoax. Not a word of truth is in it because they have cut the transition payments before farmers have even received one—the payments that were supposed to be inviolate, the payments that were supposed to be guaranteed, the payments that were supposed to be a contract. It turns out that they have no guarantee attached to them at all. There is no contract. Farmers are being asked right now to sign up, put their name on the line. But they do not know what they are signing up to because it is very clear from the action taken in the House Appropriations Committee that they can cut the funding for those transition payments any time, in any amount, in any way they want. It does not have to be 7 years of payments; it could be 3. In the first 3 years, they could cut them 50 percent, or they could cut them 80 percent.

There is no contract here. There is no commitment here. There is no guarantee here. All there is is a betrayal, a betrayal of the farmers who trusted those who promoted this approach, who were told, and told repeatedly, that these are sharply declining payments, but at least you can be assured you will be getting what the formula provides over the next 7 years. Now we know none of it is true.

Mr. President, I think those who promoted the Freedom to Farm Act on the basis that it was a guarantee ought to apologize to America's producers. I think they ought to stand up and admit that there are not contract payments here. There is nothing here that is assured. They have sold farmers a pig in a poke. That, I think, was one of the most disappointing betrayals that I have seen in the 10 years I have been in the U.S. Senate; if there ever was a circumstance in which it was absolutely clear what the promise was—with respect to the so-called Freedom to Farm Program.

During debate on the farm bill, Republican Senator after Republican Senator stood on this floor in this Chamber and promoted the bill based on these payment guarantees. Farmers will have certainty. Payments will be guaranteed. Farmers will know how much money they will have to work with each year, they said. Now the truth is out. Freedom to Farm is a fraud. There is no contract. There is no guarantee.

Mr. President, unfortunately, they did not stop. They did not stop in the House Agriculture Committee with breaking the promise on transition payments. They then, after promising a market-based farm program, announced an unprecedented move to put a cap on sugarcane prices at 21.2 cents a pound—unprecedented. This is a market-oriented bill, and farmers are told you will get the benefits of the market. Well, it is a one-way benefit. You get the benefit when prices are going down. When the prices start going up, we are going to put a cap on them. That is an interesting idea of market orientation.

I thank the Chair. I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, May 31, 1996, the Federal debt stood at \$5,128,508,504,892.80.

On a per capita basis, every man, woman, and child in America owes \$19,353.72 as his or her share of that debt.

NATIONAL SMALL BUSINESS WEEK

Mr. PRESSLER. Mr. President, this year National Small Business Week will be held from June 2 to June 8. This week is a fitting opportunity for us to recognize the contributions of the many entrepreneurs in our country and reassess policies affecting small businesses.

It has been said many times over, but small businesses really are the heart of our small towns and cities. A full 99.9 percent of businesses in South Dakota are small businesses. In fact, we have only 25 businesses in the State that employ more than 500 people. Entrepreneurs in the local cafe, gas station, hardware store, and pharmacy provide essential services and cohesion for our communities. Farmers and small business people too, contribute to the community. Together, these leaders are the key to our economic strength.

Small businesses operate against overwhelming odds. Burdensome regulations and paperwork, onerous taxes, inadequate access to capital, and excessive litigation all are barriers to success. Congress made good progress earlier this year by passing the Small Business Regulatory Relief Enforcement Fairness Act, which instituted judicial review of regulations. This is a step in the right direction. We should continue on this track and enact work-

place safety and Fair Labor Standards Act reforms. I recently spoke with Clark Sinclair, who owns a furniture store in Madison, SD, about the need for flexibility in awarding either earn comp time or overtime. This flexibility would be beneficial for both employees and business owners.

Business men and women should be free to operate without fear that their livelihood is in jeopardy due to unreasonable Government regulation and enforcement. Karla and Richard Hauk are prime examples of the obstacles small business owners face today. The Hauks recently constructed a Days Inn in Wall, SD, believing they complied with the Americans with Disabilities Act. The Department of Justice filed suit against them even as the Hauks made goodfaith efforts to negotiate and comply with the law. Government should work constructively with law-abiding business owners like the Hauks and help them meet legal requirements.

Our tax policy also consistently works against small firms. The current estate tax system is a good example. I am proud to have worked with Senator DOLE on a reform proposal that would alleviate the heavy burden of estate taxes on small family-owned businesses. Currently, estate taxes are so onerous that the inheritors are frequently forced to sell all or part of a family business simply to pay off the taxes. This tax can reach as high as an overwhelming 55 percent of the total value of the business. Many families must sell off all or part of their business or farm just to pay the estate tax. That is wrong.

Congress also should increase the deductibility of health care insurance for the self-employed, increase expensing, and reduce the overall tax burden on small businesses. Many small business owners file personal tax returns for their businesses. Thus, thanks to the Clinton budget plan, many sole proprietorships pay a higher tax rate than the largest corporations in the Nation. Take a business like Malloy Electric in Sioux Falls. Gary Jacobsen employs 65 people but cannot hire more employees because of the high tax burden. This is a business that has been a cornerstone of the community for 25 years, and yet the Government continues to tie their hands.

Despite these obstacles, entrepreneurs strike out on their own—and succeed. I would like to recognize the 1996 South Dakota Small Business Persons of the Year, DeLon and Janice Buttolph, of Labelcrafters Inc. in Sioux Falls. The Buttolph's custom label printing business started in 1987 with just one employee and one small contract. Now, Labelcrafters runs two shifts with 24 employees and continues to grow. The company has received national recognition for producing environmentally friendly labels. As partners in life, as well as partners in business, DeLon and Janice have shown that good small businesses come from families.

I also would like to recognize several other South Dakota small business persons who have made a difference in our State: Shelly A. Knuths, Roscoe Manufacturing Co., Madison—South Dakota Women in Business Advocate; Kenneth E. Yager, K.O. Lee Co., Aberdeen—South Dakota Small Business Exporter; Terry L. Fredericks, attorney for Whiting, Hagg & Hagg, Rapid City—South Dakota Veteran Small Business Advocate; Richard B. Vallie, Native American Herbal Tea, Aberdeen—South Dakota Minority Small Business Advocate; and Mark W. Benson, First Bank of South Dakota, Rapid City—South Dakota Financial Services Advocate. In addition, Doug O'Bryan Contracting, Inc. of Martin, and C&W Enterprises of Sioux Falls, have received the Administrator's Award for Excellence for their outstanding performance as prime contractors under Federal contract.

These individuals are today's real heroes. They are creating jobs and prosperity in South Dakota small cities and towns. They are overlooked too often. This week we should take time to recognize their leadership and accomplishments. My congratulations to these and all other South Dakota entrepreneurs who daily make a difference.

HONORING KENTUCKY SMALL BUSINESS PERSON OF THE YEAR, BOB PATTERSON

Mr. FORD. Mr. President, I rise today to pay tribute to Mr. Bob Patterson of Louisville, KY, who has been selected as the Kentucky Small Business Person of the Year by the U.S. Small Business Administration.

Bob Patterson is the President, CEO, and partner of Consumers Choice Coffee, Inc., a coffee distributor in Louisville, KY. Under Bob Patterson, who has been involved with the coffee industry for 18 years, Consumers Choice Coffee has grown to become Kentucky's premier coffee company. Consumers Choice Coffee maintains an exclusive contract to supply more than 200 McDonald's restaurants in addition to supplying many upscale restaurants.

In 1990, when Bob became president and chief executive officer, Consumers Choice Coffee was entering into the worst period in its history. With losses in both profits and sales, Bob had his hands full. He concentrated on expansion, developing new product lines and reeducating his employees to improve customer service. Consumers Choice began to gain new customers. The company began to supply not only coffee, but equipment and service agreements.

As the company was beginning to improve, coffee prices were driven up do to a frost in Brazil. Bob advised his customers on this long-term crisis, and helped them to prepare. Again, more vendors came to rely on Consumers Choice Coffee because of its strong commitment to meet the needs of its customers.