

STEEL IMPORT LIMITATIONS

Mr. SPECTER. Madam President, I have sought recognition to speak relatively briefly on the steel import limitation bill; a cloture vote on the motion to proceed is scheduled tomorrow at 12:15. I will be engaged in committee hearings at that time, so I have sought a few minutes this afternoon to express my support to impose cloture on the steel import limitation bill.

Similar legislation passed the House of Representatives by a vote of 289-141. While this is a strong measure, a so-called quota bill, I believe it reflects the necessity that strong action be taken to enforce U.S. trade laws to stop an avalanche of dumping by foreign countries.

We have seen the disintegration of the American steel industry, the decimation of the American steel industry by unfair foreign imports. Twenty years ago, in 1979, approximately 453,000 steelworkers were employed. Today that figure is about 160,000. Some \$50 billion has been invested by the American steel industry to modernize, but there is no way that the American steel industry can compete with dumped goods. When I say "dumped goods" I mean goods which come into the United States from a number of countries—from Russia, from Brazil, from Ukraine, from South Africa, from China—where they are sold for less than they are sold for in the exporting country; that is, sold for less than the United States and sold for less than Russia, which is sending them to the United States, and sold for less than the cost of production.

The situation requires a change. I will quote extensively from a letter sent by 12 executives from American steel companies to the Secretary of Commerce, responding to a comment by the Secretary of Commerce last week that the steel crisis is over—so said Secretary Daley. This letter, dated June 18, 1999, from the executives of 12 American steel companies, says, in pertinent part, the following:

The steel crisis is still very much with us. Imports volumes are down from the disastrous levels of 1998 but are still very high by historic standards. The surge of imports in 1998 caused inventories to balloon to extremely high levels. These inventories have seriously depressed prices up until the present and will continue to do so until these stocks have been worked down. Moreover, cold-rolled imports are up dramatically

through April of this year, 24% above the level of the first four months of last year. Imports of cut-to-length plate are up dramatically—25% year-to-year for this period.

Prices remain extremely depressed. The producer price index for all steel mill products is down 9% (1999:Q2/1998:Q2). This is the largest decline in nearly 20 years. Prices for hot-rolled sheet, cold-rolled sheet and plate are down 11% and 15% respectively.

Operating rates have plunged from 93% to 80% between January and December 1998 and have remained at that depressed level through the first half of 1999. The decline in operating rates equates to about \$2 billion in lost revenue in the second half of last year. On an annualized basis, a 10% change in operating rate equals about \$5 billion in revenue.

The depressed prices and operating rates caused most American steel companies to post losses in the most recent quarter. Several steel companies have been forced into bankruptcy. Thousands of those who were laid off due to unfairly traded imports are still out of work. Many thousands have seen their workweeks shortened and are still not back to full time.

For our industry, therefore, this crisis is very real.

The steel industry started some seven actions for antidumping, and six of those were subjected to suspension agreements by the Department of Commerce, to the detriment of the steel companies.

I ask unanimous consent this chart on steel imports and suspension agreements be printed at the conclusion of my statement.

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

(See Exhibit 1.)

Mr. SPECTER. The result of steel import limitations, so-called quotas, is a drastic remedy. We have seen not only steel but other industries in the United States victimized by the failure to enforce U.S. trade laws.

For the past 15 years, this Senator has proposed legislation which would authorize equitable relief to provide for enforcement of the U.S. trade laws. At the present time, if complaints are filed with the International Trade Commission, it takes up to a year or longer to have those matters resolved. An equitable action, a court of equity, would result in having these matters resolved in the course of a few weeks. Until that is done, it seems to me we need to take some very decisive action.

That is why I have cosponsored the steel import limitation bill. I urge cloture on the motion to proceed be in-

voked when this matter comes up for a vote tomorrow at 12:15.

Mr. DORGAN. Will the Senator yield?

Mr. SPECTER. I yield.

Mr. DORGAN. I intend to support the legislation the Senator just described. The Senator from Pennsylvania described a condition with the steel industry that relates to, among other things, the lack of enforcement of trade laws.

In North Dakota, we don't produce steel. We don't have a foundry that produces a substantial amount of steel. We don't have steelworkers. However, we have farmers in almost exactly the same set of circumstances. At least part of that reason is because of bad trade agreements, or trade agreements that have not been enforced.

A number of Senators, I am sure, will support the initiative tomorrow. I think tomorrow is actually a vote on the motion to proceed. I believe it is important to stand up for our economic interests.

It is not about protectionism; it is about standing up for our country's economic interests and making sure we enforce trade laws. If someone is dumping in our country—whether it is steel or wheat—we ought to expect, as a steel industry or as family farmers, that our Federal Government will take action to enforce our trade laws.

I agree with the statement of the Senator from Pennsylvania. I think a number of Senators, tomorrow, will be in agreement on that basic premise.

I thank the Senator for yielding.

Mr. SPECTER. If I may respond briefly, I thank my colleague from North Dakota for that statement.

I had presented legislation on equitable relief before the Finance Committee. The Senate's colleague, Senator CONRAD, is a member, and he made the same statement about the similarity in wheat.

At lunch today, CONRAD BURNS was talking about similar problems in Montana. I will send a copy of the equitable legislation which I think would cover many products. We will have an overwhelming response in this body so that our trade laws are enforced, consistent with GATT, but put teeth in an enforcement mechanism which is not present today.

I yield the floor.

EXHIBIT 1.—STEEL IMPORTS AND SUSPENSION AGREEMENTS—SUMMARY OF FLAT-ROLLED SUSPENSION AGREEMENTS

Year of filing and product	Country	Final adjusted margins (percent)	By metric tons—		Dollar amount per metric tons—		
			Suspension agreement volumes	Estimated volumes w/ orders	Agreement minimum price	Estimated fair price	Current import value
1996—Plate CTL	China	17 to 129	141,000	0	\$308	\$505	\$397
1996—Plate CTL	Russia	54 to 185	94,000	6,466	\$275 to \$330	505	352
1996—Plate CTL	S. Africa	26 to 51	NA	3,150	NA	505	331
1996—Plate CTL	Ukraine	81 to 238	148,520	32,151	\$314 to \$466	505	516
1998—Hot-Rolled	Russia	71 to 218	750,000	28,933	\$255	397	236
1998—Hot-Rolled	Brazil	51 to 71	295,000	310	NA	397	227

Mr. HELMS addressed the Chair.

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

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2000 AND 2001

The Senate continued with the consideration of the bill.

AMENDMENT NO. 689

Mr. HELMS. Madam President, what is the pending business?

The PRESIDING OFFICER. The pending business is the State Department authorization and the Sarbanes amendment, numbered 689.

Mr. HELMS. That is before modification; is that correct?

The PRESIDING OFFICER. It has not yet been modified.

Mr. HELMS. Let me inquire, is the modification that I understand has been agreed to—do both sides agree to it? I know our side does, but I would not want to do anything against the wish of Senator SARBANES.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 689, AS MODIFIED

Mr. HELMS. Madam President, I send to the desk a modification of amendment No. 689 and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], for Mr. SARBANES, proposes an amendment numbered 689, as modified:

On page 39, line 11, insert after "action" the following: "that includes a suspension of more than five days".

On page 41, line 16, strike "one year" and all that follows through the end of line 22 and insert the following: "two years after the occurrence giving rise to the grievance or, in the case of a grievance with respect to the grievant's rater or reviewer, one year after the date on which the grievant ceased to be subject to rating or review by that person, but in no case less than two years after the occurrence giving rise to the grievance.".

Mr. HELMS. Madam President, the majority leader desires, and I want to accommodate him in this, that this amendment be the rollcalled amendment at 5:30.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Madam President, I ask unanimous consent there be no further amendment to the pending amendment.

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

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DORGAN. 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. HELMS. Madam President, I just discussed this with the Senator. I need to know, if he will advise me, how long he intends to speak at this time.

Mr. DORGAN. Madam President, in response to the Senator from North Carolina, I am going to introduce a bill. That will take about 4 or 5 minutes. Then I want to make a brief statement, perhaps 5 minutes or 7 minutes or so, on the test ban treaty. My intention would be probably no more than 10 or 12 minutes.

Mr. HELMS. Madam President, if the Senator will conclude in 7 minutes, I have no objection at all, but I want to keep the time available for Senators who will talk on the bill.

I have no objection.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. I thank the Chair.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 1252 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DORGAN. Madam President, I appreciate the Senator from North Carolina allowing me to speak. We are on a very important piece of legislation, and he is managing it. These are all very important issues. I wish my colleagues well as they work through their bill in the next day or so.

Madam President, I yield the floor.

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

Mr. HELMS. Madam President, for the record, I will offer a progress report on where we stand on the State Department reauthorization bill.

Since we began last Friday and over the weekend, the staff has worked together with other staff, and as we now stand, there remain just three amendments yet to be offered by Senators WELLSTONE, FEINGOLD, and SARBANES. The Sarbanes amendment is in addition to the one that is scheduled for a vote at 5:30 this afternoon. I encourage all three Senators to utilize this time so we can put this bill to bed and send it over to the House.

I believe the Senator from Minnesota desires some time.

Madam President, how much time does the Senator desire?

Mr. GRAMS. Madam President, 5 minutes.

Mr. HELMS. I yield 5 minutes to the distinguished Senator.

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

Mr. GRAMS. I thank the Chair. Madam President, I thank the chairman for recognizing me.

As the subcommittee chairman with jurisdiction over the State Department authorization bill, I compliment our chairman for all the work he has put into this bill to move it quickly to the floor.

As he said, I hope we can get these amendments addressed and send this bill to the House and hopefully have it signed by the President in the very near future.

I worked closely and diligently with Members on both sides of the aisle and the administration to craft legislation which will strengthen America's leadership role in the international arena. This package enhances the security of our embassies abroad, establishes benchmarks for the payment of U.N. arrears, and prioritizes our international affairs expenditures.

I am pleased this authorization bill contains the provisions of a bill I introduced, the Secure Embassy Construction and Counterterrorism Act of 1999. In the aftermath of the embassy bombings in August of 1998, the State Department Accountability Review Boards chaired by Admiral Crowe concluded that we have devoted inadequate resources and placed too low a priority on security concerns. Those findings echoed those of the Inman Commission, which issued an extensive embassy security report that raised these same points 14 years ago.

We seek to remedy that situation by establishing an Embassy Security and Construction Account so funds designated for embassy security will not be used for other purposes. In addition to authorizing \$600 million a year for the next 5 years, this bill provides security requirements for U.S. diplomatic facilities and requires the Secretary of State to certify that the funds are being used to meet security objectives. It also establishes requirements for threat assessments and also emergency procedures. Working abroad will never be risk free. But we can take a number of measures, like these, to make sure that safety is increased for U.S. Government employees overseas. We can also put forward requirements to ensure we have an effective emergency response network in place to respond to a crisis should one arise.

I am also pleased that the U.N. Secretary General and the administration have endorsed our U.N. reform package which provides \$819 million in arrears and another \$107 million debt relief in exchange for reforms. This is a positive step towards shaping a U.N. that is a viable organization in the 21st century. Because any organization burdened with a bloated bureaucracy and no mechanisms to control spending will collapse under its own weight of inefficiency. We must reform the United Nations now, and the United States has the responsibility to play a major role. If we do nothing, and the United Nations collapses under its own weight in a few decades, then we will have only ourselves to blame.

I believe that the U.N. needs the discipline of actual benchmarks tied to