

whatever interventions he would like to make, I see an outstanding guest who honors us and who made a wonderful speech that many of us had the chance to listen to a short time ago. It is a great pleasure to yield at this time.

The PRESIDING OFFICER. The distinguished Senator from North Carolina is recognized.

VISIT BY HIS EXCELLENCY KIM DAE-JUNG, PRESIDENT OF THE REPUBLIC OF SOUTH KOREA

Mr. HELMS. Mr. President, the distinguished Senator from Massachusetts has made my speech for me. The distinguished and honored guest from the Republic of Korea is with us, and I ask unanimous consent that the Senate stand in recess for a couple minutes so that Senators and others may greet him.

RECESS

There being no objection, the Senate, at 12:30 p.m., recessed until 12:33 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ROBERTS)

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. No amendments are in order until 1 o'clock.

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I would like to ask unanimous consent to be able to proceed maybe for 20 minutes, 10 minutes for myself and the other 10 minutes for our friend, the Senator from Minnesota.

Mr. GRAMS. I would like to request 15 minutes.

Mr. KENNEDY. I will.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

The Senator is recognized.

Mr. KENNEDY. I thank the Chair.

Mr. President, the Senate has been considering the comprehensive tobacco legislation offered by Senator MCCAIN for three weeks.

In fact, since the Senate began to debate the tobacco bill on May 18, 69,000 children have begun to smoke, and 23,000 will die prematurely from a smoking-caused disease.

In the past day, however, we have made significant progress in moving forward in a bipartisan manner to resolve our differences and bring this bill to final passage.

The Senate should once and for all reject the dilatory tactics of the opponents of this legislation, who care more about protecting the profits of Big Tobacco than they do about protecting the health of the nation's children. They have used every strategy in the book to delay and obstruct this impor-

tant legislation while thousands of children begin a lifetime of nicotine addiction and smoking-caused illness. But the pressure is starting to build in every corner of this nation, and the American voters are demanding that the Senate take quick and decisive action to bring this bill to a vote.

The stakes have rarely, if ever, been higher on any public health issue. Tobacco use is the leading preventable cause of death and disability in the nation. Of the 48 million smokers in the United States today, it is estimated that 20 million adults and 5 million children will die prematurely from a tobacco-induced disease.

In fact, tobacco products are responsible for a third of all cancers, and 90% of all lung cancers. 170,000 new cases of lung cancer are expected in 1998. 90,000 men and 65,000 women are expected to die of the disease in this year alone.

Tobacco use is also linked to a wide variety of other illnesses. Smoking by children and adolescents is associated with higher cholesterol levels which can significantly increase the risk of early development of cardiovascular diseases.

New research also indicates that tobacco use is a risk factor in alcoholism, depression, hearing loss, and vision loss among the elderly.

The use of smokeless tobacco products is associated with cancers of the mouth, gum disease, and tooth loss.

The dangers of secondhand smoke are also becoming increasingly clear. It is linked to low birthweight, respiratory distress syndrome, and sudden infant death syndrome. A recent report by the Agency for Health Care Policy and Research says that secondhand smoke is responsible for as many as 60% of cases of asthma, bronchitis, and wheezing among young children.

It is also clear that smoking-related illnesses impose an enormous burden on the United States economy. According to the Department of Treasury, smoking will cost society \$130 billion this year, of which \$45 billion is attributable to medical costs due to smoking-caused diseases.

Smoking during pregnancy, which results in increased costs from complicated deliveries, medical care of low-weight babies, and developmental disabilities, adds up to a \$4 billion loss for the U.S. economy.

The damage resulting from smoking-caused fires is \$500 million a year, which does not even account for the 2,000 lives lost in these tragic accidents.

\$500 million is attributable to lost productivity, since smokers miss 50% more work days than nonsmokers. In addition, smokers tend to die younger and retire sooner, which costs society an astounding \$80 billion in lost output and wages.

Much higher priority is obviously needed for smoking cessation programs and tobacco prevention initiatives, which are among the most cost-effective means available to reduce health

care costs while, at the same time, improve the lives of millions of Americans.

The pending amendment by the Senator from Texas seeks to divert approximately \$47 billion over the next ten years away from smoking prevention, away from smoking cessation, away from medical research, and away from reimbursing states.

When we add the combined impact of the pending Gramm amendment and the Coverdell amendment which was approved yesterday, no funds would be left for programs which are essential to reducing youth smoking and to helping current smokers quit. In fact, the Gramm amendment alone would result in roughly 4 million fewer Americans served by smoking cessation programs, 20 million fewer people discouraged from smoking by counteradvertising campaigns, and 48 million fewer children participating in school-based smoking prevention activities.

These numbers speak for themselves. Reasonable marriage penalty relief makes sense. But the Gramm amendment goes too far. It would destroy the underlying smoking prevention legislation.

All of the money raised by the cigarette price increase contained in the legislation is currently earmarked for smoking related purposes: 22 percent is directed to smoking prevention and cessation, 22 percent is to be used for medical research, 16 percent is for transitional assistance for tobacco farmers, and 40 percent is to compensate states for the cost of medical treatment of smoking related illnesses.

Which of these smoking related initiatives would the Senator from Texas eliminate? Does he propose to eliminate all compensation to the states for their tobacco related health costs? After all, it was the state lawsuits which provided the genesis for this legislation and which exposed the most dramatic evidence of industry wrongdoing. That would not be fair. Even if every dollar intended for the states was taken to fund the Gramm amendment, it would not be enough to cover the cost.

Does he propose to eliminate all transition assistance for tobacco farmers and communities? It would not even cover one-third of the cost of the Gramm amendment.

All of the remaining dollars are directed to smoking prevention, to smoking cessation, and to medical research. These initiatives are the heart of the legislation, yet both the pending Gramm amendment and the Coverdell amendment approved yesterday will deny needed resources to prevent teenagers from beginning to smoke. If we are serious about stopping children from smoking and saving lives from tobacco-induced diseases, we have to make these investments.

These programs work. Let me give you a few examples:

Every dollar invested in a smoking cessation program for a pregnant

woman saves \$6 in costs for neonatal intensive care and long-term care for low birth weight babies. In addition, smoking cessation programs have an added benefit of reducing tobacco use among children. According to Michael Fiore, Director of Tobacco Research at the University of Wisconsin Medical School, children who smoke have twice the risk of becoming smokers than children of nonsmokers have. By helping parents to quit, the risk of children becoming smokers is reduced as well. The effect of the Gramm amendment would be to reduce funds for these programs, and that makes no sense.

The Gramm amendment would deny funds needed to help states and communities conduct educational programs on the health dangers of smoking. The tobacco industry spends \$5 billion a year—\$5 billion—on advertising to encourage young people to smoke. Shouldn't we spend at least one tenth of that amount to counteract the industry's lethal message?

Counteradvertising is a key element of an effective tobacco control strategy. We know that children are easily swayed by the tobacco industry's marketing campaigns, which promise popularity, excitement, and success for those who take up smoking. We can use counteradvertising to reverse the damage by deglamorizing the use of tobacco among children.

Both Massachusetts and California have demonstrated that paid counteradvertising can cut smoking rates. It helped reduce cigarette use in Massachusetts by 17 percent between 1992 and 1996, or three times the national average. Smoking by junior high students dropped 8 percent, while the rest of the nation has seen an increase. In California, a counteradvertising campaign also reduced smoking rates by 15 percent over the last three years.

The Gramm amendment also would take money from law enforcement efforts to prevent the sale of tobacco products to minors, even though young people currently spend \$1 billion a year to buy tobacco products illegally. According to Professor Joseph DiFranza of the University of Massachusetts Medical Center, "if \$1 billion in illegal sales were spread out evenly over an estimated 1 million tobacco retailers nationwide, it would indicate that the average retailer breaks the law about 500 times a year."

The Gramm amendment will diminish funding for medical research on tobacco-related diseases, which kill 400,000 Americans each year and incapacitate millions more. Given the damage that smoking inflicts on the nation's public health, it makes little sense to deny funds that should be directed to finding a cure for cancer and other tobacco-induced illnesses.

In essence, the Gramm amendment would destroy much of the public health benefit this legislation is designed to achieve. The goal of eliminating the marriage penalty for low and moderate income families is a worthy

one. It is shared on both sides of the aisle. However, it must be accomplished in a way that does not imperil our primary goal—preventing youth smoking and helping smokers overcome their addiction.

The Daschle amendment, which offers relief from the marriage penalty without imperiling our smoking prevention efforts, will cost far less than the Gramm amendment, and it does a much better job of targeting tax relief to those most in need.

The Daschle amendment will cost only \$27 billion over the first ten years. That is the most which can be accommodated without damaging our ability to achieve the legislation's core anti-smoking purposes. The cost of the Gramm proposal mushrooms after the fifth year. Thus, over ten years, the cost of the Daschle amendment is approximately \$20 billion less than the Gramm amendment. This is the difference between preserving a viable youth smoking reduction effort and destroying it. That is the difference between helping millions of smokers quit and leaving them at the mercy of their addiction. That is the difference between advancing medical research that can cure tobacco induced diseases and indefinitely delaying it.

Because it is carefully targeted, the Daschle amendment actually provides more tax relief to those two income families earning \$50,000 a year or less who currently pay the marriage penalty. By contrast, more than half the tax relief provided by the Gramm amendment would go to families that are not subject to the marriage penalty. Senator DASCHLE's proposal will do more to achieve tax fairness at a much lower cost.

Once this issue is decided, there is little excuse for further delay. The remaining amendments can be considered in a few days if we move conscientiously forward. There is no valid reason why the Senate cannot vote on final passage soon. If we do not, the American people will know why. A small group of willful defenders of Big Tobacco will have succeeded in obstructing the work of the Senate on this vital issue of public health. On an issue of this importance, our constituents will not tolerate such obstruction. Now is the time for the Senate to act.

I yield the floor.

THE PRESIDING OFFICER. The distinguished Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent to speak in morning business for up to 15 minutes.

THE PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

HOLDING CONGRESS TO ITS TAX CUT PROMISE

Mr. GRAMS. Mr. President, I rise today to make a few brief remarks about tax cuts and the budget, and the promises that have so tightly entwined the two.

The House passed its budget resolution last Friday by a vote of 216 to 204. The House budget plan would cut \$101 billion in government spending over the next 5 years. It would also repeal the marriage penalty tax, which has unjustly punished 21 million couples just for getting married.

However, the House-passed budget plan failed to provide reconciliation instructions for achieving this tax relief, and failed to provide clear guidance on how to use any budget surpluses.

While the efforts by our colleagues in the House represent a move in the right direction, Congress must do better by the taxpayers. It now falls to the conference committee to ensure we keep our promise to offer meaningful tax relief to working Americans.

That promise must provide the framework for the budget resolution produced by this Congress.

Thanks to the exceptionally healthy economy, our short-term fiscal condition has greatly improved in the past few years, not because of what Congress did—in spite of what Congress did. But it is the economy.

In fact, we will soon see a unified budget surplus for the first time since 1969.

On May 26, President Clinton announced that this year's budget surplus would be \$39 billion.

His figure is significantly less than the \$43-to-\$63 billion surplus forecast by the CBO and contradicts the President's own Treasury report, which revealed that through April, revenues were surging into the Treasury even faster than CBO thought.

Treasury officials forecast that the surplus could be as large as \$100 billion if the revenue flow follows last year's pattern. According to some estimates, the budget surplus could reach \$1.34 trillion over the next 5 years.

The question is, what do we do with the surplus? Basically, what Washington has done is overcharged our American workers and industry.

I would just like to show in the Washington Post, yesterday's edition, June 9, it says: Virginia Power Agrees To Rebates.

Why is this similar? I would like to read this. It says:

Virginia's largest power company agreed today to \$920 million in refunds and rate cuts for 2 million residential and business customers who have been overcharged for electricity, the biggest rate adjustment in State history [and that is under a] deal with utility regulators.

If a company overcharges its consumers, the Government steps in and says: You have to pay it back. You took a surplus. You have to pay it back to the customers. Also, you have to drop the rates so we do not have surpluses in the future.

But what does Washington do when it has a surplus? It starts to make plans on how to spend it. There is nobody that tells Washington you have to give it back, and they should.

Comparing these numbers with the \$100 billion tax cut, when we talk about