

America has an opportunity to lead a global effort to strengthen nuclear nonproliferation by ratifying the Comprehensive Test Ban Treaty (CTBT).

This fall, a review conference will meet to discuss ways to bring the CTBT into effect even if it has not been approved by all 44 nuclear-capable nations (i.e., those states with nuclear reactors for research or power). The United States was the first nation to sign the CTBT in September 1996; 151 nations have now followed that lead. The U.S. Senate, however, has refused to consider ratification of the treaty, and only those nations that have ratified it will have a seat at this fall's conference. Approval of the CTBT by the Senate is essential in order for the United States to be in the strongest possible position to press for the early enforcement of this vital agreement. Failure to act will undercut our diplomatic efforts to combat the threat from the proliferation of nuclear weapons.

The president rightly has referred to the CTBT as the "longest-sought, hardest-fought prize in the history of arms control." President Eisenhower was the first American leader to pursue a ban on nuclear testing as a means to curb the nuclear arms race. Today, such a ban would constrain advanced and not-so-advanced nuclear weapons states from developing more sophisticated and dangerous nuclear weapons capabilities.

This is particularly important in South Asia. Last year, both India and Pakistan conducted nuclear tests, threatening a dangerous escalation of their nuclear arms competition. Both countries now have expressed a commitment to adhere to the CTBT this year. U.S. ratification would remove any excuse for inaction on the part of these nations and would strengthen their resolve.

The CTBT also fulfills a commitment made by the nuclear powers in gaining the agreement of 185 nations to extend indefinitely the Nuclear Nonproliferation Treaty in 1995. The NPT remains the cornerstone of the worldwide effort to limit the spread of nuclear weapons and reduce nuclear danger.

We strongly embrace President Reagan's vision of a world free of nuclear weapons. The administration needs to engage Russia on deep reductions in nuclear forces, despite the disruption in our bilateral relations resulting from the crisis in the Balkans. In the meantime, the United States will be able to maintain the safety and reliability of its own stockpile through the Department of Energy's science-based stockpile stewardship program. Our confidence in this program underpins our judgment that there is no technical reason why the CTBT is not the right thing to do.

President Reagan's maxim—trust but verify—is still true today. With the CTBT, the United States will gain new tools to assess compliance with a ban on nuclear testing—including the right to request a short-notice, on-site inspection if we had evidence that a test might have occurred. Combined with the treaty's extensive international monitoring regime and our own intelligence resources, the CTBT is effectively verifiable.

The Senate has an obligation to review expeditiously major treaties and agreements entered into by the Executive so that the world can be sure of America's course. When President Reagan signed the INF Treaty in December 1987, which eliminated an entire class of missiles, hearings in the Senate Foreign Relations Committee began within weeks, and the Senate voted to approve the treaty within six months. In comparison, the CTBT was signed by President Clinton more

than 2½ years ago but still awaits its first hearing.

In May 1961, President Eisenhower said that not achieving a nuclear test ban "would have to be classed as the greatest disappointment of any administration—of any decade—of any time and of any party." Similarly, failure to ratify the CTBT would have to be regarded as the greatest disappointment of any Senate, of any time, of any party. We urge the Senate to ratify the CTBT now.

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WHY I OPPOSE THE STEEL QUOTA BILL

Mr. GRASSLEY. Mr. President, I rise today in strong opposition to both cloture on the steel quota bill, and to the bill itself.

I oppose this dangerous and misguided legislation for three reasons.

First, the steel quota bill is really a phony bill of goods. It does not do what it promises. It will not restore the vitality of troubled elements of the U.S. steel industry. That's because foreign imports have little to do with the problems facing the American steel industry.

Why? Because the American steel industry is much more efficient than at almost any time in our past history. Fewer steel workers are producing more steel today than they were 10 years ago. In 1987, when the domestic industry produced 77 million short tons, 163,000 workers were employed in the steel industry. In 1997, 10 years later, when the domestic industry produced 106 million tons, employment was 112,000 workers. During that 10 year span, our steel mills made 29 million more tons with 51,000 fewer workers.

Using the logic behind this quota legislation, the more efficient our steel industry becomes, the more it requires protection from foreign imports. But in fact, the opposite is true. The more protection an industry gets, the more inefficient it becomes. That is not good for our economy, or for American consumers. During the next few years, we may see steel employment fall even further, perhaps by as much of 5,000 workers per year, as inefficient integrated mills are closed. New, more efficient minimills will take up any slack. All of this will happen whether or not steel quotas are imposed.

Who will really benefit from the quota bill?

According to the Institute For International Economics, one of this country's most distinguished and highly regarded think tanks, few steel workers will benefit. But steel importers and profitable, efficient steel makers will win big.

The Institute's report states:

The annual costs to American households for each steel job saved would exceed

\$800,000. But steel workers would receive less than 20 percent of this huge sum; lucky firms would collect more than 80 percent of the jackpot. . . . Quotas will enrich lucky steel importers (often those with the best political connections) and efficient steel producers (they are doing well enough already—11 of the 13 largest mills earned more than \$1 billion in 1998). . . .

The United States Senate should not help enrich a few lucky importers. It should not give windfalls to companies earning a billion dollars a year.

I have the deepest concern for any American who loses his or her job for any reason. It is a terrible, wrenching thing to lose a job. It affects families as well as communities. We must help where we can, through programs like trade adjustment assistance, that help displaced workers through job retraining and placement assistance. But the one thing we must not do is react in haste, in a way that will kill far more jobs than it will ever save, and in a way that will reward healthy companies with windfall profits.

The second reason I oppose the steel quota bill is that it flat-out violates our WTO international trade obligations.

There are some who claim this is not the case. But, I want to read the exact words of Article 11 of the GATT. This rule is part of the WTO rules that we and 133 other nations are committed to observe:

No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

We helped write that law. We demand that our trading partners observe it. We defend it when other countries try to keep our goods out of their markets. And most of the time, we win these cases.

Now, I'm not a lawyer. Maybe that's my problem. Perhaps I'm not clever enough to figure out where Article 11 says that quotas are OK. It seems pretty clear to me. It says that you can't have restrictions other than duties, taxes, or other charges. But Article 11 goes even farther than banning quotas. It says that you can't have any type of government measure that leads to the imposition of a quota.

One important panel decision, the GATT panel on Semiconductors, affirmed this broad interpretation in 1988. It said that Article 11, unlike other GATT provisions, does not refer solely to laws or regulations. It has an even broader application, and refers to all "measures" that restrict exports.

There are some exceptions to Article 11's broad ban on any measures restricting exports. But the most relevant of these exceptions, the so-called

Safeguard exception, does not apply because there is no proof that our domestic steel industry has suffered serious injury from import competition. Moreover, safeguard actions usually involve imposing increased customs duties, rather than quotas. Yes, there has been illegal dumping of steel by some countries into the United States. But the surge of that dumped steel has largely been stopped. And even during the highest point last year of the so-called steel crisis, 11 of the 13 largest steel mills were profitable, earning collective profits of more than \$1 billion. So much for serious injury.

The final reason I oppose the quote bill—and the most important reason—is that it will invite retaliation and perhaps spark a trade war that no one would win, and in which everyone would lose.

We are approaching the 69th anniversary of the Hawley-Smoot Tariff Act of 1930. This legislation, which was enacted in July 1930, was one of the major mistakes of the Hoover Administration and the Seventy-first Congress.

The Hawley-Smoot Tariff Act also started out with good intentions. Its aim was to help the American farmer with a limited, upward revision of tariffs on foreign produce. But it had the opposite result. It strangled foreign trade. It deepened and widened the severity of the Depression. Other countries faced with a deficit of exports to pay for their imports responded by applying quotas and embargoes on American goods.

I went back to the historical record to see what happened to United States agricultural exports when other countries stopped buying our agricultural products after we enacted that tariff. I was shocked by the depth and the severity of the retaliation.

In 1930, the United States exported just over \$1 billion worth of agricultural goods. By 1932, that amount had been cut almost in half, to \$589 million. Barley exports dropped by half. So did exports of soybean oil. Pork exports fell 15 percent. Almost every American export sector was hit by foreign retaliation, but particularly agriculture. As United States agricultural exports fell in the face of foreign retaliation, farm prices fell sharply, weakening the solvency of many rural banks. Their weakened condition undermined depositor confidence, leading to depositor runs, bank failures, and ultimately, a contraction in the money supply.

Farm prices for many agricultural products are already at rock-bottom levels. Can we in good conscience put so much of our economy at risk?

In 1998 the United States exported agricultural products worth more than \$53 billion dollars, accounting for one-third of America's total agricultural production, and nearly one million jobs. Agriculture is perhaps the most vulnerable sector of our economy to

foreign retaliation, and our trading partners know it.

If you think the Depression is ancient history, and that retaliation against agriculture is a thing of the past, just look at our recent history.

In 1995, when the United States threatened to impose 100% tariffs on imports of Japanese luxury cars, Japan appealed the case to the WTO and stated that it might retaliate imposing duties on U.S. exports of agriculture products.

In 1983, China temporarily stopped buying U.S. wheat in retaliation for the Reagan Administration's unilateral imposition of quotas on its textile and apparel exports after negotiations to renew a bilateral agreement under the Multi-Fiber Arrangement broke down.

In 1985, the European Community raised tariffs on U.S. lemons and walnuts in response to U.S. retaliation against subsidized EC pasta exports.

Even though we have made vast progress in managing our trade relationships since the passage of the Hawley-Smoot Tariff Act, in many ways the world is still just one trade war away from a global economic crisis.

In 1930, 1,000 of the nation's leading economists signed a letter urging the President and the Congress to not enact the infamous legislation we now know as the Smoot-Hawley Tariff. They were ignored. Politics carried the day. American paid a steep price. Let us not repeat the mistakes of the Seventy-first Congress. The quota bill is bad trade policy. It is bad for agriculture. It is bad for America.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, June 18, 1999, the Federal debt stood at \$5,586,894,742,812.97 (Five trillion, five hundred eighty-six billion, eight hundred ninety-four million, seven hundred forty-two thousand, eight hundred twelve dollars and ninety-seven cents).

One year ago, June 18, 1998, the Federal debt stood at \$5,493,496,000,000 (Five trillion, four hundred ninety-three billion, four hundred ninety-six million).

Fifteen years ago, June 18, 1984, the Federal debt stood at \$1,518,979,000,000 (One trillion, five hundred eighteen billion, nine hundred seventy-nine million).

Twenty-five years ago, June 18, 1974, the Federal debt stood at \$472,871,000,000 (Four hundred seventy-two billion, eight hundred seventy-one million) which reflects a debt increase of more than \$5 trillion—\$5,114,023,742,812.97 (Five trillion, one hundred fourteen billion, twenty-three million, seven hundred forty-two thousand, eight hundred twelve dollars and ninety-seven cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3827. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Closure to Directed Fishing for Pollock in Statistical Area 630 in the Gulf of Alaska", received June 16, 1999; to the Committee on Commerce, Science, and Transportation.

EC-3828. A communication from the Assistant Administrator for Weather Services, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Request for Proposals (for the Collaborative Science, Technology, and Applied Research {CSTAR} Program)", received June 16, 1999; to the Committee on Commerce, Science, and Transportation.

EC-3829. A communication from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "Pension Benefits" (RIN2900-AJ50), received June 17, 1999; to the Committee on Veterans' Affairs.

EC-3830. A communication from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "Direct Service Connection (Post-traumatic Stress Disorder)" (RIN2900-AI97), received June 17, 1999; to the Committee on Veterans' Affairs.

EC-3831. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation to amend the Packers and Stockyards Act of 1921; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3832. A communication from the Chairman, Farm Credit System Insurance Corporation, transmitting, pursuant to law, the annual report for calendar year 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3833. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Hydrogen Peroxide; Exemption from the Requirement of a Tolerance" (FRL #6083-9), received June 17, 1999; to the Committee on Agriculture, Nutrition, and Forestry.