

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.

Today, Consumers Choice Coffee, Inc. is a well known name in Kentucky's restaurant industry. It has an ever growing clientele of restaurants and other vendors. The company has Bob Patterson to thank. Bob has displayed great determination in the face of adversity. He sets an example of dedication of business and commitment to his customers that should be followed by small business persons across my State and the Nation. I am happy that Bob is being recognized for all of the good work he has done. I congratulate him on this significant accomplishment and wish him many future years of success.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, all time is elapsed, and morning business is now closed.

#### DEFEND AMERICA ACT OF 1996— MOTION TO PROCEED

The PRESIDING OFFICER. The Senate will now resume consideration of the motion to proceed to S. 1635, which the clerk will report.

The assistant legislative clerk read as follows:

A motion to proceed to the consideration of S. 1635, a bill to establish a United States policy for the deployment of a national missile defense system, and for other purposes.

The Senate resumed consideration of the motion to proceed.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, last Thursday the majority leader sought to proceed to the Defend America Act of 1996, but was blocked from doing so by those on the other side of the aisle who do not want the President to sign or be forced to veto this important legislation. These Senators may be able to block passage of the Defend America Act, but they will not be able to cover up the fact they and President Clinton have concluded that the American people should not be defended against ballistic missile attack.

Of course, the President has said that he favors ballistic missile defense. But his actions contradict this words. Since elected, President Clinton has cut funding for ballistic missile defense every year. No program has been cut more drastically than the National Missile Defense Program. The Defend America Act seeks to reverse this disturbing trend and to set a measured course toward the deployment of an affordable national missile defense system to protect all Americans.

In his recent speech to the Coast Guard Academy, President Clinton asserted that his fiscal year 1997 budget request includes \$3 billion for national missile defense. In fact, it includes \$2.8 billion for all ballistic missile defense technologies and programs and only \$500 million for national missile defense. This amount is insufficient to

fulfill even the goals of the President's own 3-plus-3 development program. Ironically, if it were not for continued Republican pressure on the administration, the President would not have developed even this figleaf of a plan.

The President and his allies in Congress have spent more time developing excuses for why we should not commit to a national missile defense deployment effort than they have in looking at the dire consequences of not going ahead with such a program. But like all such excuses, these ring hollow.

The President and other opponents of national missile defense have asserted that there is no threat to justify a commitment at this time, that we should wait 3 years before we even begin to think about a deployment decision. But in 3 years, North Korea could be on the verge of deploying an intercontinental ballistic missile and other rogue countries could be well along this path.

The opponents of national missile defense have also asserted that a commitment at this time could lead to technological obsolescence at the time the system becomes operational. If this argument were extended to other defense programs, we would never build another bomber, fighter, ship, or tank. Versions of this argument have been made time and again, each time opponents of a major defense program spin up the excuse making machine.

A national missile defense system developed pursuant to the Defend America Act will be no more outdated than one developed under the Clinton administration's 3-plus-3 plan. In fact, it would likely be more modern and technologically sophisticated, given the robust testing and focused development called for in this legislation. Under the Clinton plan, technology development will languish and many companies will soon pull out of the business altogether. Ironically, the technologies that would be pursued under the Defend America Act are the same ones that the administration is also developing. The main difference is that the Defend America Act would require us to get serious rather than sitting on our hands as we have been doing for the last 3 years.

The best way to ensure that we deploy a modern and operationally effective national missile defense system is to get an initial system fielded quickly, then upgrade and build upon this first piece as necessary. Contrary to what the President and his nay-saying supporters assert, readiness to respond to a threat does not come by keeping technology bottled up in a laboratory. Anyone familiar with manufacturing and technology development will confirm that the way to improve the state-of-the-art is to get started, gain operational knowledge, and then build on this experience in an incremental manner. This is the cost-effective, low-risk approach advocated in the Defend America Act.

Perhaps the most telling argument made by the opponents of the Defend

America Act is the assertion that it would threaten arms control. In fact, the only thing it threatens is the status quo with respect to the ABM Treaty. The Defend America Act does call on the President to seek amendments to the ABM Treaty, which most opponents do not want to see happen. But, since it is awkward for them to be seen as more interested in defending an outdated treaty than the American people, other excuses have to be found. Hence the argument that START II might be jeopardized.

But there is no reason why the Defend America Act should in any way jeopardize START II or United States-Russian relations. Russia already has an operational national missile defense system, so obviously they cannot believe that such a deployment is destabilizing. More important, during past negotiations, Russia has demonstrated a clear willingness to amend the ABM Treaty. Unfortunately, the Clinton administration is only interested in making the ABM Treaty more restrictive rather than finding a way to loosen its grip on our missile defense programs. The fact that the United States and Russia were on the verge of agreeing to amend the ABM Treaty at the same time as START I was being concluded clearly illustrates that keeping the ABM Treaty in its current form is not a prerequisite for concluding strategic arms control agreements. We should remember that it was the Clinton administration and not the Russian Federation that ended the negotiations to expand our rights to deploy national missile defense.

Mr. President, as I have said many times before, the Defend America Act is a balanced and responsible piece of legislation. I am very disappointed that the President is seeking to prevent the Senate from voting on this important bill. If he is opposed to it, it is his right to veto it. But the American people deserve to know the President's position. In my view, procedural maneuvers and misleading arguments will not cloak those who seek to keep America defenseless.

Mr. President, I yield the floor.

Mr. KYL addressed the Chair.

Mr. THURMOND. Mr. President, I am going to yield to the able Senator from Arizona [Mr. KYL] at this time.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from South Carolina, the chairman of the Armed Services Committee, for yielding but also for his leadership in this area.

I think two of the people who we have most to thank for bringing this matter to the attention of the Senate are our majority leader, BOB DOLE, and the chairman of the Senate Armed Services Committee, Senator THURMOND. It is Senator DOLE who wanted to ensure that before he left this body we had an opportunity to vote on and pass the Defend America Act. I agree with Senator THURMOND that our Senate colleagues ought to ensure that we