

delight of a red, juicy watermelon. I rise today to recognize watermelon farmers, the people who make this Fourth of July tradition possible.

All day yesterday and today, my staff, along with the staffs of Representative JOHN SPRATT and Representative JIM CLYBURN, will be delivering South Carolina watermelons to offices throughout the Senate and House of Representatives. Thanks to South Carolina watermelon farmers such as Jim Williams of Lodge in Colleton County, those of us here in Washington will be able to cool off from the summer heat with a delicious South Carolina watermelon.

This year, farmers across South Carolina planted more than 11,000 acres of watermelons. These are some of the finest watermelons produced anywhere in the United States. Watermelons of all varieties—Jubilees, Sangrias, Allsweets, Star Brites, Crimson Sweets, red seedless, yellow seedless, and other hybrids are produced in South Carolina and marketed across the Nation.

Through the end of this month, farmers in Allendale, Bamberg, Barnwell, Colleton, Hampton, and other southern South Carolina counties will harvest hundreds of thousands of watermelons. In the Pee Dee areas around Chesterfield, Darlington, and Florence counties, the harvest will continue until about August 20.

Mr. President, as we savor the taste of these watermelons, we should remember the work and labor that goes into producing such a delicious fruit. While Americans enjoyed watermelons at the beach and at backyard barbecues all over the Nation this past weekend, most did not stop to consider where they came from. Farmers will be laboring all summer in the heat and humidity to bring us what we call Mother Nature's perfect candy. These remarkable watermelons are sweet, succulent and, most importantly, nutritious and fat free. The truth is, Mr. President, that our farmers are too often the forgotten workers in our country. Through their dedication and commitment, our Nation is able to enjoy a wonderful selection of fresh fruit, vegetables and other foods. In fact, our agricultural system is the envy of the world.

South Carolina farmers lead the way in the production of watermelons. For example, my State was a leader in the development of black plastic and irrigation to expand the watermelon growing season. By covering the earth in the spring with black plastic, farmers are able to speed up the melons' growth by raising soil temperatures. In addition, the plastic allows farmers to shut out much of the visible light, which inhibits weed growth. In addition, I am pleased to note that the scientists at the USDA Vegetable Laboratory in my hometown of Charleston continue to strive to find even more efficient and effective ways to produce one of our State's most popular fruits.

Therefore, as Congressmen and their staffs feast on watermelons this week,

I hope they all will remember the folks in South Carolina who made this endeavor possible: Jim Williams of Williams Farms in Lodge; Les Tindal, our State agriculture commissioner; Martin Eubanks and Minta Wade of the South Carolina Department of Agriculture; Randy Cockrell and the members of the South Carolina Watermelon Association; and finally, Bennie Hughes and the South Carolina Watermelon Board in Columbia. They all have worked extremely hard to ensure that Congressmen can get a taste of South Carolina.

So, I hope everyone in our Nation's Capital will be smiling as they enjoy the pleasure of a South Carolina watermelon.●

NATO ENLARGEMENT AT THE SUMMIT OF THE EIGHT

● Mr. D'AMATO. Mr. President, I rise today to call to my colleagues' attention a column by Jim Hoagland of the Washington Post that was published in today's edition on page A19. This column is entitled "Diktat' From Washington," and discusses what happened after the announcement that the United States would support only the admission of Poland, the Czech Republic, and Hungary into NATO.

As Chairman of the Commission on Security and Cooperation in Europe, better known as the Helsinki Commission, I held a series of hearings on human rights and NATO enlargement, and last week released a Commission report assessing the readiness of candidate states to join the Alliance, based upon our evaluation of their human rights compliance. In the course of these hearings, I expressed my support for the inclusion of Lithuania, Latvia, Estonia, Poland, Hungary, the Czech Republic, Slovenia, and Romania in the first round of NATO expansion.

Now, Mr. Hoagland has recounted how the U.S. policy choice was conveyed to our allies and how they received it, both before and at the Summit of the Eight, just concluded in Denver. I commend this account to my colleagues and suggest that they consider what Hoagland calls the creation of at least a temporary line dividing nations that suffered equally under Soviet rule, and its probable consequences in central and eastern Europe.

While I do not believe that equality of suffering is the standard by which candidate NATO members should be judged, I am afraid that omitting Slovenia, Romania, and the Baltic states could cause future problems that could be avoided if we admitted them now. I will have more to say on this subject as we approach the Madrid Summit.

Mr. President, I ask that the aforementioned Jim Hoagland column be printed in the RECORD.

The column follows:

[From the Washington Post, June 25, 1997]

DIKTAT FROM WASHINGTON

(By Jim Hoagland)

NEW YORK—The devil that always lurks in the details of cosmic feats of diplomacy has suddenly emerged to jab President Clinton's plans for NATO expansion with several sharp pitchforks.

The pitchforks will not derail the administration's rush for expansion of the Atlantic alliance. But they could tarnish an event Clinton had confidently expected to be a crown jewel in his presidential legacy—the NATO summit in Madrid two weeks away.

That meeting now will be approached without great enthusiasm by many of America's European allies, who are disturbed by what some see as an American attempt to "dictate" to them who will be admitted as new members of the alliance.

France and a half-dozen other countries will continue to press at the Madrid summit to add Romania and Slovenia to the list of approved candidates, French President Jacques Chirac told Clinton in Denver last weekend during the Summit of the Eight, according to a senior French official aware of the contents of the conversation.

The French do not expect to shake America's insistence that only the Czech Republic, Hungary and Poland will be issued invitations at Madrid on July 7. All 16 members accept those three candidates; nine of the 16 favor expanding expansion to five.

But Chirac's remarks represent a rebuff for an American attempt to shut off debate on the numbers game. Deputy Secretary of State Strobe Talbott convoked the ambassadors from NATO states on June 12 and delivered what diplomats from three of America's closest allies described to me later as a "Diktat" that stunned them. The normally elegantly mannered Talbott's demand for silence would have done justice to Ring Lardner's great line: "Shut up," he explained.

The tone between Clinton and Chirac in Denver was far more cordial, but their failure to agree was clear: "Each one spoke as if disappointed that he had not been able to convince the other of a very good argument," a French official said.

The Clintonites feel they minimize the initial problems of expansion by sticking to three clearly qualified candidates. Chirac argues that rejection of Romania is unfair, immoral and certain to further destabilize NATO's troubled southern flank.

The bilateral French-U.S. meeting at the economic summit also failed, as expected, to resolve differences between Paris and Washington on internal NATO command arrangements. This means that the original U.S. hope that France would formally rejoin NATO's military command at the Madrid gathering and make it an even more glittering celebration has to be abandoned.

A third maximum U.S. goal got hooked by gremlins at Denver when President Boris Yeltsin made it clear that Russia would not treat the Madrid summit as a high-level celebration of unity and harmony.

Yeltsin curtly rejected a suggestion that he attend the gathering, saying pointedly that he would send his ambassador in Madrid instead. Later he was inveigled to upgrade Russia's representation to a deputy prime minister.

Chirac, who worked hard to persuade Washington not to back Yeltsin into a corner on NATO expansion, finds Yeltsin much more at ease now that NATO and Moscow have signed an agreement establishing a NATO-Russia Council. Russian participation in the Denver summit provided Yeltsin with good arguments to use to explain NATO expansion to the Russian public, Chirac believes.

Yeltsin, Chirac and other Europeans seem to fear that the Clintonites will attempt to turn Madrid into an event that combines holding a beauty contest for potential members and a crowning of the American president as king of NATO.

The Czechs, Poles and Hungarians could hardly be blamed for using Madrid and its invitation to NATO as a seal of approval by the world's most important capitalist powers. They will advertise their NATO-approved stability to potential investors considering putting money into investment-hungry Central and Eastern Europe, widening the gap between them and Romania, Bulgaria, et al.

That situation draws at least a temporary line dividing nations that suffered equally under Soviet rule. But the administration is unwilling to discuss publicly and frankly the consequences of that line-drawing. Nor does it squarely address the existential questions that its vague promises of future NATO expansion raise for the Baltics, Ukraine and other former Soviet republics want into the organization.

Those questions will be forced on the administration in the U.S. Senate when it comes time to amend the alliance treaty and discuss U.S. responsibilities in Europe. Madrid, with all its devilish but surmountable details, is the beginning of a grand debate, not the end.●

ECONOMISTS ENDORSE RAISING TOBACCO TAXES TO CURB YOUTH SMOKING

● Mr. KENNEDY. Mr. President, as Congress considers an increase in the Federal cigarette tax in the budget reconciliation bill, I urge my colleagues to read an excellent article by economists Michael Grossman and Frank J. Chaloupka, both of whom have written extensively on the impact of tobacco taxes on teenage smoking.

The article is entitled "Cigarette Taxes: The Straw to Break the Camel's Back," and is published in the July/August 1997 edition of *Public Health Reports*. It finds that raising tobacco taxes would be a powerful weapon against youth smoking, since children have less income to spend on cigarettes than adults. According to Grossman and Chaloupka, the 43 cents per pack cigarette tax increase in the legislation that Senator HATCH and I introduced earlier this year would reduce teenage smoking by 16 percent, saving the lives of over 830,000 children. In addition, the proceeds from the tobacco tax increase would be used to provide health insurance for millions of American children who are uninsured today.

It's time for Congress to say "no" to Joe Camel, the Marlboro Man, and the tobacco lobby, and say "yes" to the Nation's children. I ask that the *Public Health Reports* article be printed in the RECORD.

The article follows:

[From the *Public Health Reports*, July/August 1997]

CIGARETTE TAXES: THE STRAW TO BREAK THE CAMEL'S BACK

(By Michael Grossman, Ph.D. and Frank J. Chaloupka, Ph.D.)

SYNOPSIS

Teenage cigarette smoking is sensitive to the price of cigarettes. The most recent re-

search suggests that a 10% increase in price would reduce the number of teenagers who smoke by 7%. If the proposed 43-cent hike in the Federal excise tax rate on cigarettes contained in the Hatch-Kennedy Bill were enacted, the number of teenage smokers would fall by approximately 16%. This translates into more than 2.6 million fewer smokers and more than 850,000 fewer smoking related premature deaths in the current cohort of 0 to 17-year-olds. Adjusted for inflation, the current 24-cent-a-pack tax costs the buyer about half of the original cigarette tax of 8 cents imposed in 1951. A substantial tax hike would curb youth smoking; this strategy should move to the forefront of the antismoking campaign.

These are not good times for the U.S. cigarette industry. For decades, policy makers and consumer activists have unsuccessfully attempted to rein in the tobacco industry. Now, new legal strategies are bearing fruit, more stringent regulations regarding the marketing and sales of cigarettes are being implemented, and a bill to significantly increase cigarette taxes has been put before the Senate. A large cigarette tax complements the gains made on other fronts by making cigarettes less desirable to teenagers, the next generation of addicts.

Numerous studies have shown that roughly 90% of smokers begin the habit as teenagers. Each day, approximately 6000 youths try a cigarette for the first time, and about half of them become daily smokers. Among people who have ever smoked daily, 82% began smoking before age 18. Thus, cigarette control policies that discourage smoking by teenagers may be the most effective way of achieving long-run reductions in smoking in all segments of the population.

The upward trend in teenage smoking in the 1990s is alarming to public health advocates. Between 1993 and 1996 the number of high school seniors who smoke grew by 14%. At the same time the number of tenth grade smokers rose by 23%, and the number of eighth grade smokers rose by 26%.

The FDA regulations approach the problem of youth smoking by curtailing access to cigarettes and attempting to reduce the appeal of cigarettes by putting limits on cigarette advertising. Increased taxation, which results in higher prices, is another means to accomplish the goal of discouraging young people from smoking. Unfortunately, increases in the Federal excise tax rate on cigarettes have not been motivated by a desire to curtail smoking. The purpose of each of the three tax increases since 1951 was to raise tax revenue or reduce the Federal deficit rather than to discourage smoking. The tax was fixed at 8 cents per pack between November 1, 1951, and the end of 1982. It rose to 16 cents per pack effective January 1, 1983, as part of the Tax Equity and Fiscal Responsibility Act of 1982. The tax was increased further to 20 cents per pack effective January 1, 1991, and to 24-cents per pack effective January 1, 1992, part of the Omnibus Budget Reconciliation Act of 1990. But if the tax had simply been adjusted for inflation each year since 1951, it would be 47 cents per pack today; therefore, in effect today tax is much lower than the 1951.

A 43-cent tax hike is proposed in a bill introduced by Senators Orrin G. Hatch and Edward M. Kennedy in this Congress. As with past tax increases, the primary focus is not to discourage teenage smoking. The goal of the tax increase in the Hatch-Kennedy Bill is to finance health insurance for low-income children who are currently uninsured. Two-thirds of the estimated annual \$6 billion increase in tax revenue would be allocated for grants to the states to provide health insurance for children below the age of 15 whose low-income working parents do not qualify

for Medicaid. The remaining one-third would be applied to reducing the Federal deficit.

The industry has known and public health advocates have come to realize, however, that an increase in the cigarette tax can influence the behavior of smokers. The American Cancer Society, the Robert Wood Johnson Foundation, and other members of the antismoking lobby are supporting a proposal to raise state cigarette tax rates to a uniform 32 per pack nationwide in the next few years, from the current range of 2.5 cents in Virginia to 92.5 cents in Washington State. According to John D. Giglio, manager of tobacco control advocacy for the American Cancer Society: Raising tobacco taxes is our number one strategy to damage the tobacco industry. The . . . industry has found ways around everything else we have done, but they can't repeal the laws of economics.

The cigarette industry's recognition of the potency of excise tax hikes as a tool to discourage teenage smoking is reflected in a September 1991 Philip Morris internal memorandum written by Myron Johnson, a company economist, to his boss, Harry G. Daniel, manager of research on smoking by teenagers. The memo was written in reaction to a Natural Bureau of Economic Research (NBER) report authored by Michael Grossman, Eugene M. Lewit, and Douglas Coate, which was later published in the *Journal of Law and Economics*. In the memo Johnson wrote: "Because of the quality of the work, the prestige (and objectivity) of the NBER, and the fact that the excise tax on cigarettes has not changed in nearly 30 years we need to take seriously their statement that . . . if future reductions in youth smoking are desired, an increase in the Federal excise tax is a potent policy to accomplish this goal. (Grossman et al.) calculate that . . . a 10% increase in the price of cigarettes would lead to a decline of 12% in the number of teenagers who would otherwise smoke."

WHY TAXES WORK

There are strong logical reasons for expecting teenagers to be more responsive to the price of cigarettes than adults. First, the proportion of disposable income that a youthful smoker spends on cigarettes is likely to exceed the corresponding proportion of an adult smoker's income. Second, peer pressure effects are much more important in the case of youth smoking than in the case of adult smoking. Interestingly, peer pressure has a positive multiplying effect when applied to teenage smokers: a rise in price curtails youth consumption directly and then again indirectly through its impact on peer consumption (if fewer teenagers are smoking, fewer other teenagers will want to emulate them). Third, young people have a greater tendency than adults to discount the future.

The "full" price to an individual of a harmful smoking addiction is the price of cigarettes plus the monetary and emotional costs to the individual of future adverse health effects. The importance and value placed on these future health effects varies among individuals and especially with age. Becker, Grossman, and Murphy have shown that young people are more responsive to the price of cigarettes than adults because they give little weight to the future, while adults are more sensitive to perceived or known future consequences. Young people may underestimate the health hazards of and the likelihood that initiation of this behavior leads to long-term dependency. And, even when fully informed, teenagers have a tendency to give a great deal of weight to present satisfaction and very little weight to the future consequences of their actions.

Becker and Mulligan argue that children become more future oriented as the result of