domestic workforce form those who willfully violate the H–1B program. First, the bill increases penalties for such violators by 5 times the current penalty—by increasing fines from $1,000 to $5,000. The bill also provides for a 5-year probationary period during which spot inspections of the violating firms may occur at the discretion of the Department of Labor. The bill also adds a $25,000 fine per violation, and a two-year debarment from all employment immigration programs, in cases where an employer lays off a U.S. worker and willfully underpays a H1–B worker to replace the U.S. worker.

This bill also modifies the per-country limits an employment based visas. This modification will help prevent further discriminatory effects that the current per-country limit creates for otherwise qualified people from China and India.

I strongly support Senator ABRAHAM's bill. I believe it contains essential provisions to protect our domestic workforce from willful violators by increasing fines and investigative or probationary periods. Out domestic employers and workforce need to have the cap on H–1B visas raised in order to remain competitive. I urge my colleagues in the Senate to vote in favor of the Abraham bill.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Madam President, I thank the Senator from Ohio for his support and help on this legislation. As I said before, it is especially appropriate to thank him because of his leadership on the entire topic of workforce development. He is the chairman of the Senate subcommittee that deals with preparing our workforce, job training and other similar topics. I know his support of the approach we are taking in this legislation should satisfy Members on both sides of the aisle, given the respect with which he is held on these issues, that the legislation which we are working on today addresses the concerns of the long term of how we are going to prepare American workers to hold these jobs when this short-term solution expires. I thank him.

Madam President, I suggest the absence of a quorum and ask that the time not be assessed to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KENNEDY. I yield myself 11 minutes.

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

## THE TOBACCO LEGISLATION AND YOUTH SMOKING

Mr. KENNEDY. Madam President, we will be moving towards the votes as set out by the two leaders for votes on these amendments in approximately 2 hours. But while there is a brief moment, I would like to address the Senate on one of the issues that we will be addressing later this evening and on tomorrow. That is the amendment that will be offered hopefully in a bipartisan way by Republicans and Democrats on the tobacco bill to raise the cost per pack of tobacco from $1.10 to $1.50.

I have hopes that this will be a bipartisan amendment since there have been Republicans and Democrats who have supported that position both in the Finance Committee when the Finance Committee accepted that concept last week and also in the Budget Committee. I think that there are those on both sides of the aisle that support that particular measure.

I will strongly support the measure and welcome the opportunity to be one of those who commends that position to the Senate, when it is hoped, we will have some determination on that as one of the first orders of business. I believe that under the proposition, which will be announced later on this evening by the two leaders, that will be one of the measures which will be addressed and voted on tomorrow. So I will just take a few moments now to express my strong support for increasing the cigarette price by $1.50 per pack.

Mr. President, youth smoking in America has reached epidemic proportions. According to the report issued last month by the Centers for Disease Control Prevention, smoking rates among high school students have risen by nearly a third between 1991 and 1997. Among African-Americans, the smoking rates have soared by 80 percent. And more than 36 percent of high school students smoke—a 19-year high.

With youth smoking at such a crisis level and still increasing, we cannot rely on half measures. Congress must use the strongest legislative tools available to reduce youth smoking as rapidly as possible.

The amendment we will have before us tomorrow will provide for a cigarette price increase of $1.50 per pack over the next 3 years. The $1.10 per pack increase over 5 years in the managers' amendment is not adequate to achieve the youth smoking reduction goals of 60 percent. And by raising it by $1.50 instead of $1.10 a pack, we can deter an additional 750,000 children from smoking over the next 5 years. That will mean 250,000 fewer premature deaths from tobacco-induced illnesses.

Public health experts have overwhelmingly concluded that an increase of $1.50 a pack is the minimum cigarette price increase necessary to achieve our youth-smoking reduction goals.

Dr. C. Everett Koop and Dr. David Kessler, the National Academy of Sciences, the American Cancer Society, the American Heart Association, the American Lung Association, the American Medical Association, the ENACT Coalition, and the Save Lives Not Tobacco Coalition have all stressed the importance of a price increase of at least $1.50 a pack. It is the single most important step we can take to reduce youth smoking.

More than a third of the Senate have already cosponsored bills proposing the $1.50 a pack increase. The Senate Budget Committee endorsed $1.50 on a bipartisan vote of 14–8 in March. Last Thursday, a bipartisan majority in the Finance Committee voted for a cigarette price index of $1.50. Too many young lives are at stake for us to ignore the advice of all the public health experts.

Mr. President, the $1.10 increase, on the other hand, simply will not do the job. According to the University of Illinois' Professor Frank Chaloupka, the Nation's leading authority on the impact of higher cigarette prices on teenage smoking, an increase of $1.50 a pack would reduce youth smoking by nearly 50 percent. When combined with the youth access provisions and other tobacco control measures, the $1.50 per pack increase will reduce youth smoking by 60 percent and reach the target that we have set. In addition, if the tobacco industry plays by the rules and no longer targets young Americans with their advertisements and promotions, no look-back penalties would need to be applied above the $1.50 a pack increase.

According to Professor Chaloupka, the $1.10 increase will reduce youth smoking by only a third. Even with the nonprice provision in the tobacco legislation, it would be very difficult to achieve the targets for reducing youth smoking.

Ask any parents if saving 750,000 additional children from a lifetime of nicotine addiction and tobacco-induced disease is worth the extra 40 cents needed for the $1.50 price increase instead of the $1.10 increase.

Ask any person who is concerned about the health of the Nation's children whether we should do all we can to prevent these young Americans from taking up this deadly habit.

The vast majority of the American people support the $1.50 per pack increase and Congress should support it, too. Ask any taxpayer if they want to continue to shoulder the burden of paying the health costs of the Nation's smokers. Seventy-five percent of Americans do not smoke, yet the Department of Treasury finds that they pay $130 billion each year for the health costs in lost productivity of the 25 percent who do smoke.

Ask any American if they have had enough of the tobacco industry's distortions and denials of the addictiveness of nicotine or about the industry's cynical marketing of cigarettes to children or about the industry's decades-long coverup of the health risks associated with smoking.

This is an industry which once argued that cigarettes are no more addictive than Gummy Bears. This is an industry that used Joe Camel in advertising blatantly designed to hook children on smoking, yet they now ask us to believe that a $1.10 or $1.50 increase will lead to big tobacco's bankruptcy and a rampant black market for illegal cigarettes.

The challenge is clear. One million young people between the ages of 12 and 17 take up the deadly habit each year—3,000 new smokers a day. The average smoker begins smoking at age 13 and becomes a daily smoker before age 15. One-third of these children will die prematurely from a tobacco-induced disease.

Once children become hooked on cigarette smoking at a young age, it becomes increasingly harder for them to quit. And 90 percent of current adult smokers began to smoke before they reached the age of 18. Ninety-five percent of teenaged smokers say they intend to quit in the near future, but only a quarter of them actually do quit within the first 8 years of beginning to smoke.

The tobacco companies have known these facts for years. They are fully aware that they need to persuade children to take up smoking in order to preserve their future profits. That is why big tobacco has long targeted children with billions of dollars in advertising and promotional giveaways that promise popularity, excitement and success for young men and women who take up smoking.

The recent documents released in the Minnesota case against the tobacco industry reveals the true extent of the industry's marketing strategy to children.

In 1981, in the Philip Morris memo, ''Young Smokers, Prevalence, Implications and Related Demographic Trends,'' the authors wrote that:

> It is important to know as much as possible about teenage smoking patterns and attitude. Today's teenager is tomorrow's potential regular customer. The overwhelming majority of smokers first begin to smoke while still in their teens.

The smoking patterns are particularly important to Philip Morris. Furthermore, it is during the teenage years that the initial choice is made. Nothing is done to reverse this trend in adolescent smoking. The Centers for Disease Control and Prevention estimate that 5 million of today's children will die prematurely from smoke-caused illnesses.

The American public has had enough of the daily tragedy of death and disease caused by tobacco use. They are demanding dramatic action by Congress to drastically curb youth smoking. This Congress will be judged in large measure by whether or not we respond effectively to that challenge. Increasing cigarette prices by $1.50 is the most effective way to reduce teenage smoking. The public health community agrees it is the minimum increase needed to achieve the national goal of reduced youth smoking by 60 percent over 10 years. Study after study has shown that raising cigarette prices is the most powerful weapon in reducing cigarette use among children, since children have less income than adults to spend on tobacco, and most children are not yet addicted.

Philip Morris, the Nation's largest tobacco company, concedes as much in an internal memorandum as far back as 1981. That memorandum stated, ''It is clear that price has a pronounced effect on the smoking prevalence of teenagers.'' And the goals of reducing teenage smoking and balancing the budget would both be served by increasing the Federal excise tax on cigarettes. In 1982, R.J. Reynolds said essentially the same thing in that ''the key finding is that younger adult males are highly sensitive to price. Price may create a barrier which prevents the appeal from developing into an ongoing choice to become a smoker.''

Canada increased its cigarette prices between 1980 and 1981 until there was a $3 difference in cigarette prices with the United States overall. An increase of $1.50 a pack is clearly realistic. In addition, it is not likely that the $1.50 increase in the manufacturers' level will turn into a much higher real price increase at the retail level.

The difference between a $1.10 increase and a $1.50 increase is literally that 750,000 more children will be deterred from smoking over the next 5 years. We shouldn't sacrifice these children to a lifetime of tobacco-induced illnesses. The lives of these children hang in the balance.

The American people are calling on you to have the courage to act. The $1.50 increase has broad public support. The public health community deserves the support of the full Senate, too.

## AMERICAN COMPETITIVENESS ACT

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, would the distinguished chairman of the Immigration Subcommittee yield me 5 minutes to speak on behalf of his bill and against the Kennedy amendments?

Mr. ABRAHAM. I yield the Senator from Texas such time as he may need. I believe this would have to be yielded from time that is to be available for the amendments

The PRESIDING OFFICER. The Senator is correct. There is 1 minute 20 seconds remaining on the bill.

Mr. ABRAHAM. I yield 5 minutes from the time reserved for our side.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. GRAMM. Madam President, I thank our dear colleague for yielding. I congratulate him on this bill, the American Competitiveness Act.

Over the years, we have wisely attracted the best and brightest to America. We have recognized that having talented people come to our country to work has not only not displaced American workers, but it has created an intellectual base that has help create millions of jobs.

I want to congratulate Senator ABRAHAM for this bill. I think it is vitally important, and I am proud to be a supporter of the bill. I think it is interesting to note that the companies most strongly supporting Senator ABRAHAM's bill are America's fastest growing companies. These are the companies that are creating most of the new jobs in America. Especially those companies that are in high-tech areas and research areas that are primarily responsible for generating the new products, the new know-how and the new technology that will create jobs now and in the 21st century.

I understand that Senator KENNEDY will be offering two amendments. Although they have not technically been offered yet, I know enough about the amendments to know that I am opposed to them. Senator KENNEDY is trying to preserve the jobs of the 1950s. Senator ABRAHAM is trying to create jobs now and in the 21st century. Senator KENNEDY believes that if we can keep new, talented people out of America, as a contributory factor to the intellectual base of our country, we can induce innovative businesses to hire more Americans. Senator ABRAHAM understands that we need an intellectual base to help us create the products and the technology that will create thousands and ultimately millions of new jobs.

In these two amendments that will be offered, we really have a debate between the past and the future. The past deals with the idea that we can somehow protect jobs by keeping talented people out of the country. The future is a recognition that America has literally drained the brain talent of the world by bringing talented people to America, and, in the process, talented people here have found more opportunity, more freedom, than any other people who have lived. They have created an economic system that is unrivaled throughout the world.

The first amendment Senator KENNEDY will offer states that if a company brings in an H–1B visa worker, and later has to lay someone off, the company is in violation of the law. The problem is that in dealing with innovative companies, people are hired based on creating new products and based on success of their research. To force a company to guarantee that it will not, in the next 6 months, have to lay anyone off is to ask them to guarantee the success of their research. As we know from the experience of Europe, which is still trying to follow the policies of the 1950s that are built into the Kennedy amendments, if a company does not have the right to lay people off when a project fails, it can not take the risk to