damage that smoking inflicts on the nation's public health, it make little sense to divert tobacco revenues to tax cuts when they could be directed to finding a cure for cancer and other tobacco-induced illnesses. Since tobacco induced disease costs America $130 billion per year, it certainly is not cost effective to reduce research spending.

In essence, the Gramm amendment would destroy much of the public health benefit this legislation is designed to achieve. It would be a tragic mistake.

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.

I anticipate that an alternative amendment will be offered which will provide relief from the marriage penalty without imperiling our smoking prevention efforts. It will cost far less than the Gramm amendment, and it will do a much better job of targeting tax relief to those most in need.

That 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.

The second issue I want to address is the Durbin-DeWine look-back amendment. It will assess increased sums for noncompliance with the youth smoking reduction targets. In addition, the emphasis will be shifted from industrywide assessments to company-by-company assessments, in order to more effectively deter individual tobacco companies from marketing their products to children.

Big Tobacco knows how to hook children into a lifetime of nicotine addiction and smoking-related illnesses—whether appealing through characters like Joe Camel and the Marlboro Man, through the prominent placement of tobacco advertising, or through a strategic cut in cigarette prices. And Big Tobacco also knows how to stop appealing to children.

The purpose of the look-back is to give tobacco companies an overwhelming financial incentive to turn their focus away from the youth market. Our goal is to influence every business decision by taking the profit away from addicting teenagers.

The Durbin-DeWine amendment will accomplish that goal much more effectively than the current look-back provisions in the manager's amendment. It will substantially increase the total amount of the surcharges which companies must pay if youth smoking levels do not decline in accordance with the reduction targets. It also shifts the payment obligations from a predominately industrywide system to a predominately company-specific system. This will dramatically increase the deterrent influence of the look-back on company policy.

The current McCain provision provides for a maximum industrywide penalty of $4 billion, or about 20 cents a pack. The company-specific portion is extremely small, amounting to only a few pennies per pack. The Durbin-DeWine amendment provides for substantial company-specific penalties, which in the aggregate could reach $5 billion per year if companies continue to flaunt the law and blatantly target children. The amendment also provides for an industrywide surcharge of up to $2 billion a year.

Through this important amendment we are speaking to the tobacco companies in the only language they understand—money. If they continue to target children, these companies will pay a financial price far in excess of the profits raised from addicting children.

But if they are willing to cooperate in efforts to prevent teenage smoking, the companies may never have to pay a dollar of look-back surcharges. A strong, company-specific look-back, such as the one we are proposing, will give the tobacco companies a powerful financial incentive to use their skill in market manipulation to further, rather than undermine, the public interest in reducing youth smoking.

Each tobacco company must be held accountable for its actions on teenage smoking. The stakes involved are nothing less than the health of the Nation's children. For each percentage point that the tobacco industry misses the target, 55,000 children will begin to smoke. One-third of these children will die prematurely from smoking-induced diseases.

This bipartisan amendment deserves the support of the full Senate, and I urge my colleagues to adopt it.

These two issues—the marriage penalty and the look-back—should be resolved quickly. Once they are 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 by the middle of next week. If we do not, the American people will know why. A small group of willful defenders of the tobacco industry will have succeeded in obstructing the work of the Senate on this vital issue of public health. On an issue of this importance, which is literally a matter of life and death, our constituents will not tolerate such obstruction. Now is the time for the Senate to act.

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

The PRESIDING OFFICER (Mr. COATS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business for up to 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized to proceed as in morning business.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 2133 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

TRIBUTE TO SENATOR BARRY GOLDWATER

Mr. DOMENICI. Mr. President, I want to just take a couple minutes to express my respects for Senator Barry Goldwater. I was unable to attend the services yesterday with Senators. I was just getting over a very bad chest cold, and I decided that I would try to recoup a little here. I wish I could have been there.

Senator Goldwater was obviously an unflinching patriot whose life, in many ways, mirrored the American experience. He was rugged, independent, and unarguably his own man.

I am deeply saddened by his passing. When I first arrived as a freshman Senator, Senator Goldwater offered me encouragement, and when I became budget chairman, provided inspiration when I first tackled the tough budget issues we faced in the early 1980s.

He was a dedicated American and Senator, always willing to fight the tough battles. I was better for his fine support and his wise counsel.

''Barry Goldwater cared deeply about America. He believed that our Nation must always remain strong and that Government should stay off the backs of our people and not stifle their innovative spirit. As an American, he never shied away from honestly stating his beliefs; and as a politician, he led by example, not by polls.

He will be greatly missed. And Nancy and I send our sympathies and prayers to his family.

U.S. Senator Barry Morris Goldwater, born in Phoenix AZ., Jan. 1, 1909, was elected to the Senate from Arizona in 1952, and later was defeated in his bid for the Presidency in 1964 by Lyndon Johnson. Senator Goldwater served in the Senate until retirement in 1987.

I served with Senator Goldwater. He took me under his wing when I first arrived in the Senate, and he was a good counsel.

The first year I was the chairman of the Budget Committee was 1981.

After the Senate finished the budget bill Senator Goldwater sent me a letter that I would like to have printed in the RECORD.

He would dictate these notes himself and they sound just like him.

He was an inspiration to us all and a very, very fine man. He will be missed.

Mr. President, I ask unanimous consent that a letter that I cherish from Senator Goldwater after my first appearance on the floor managing the budget bill be printed in the RECORD.

In his own manner, he would go back to the office frequently and dictate a brief letter. This is one of those, which he gave to me in 1981, as I started down this long process trying to balance the U.S. budget. He gave me a little encouragement and enthusiasm. I thought it might be good to just show what kind of person he was to younger Senators like myself back in 1981, along with all the things I wanted to say.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 3, 1981.

Hon. PETE DOMENICI,
U.S. Senate,
Washington, DC.

DEAR PETE: When your class came into the Senate something inside of me said, this could be the best that every came along since you've been here. As I watched all of you develop through the years, nothing has happened to change that original opinion.

Your handling of the budget bill was done in a superb manner, probably as well done as any I have ever listened to and that includes some real old pros. You did a wonderful job with it Pete. I am proud of you and I am going to watch your future with a great deal of interest. You are going to go a long way.

With pride and best wishes,

BARRY GOLDWATER.

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The Senate continued with consideration of the bill.

Mr. DOMENICI. Mr. President, I don't know where the bill before the Senate goes next, but obviously I have joined with Senator GRAMM in trying to make a statement about this bill. In the process of trying to do that, there are many ways to make statements and there are many ways to talk about what is in a bill, what is out of it, what is not in the bill, to argue about what its value is, what its ultimate goal is, and what it might achieve.

There is another way, and that is to offer an amendment or amendments. There are a lot of amendments pending. As I indicated, I don't know how many of them are serious. I have five or six myself that I think are serious that in due course I will offer. I would like to discuss, from the standpoint of those who are wondering about the Gramm-Domenici amendment to cut taxes on a very deserving group of Americans, what it is all about.

When you raise taxes on anybody in the United States, you have to ask yourself a very fundamental question of what you ought to do with the taxes you raise. Now, if America were undertaxed and we were taxing Americans—be it a cigarette tax that at $1.10 a pack would yield over time $750 to $800 billion, or whether it is an income tax or sales tax—you have to ask yourself, if America is being taxed too much already, shouldn't something very high on the list of considerations for what to do with the increased revenue be a consideration of lowering the taxes on Americans?

Obviously, there have been some arguments already, and there will be more about the amendment which we offered which, hopefully, will be modified, that says let's give back some of the taxes we pick up here to Americans who are suffering the penalty of a Tax Code that punishes people for being married and earning a living by both spouses working. For they, in most cases, pay more in taxes than if they both had the identical jobs, at the same annual earnings, and were not married and filing separate returns—one of the most onerous, ill-conceived uses of the Tax Code.

How in the world can we run around, as policymakers, and say we favor the family and then add a burden of taxation to spouses, who are part of a family, by taxing them more because they are married and working than if they were single and working? That has to be an absolutely absurd policy in light of the problems we have in this country that are family oriented, and many of them have to do with income of families.

Secondly, it is obvious that every cent of a cigarette tax that we all of a sudden came up with and has been debated on the floor as a tax that should be $1.10, maybe $1.50, maybe 75 cents, and then for somebody to come to the floor and assume that whatever the level is, every penny of it ought to be spent for new programs—now, that isn't the way it is said; it is said, new programs to do some great things.

Well, I think everything the Government tries to do and spends money on ought to be things we really believe are important things, important aspects, important events, important projects. Now we are reinventing a bunch of new ones, and then we are saying to the States: You spend your money in very specific ways.

I don't care who agreed to the ways that we are going to send this money back to the States to be spent, it seems to me the question has to be asked first, How much is needed to direct a program that has a probability of success in terms of making our young people alter their smoking habits and quit smoking? And nobody can say that you need a huge portion of this tax bill to run advertisements on that, to have programs in our schools or wherever to try to inhibit that. That can't come close to spending the amount of money that is in this bill.

Mr. KERRY. Will the Senator yield?

Mr. DOMENICI. Mr. President, this is my first speech in a couple of days. I am sorry. I will yield soon. In fact, I will yield the floor.

Mr. President, the point is that nobody can stand up on this floor and say we knew when we started talking about cigarette taxes and how much it would yield precisely how much ought to be spent for some American programs that would help alleviate the smoking problem, or even research more into the cause of cancer and try to cure it. Nobody knows what is the right number, but everybody knows that as much money as this bill will raise is not needed for that.

Anybody in their right mind would look at how much is coming in and how much you need to do precisely the kind of things that people say this bill ought to do, and it is not close to the amount of money that is coming in. So that leads you to a conclusion, in my humble opinion, that you ought to give some of this money back to the taxpayers of the country.

I cannot believe we are so unconcerned about the taxpayers of this country that we would sort of block off this $700 billion in new revenues—if that is what it is over 25 years—and say, look, the American people and their tax-paying requirements have nothing to do with this new tax imposed on them. Why not? Why do we say that? We are adding to the tax ''take,'' and we give no benefit to the American people for these new taxes we are going to raise.

Back to my argument. One way to try to send a message and distinguish between various approaches, which I choose to call tax and spend it all, or another group who would say tax and give some of it back to the American people who already feel, in many instances—and they are right—that they are paying too much in taxes.

Now, that is why the Gramm-Domenici amendment is important. I have already stated its precise purpose is to try to ameliorate the negative tax treatment on married couples, both of whom work, from a Tax Code which penalizes that versus the same two people making the same amount of money, but not married, and are part of a family—they pay less.

So the purpose is good, but the message is completely different. The message is, when you have this much new revenue, shouldn't you give some of it back to the taxpayers of America? Nobody is going to be able to come to this floor, with our ability to proliferate in producing charts, and tell the American people with any credibility that every single dollar coming in on this tax has a nice precise niche that it should be spent for, all of which is aimed at helping to try to get kids to stop smoking cigarettes. Or I am willing to add one—doing research and trying to prevent the diseases that come from smoking. Take the two together and you could not produce a credible chart showing how every penny in this bill must be spent for that or you are not doing your job.

So I believe that, sooner or later, we deserve an opportunity to have an up-or-down vote on the proposition that I have just described here today. It is very simple. One, do you think you should change the Tax Code as it pertains to the marriage tax penalty and