

They have a provision in their bill. I must say, it is amusing to me, but it says it is a lockbox unless we say we are for reform, and in the name of reform we can unlock the box, including privatizing Social Security. They have that in their bill. They want to be able to privatize Social Security, and they want to be able to ensure that, even if they have now voted for a lockbox, in the name of reform they can unlock it just by saying: We want to offer a reform amendment, and we will so unlock the box.

I am puzzled by the admonitions of our colleagues. I am sorry the Senator from Wyoming is no longer on the floor, because I really hope we can set the RECORD clear. Democrats want to vote on a lockbox. But we want that lockbox to mean something. We want it to include Medicare, and we want the right to offer amendments to do just that.

That is what this debate is about. There is a difference on a cloture vote between ending a filibuster and denying Senators the right to offer amendments.

We will continue to fight for our rights, regardless of the issue and regardless of how much concern it may bring to some of those on the other side who seem to be determined to lock us out.

I know the distinguished Senator from West Virginia is here. He is anxious to begin the debate on a very important bill.

I am hopeful we can pass this legislation today.

I yield the floor.

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#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

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#### KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 1664, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, this measure is not at the moment covered by any time agreement, is it?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair.

Mr. President, this is an appropriations bill. I believe Mr. STEVENS at

some point in the afternoon will be on the floor to manage the bill. Mr. DOMENICI, who is very deeply involved in this bill as well, and who is on the Appropriations Committee, will be on the floor and will, as between himself and Mr. STEVENS, manage the bill. I am not managing the bill, but until one of those Senators comes to the floor, I have a few things I can say about it.

First, I thank the majority leader for making it possible for us to take up this bill at this time. I also thank the minority leader for his cooperation in that regard.

I thank the majority leader for keeping his word with respect to calling up this matter. I will have possibly a little more to say about that later, so I will explain what I mean in having said that.

I thank Mr. STEVENS, who was chairman of the Senate side of the conference, which occurred on the emergency supplemental appropriations bill a few weeks ago. I thank the House chairman of the conference, Mr. BILL YOUNG of Florida, for his many courtesies that were extended upon that occasion, and for his fairness in conducting the conference, and for his cooperation in helping to work out a way in which we could at that point let the emergency supplemental appropriations conference report be on its way and be sent back to the House and Senate for the final consideration of both of those Houses. I thank him for his efforts in bringing about an agreement whereby that emergency supplemental appropriations bill was let loose—if I may use that term—from the chains which at the moment had it locked in an impasse in conference.

The provision in this bill, which is before the Senate, and in which I am very interested, is what we refer to as the "steel loan guarantee provision." There is a similar provision which Mr. DOMENICI was able to include in the bill, and it is similar to the steel loan guarantee except that it has to do with oil and gas. It provides a loan guarantee program for the oil and gas industry. He will more carefully and thoroughly explain that part of the bill later on.

Both of these provisions had been included in the emergency supplemental appropriations bill. Both of these provisions were in the emergency supplemental appropriations bill when it passed the Senate. Senators had an opportunity, when the emergency supplemental appropriations bill was before the Senate, to offer amendments to the steel loan guarantee language and to the oil and gasoline guarantee language. Senators had that opportunity.

No amendments were offered to those provisions when that bill was before the Senate. Those provisions were put into that bill when that appropriations bill, the emergency supplemental appropriations bill, was marked up in the

Senate Appropriations Committee. Therefore, those provisions, as I have already said, were included in the bill when it reached the floor, when it came before the Senate. The Senate passed the bill. No amendments were offered to those provisions at that time.

That bill went to conference with the House in due course. It was a period of several weeks before the House-Senate conference took place on that bill. When the conference did occur, these two provisions—the steel loan guarantee provision and the oil and gasoline guarantee provision—were gradually put off until the very end of the conference.

The conference on that bill lasted for several hours over a period of 3 or 4 days. But it was the wish of both Chairman YOUNG and the chairman of the Senate conferees, Chairman STEVENS, to delay consideration of those two parts of the bill until other matters in the bill, other differences between the two Houses, had been resolved. As a consequence, as I say, it was toward the very end that we finally got around to those two provisions, the loan guarantee provisions.

In the conference, a vote occurred on the steel loan guarantee provision late one evening. I think the vote really occurred after midnight, so it was 12:30 or 1 o'clock in the morning of the next day that we finally voted on the steel loan guarantee provision, which had been written in the Senate Appropriations Committee, which had come before the Senate, which had been adopted by the Senate.

When that vote occurred, all of the Democratic conferees on the House side voted to accept the steel loan guarantee provision which was in the Senate bill; three of the Republican House conferees voted to accept the steel loan guarantee provision. So by a vote, I believe, of 13-10, the conference adopted the steel loan guarantee provision.

The next day when the conferees met, a motion was made to reconsider the vote that had occurred the previous late evening and the motion to reconsider carried. Two of the Republican House Members of the conference switched their votes from the previous position of supporting the steel loan guarantee to their new position of opposing that guarantee. As a consequence, my steel loan guarantee provision lost, I think, by a vote of 12-11. It lost by one vote.

An impasse prevailed. Senator DOMENICI's oil and gas loan guarantee provision had been rejected by the House conferees; on the second vote, the steel loan guarantee provision, which I had authored, was rejected by the House conferees. There was an impasse. The House conferees wouldn't give and the Senate conferees wouldn't give.

Therefore, rather than see the emergency supplemental appropriations bill

die in conference, I suggested we have a recess and try to work out an agreement whereby we could find a way to let that emergency supplemental appropriations bill fly with its wings out of the conference, go to the President's desk. In that bill, there were appropriations for the military in Kosovo, there was a pay increase for the military, and there were various and sundry disaster relief provisions which were intended to help people in South and Central America and in the United States, as well—American farmers and so on. It was certainly not my desire to kill that bill; it was not my desire to delay.

I said: Let's have a recess, Mr. Chairmen—addressing my remarks to the two chairmen—let's have a recess and see if we can't work things out.

We had a recess and met down below, on the next floor of this Chamber, where we stand now. I met in the Appropriations Committee room with the House chairman, Mr. YOUNG, the Senate chairman, Mr. STEVENS, being present, along with the House minority, the ranking member of the House Appropriations Committee, Mr. OBEY, being present, and with the Senate minority or ranking member of the Senate Appropriations Committee, myself, being present, together with a couple of other House Members representing the majority and the minority and a couple of other Senate Members representing the majority.

It was there that we agreed to take our hands off the emergency supplemental appropriations bill and let it go to the President and be signed. We wanted a commitment that these two provisions which had worked their way through the legislative process, coming before the Senate, going to conference, be given a chance to pass and become law aside from the emergency appropriations supplemental.

I talked with our majority leader, Mr. LOTT, and our minority leader, Mr. DASCHLE. They both agreed that it was very important to let the emergency supplemental appropriations bill be on its way and that they would help me and Mr. DOMENICI soon get a free-standing appropriations bill up before the Senate which would have in it the steel loan guarantee provision and the oil and gas loan guarantee provision.

With that assurance from the two leaders here, I proceeded to ask Mr. YOUNG, the chairman of the House conferees, if he and Mr. OBEY and Mr. CALLAHAN, a Republican member of the House conference, could proceed to talk with the Speaker of the House and get a commitment out of the Speaker that would let us deal with a free-standing appropriations bill that would give these two provisions I referred to a chance for consideration in both Houses, and hopefully for passage in both Houses.

The Speaker committed himself to calling up the bill within 1 week if it

came over from the Senate; committed himself, secondly, to appointing conferees in the normal fashion so that there would not be stacked conferees; committed himself, thirdly, to having a vote on a conference report on the measure promptly.

With those commitments, we let the emergency supplemental appropriations bill fly on its way to the White House and the Oval Office where it was signed into law.

Now came the time for the leadership and the Senate to keep its commitment. It did. That is what I was referring to when I thanked the majority leader a few minutes ago for having kept his word. He and Mr. DASCHLE kept their word. Of course, as we all know, the main responsibility and power rests with the majority leader in the Senate in things of this kind. Mr. LOTT arranged for us to call up this bill, have this bill before the Senate now. Cloture was invoked on it last Friday by an overwhelming majority, 71-28, on the motion to proceed. The motion to proceed was then adopted by voice vote. So the bill is before the Senate this afternoon.

I see my good colleague, Mr. DOMENICI, is on the floor, ready to proceed. Let me just add one or two things.

Having made the explanation here as to where we are, how we came to be here, let me say that because of the circumstances which have been obtained from the beginning and which I have outlined and which resulted in the two provisions in this bill having already been before the Senate, having passed the Senate, without amendment in the Senate, I would hope there would be no amendments to this bill by the Senate today.

The Senate has already had its chance to make a run at these two provisions. Senators have already had their chances to offer amendments to these two provisions when they were before the Senate in the emergency supplemental appropriations bill. Now the majority leader has carried out his commitment of helping to get the bill up. The minority leader has carried out his commitment. I hope we will have the support of the two leaders, but they have carried out the spirit of their original commitment.

Now the commitment by the Speaker remains. But he didn't make a commitment to this bill if it is loaded down with a lot of amendments when it goes back over there. He did not make any commitment on that score. Whatever we put into this bill, whether it be non-germane or germane, he made no commitment on that kind of thing. He made a commitment with respect to these two provisions, the steel loan guarantee and the oil and gas loan guarantee.

I want the Speaker to keep his commitment, but I want him to be able to keep his commitment. I don't want us

to load this bill down with non-germane amendments and send them back over there. We can't expect the Speaker to keep his commitment on that kind of thing, because he didn't make any such commitment. He only made a commitment with respect to these two provisions. That is not saying that the two provisions cannot be improved. Perhaps they can be. And I may support an improvement. I think, if they were improved upon, the Speaker would, I have a feeling—I haven't talked with him—would still feel that came within his commitment. But we can't bring in an amendment by every Tom, Dick, and Harry and add it and let it run the gamut of whatever the subject matter may be, non-germane, and expect the Speaker to take this bill up within 3 days, or whatever it was, promptly after it goes over there.

So help us to help the Speaker to keep his commitment. I urge all Senators to be conscious of the facts as I have attempted to state them and see that we have an obligation. I think the Senate has an obligation, having passed these two provisions once, and in the face of losing my grip on the emergency supplemental appropriation bill. I had that bill in these two fists, and so did Mr. DOMENICI. We didn't want to kill that bill. But we let that bill go, as we should have done. After all, we are all interested, first of all, in our country, and we want to see legislation passed that is in the best interests of our country. Senator DOMENICI and Senator STEVENS and I, and other Senators on the conference, came to that conclusion. We did the right thing.

Now I think Senators have some obligation. I understand their rights. Senators have a right to offer any amendments they want. There is no rule of germaneness in the Senate with respect to circumstances as they prevail at this moment. But it seems to me there is an unwritten obligation on the part of Senators to play fair, and to play fair here is to let our provisions be debated, and if they can be improved upon, fine. But let's not muddy the waters by offering amendments that are not germane, because when we do that, as I say, we can't expect the Speaker just to take anything we send over there and let his commitment earlier govern his actions.

I think that is about all I have to say at the moment. I will have more to say on the steel loan guarantee provision later. Mr. DOMENICI, as I have already indicated, can far better explain the somewhat similar loan guarantee on the oil and gas provision.

I do have a luncheon I am supposed to attend. I am supposed to speak there now. I have discussed this with my friend, Senator DOMENICI has indicated that, if he can, he would watch the floor and help me to be away a little while. He has to be away some, too, as does Mr. STEVENS.

Having said that, I thank all Senators for listening. I thank my friend from New Mexico, who is a valiant comrade and colleague and formidable opponent and a very worthwhile and desirable supporter. I prefer to be on his side rather than not. I thank him for all of the courtesies and considerations that he has given to me in this bill, as well as in thousands of other instances in which we have worked together.

Mr. DOMENICI. Mr. President, before the Senator yields, could I have a little exchange so we could make the case that is very important, the case that the Senator just made?

Mr. BYRD. Yes. Yes.

Mr. DOMENICI. The urgent supplemental that passed the Senate, and the supplemental that included the Byrd-Domenici guarantee program, was not a frivolous supplemental.

Mr. BYRD. No.

Mr. DOMENICI. It was a big, powerful, tough supplemental, and urgent.

Mr. BYRD. Right. Exactly.

Mr. DOMENICI. Why? Because the President asked for \$6.5 billion to replenish funds for the Kosovo engagement, which was being taken—by operation of law, nothing illegal about it—from other military needs. That is the way these things happen. The request was: Help us replenish it; give us the money.

Now, the point you have made is, we were in conference over that bill to which the Senate had seen fit to add \$6 billion more for defense because we were so worried about preparedness, operational maintenance, and spare parts. So it was not just \$6.5 billion urgent for defense; it was almost \$12 billion.

Now, what you have said, my friend from West Virginia, you said we had a right, as conferees—and we had support—to say, let's get our part of this decided in this conference. And what would have happened? We could still, perhaps, be locked up in conference and the urgent money would be yet not decided upon, which funding, in fact, has already been signed by the President and is operating to help our military.

Mr. BYRD. Absolutely.

Mr. DOMENICI. We decided, at the request of our chairman, Senator TED STEVENS, to find a way to let that urgent bill go and relinquished our right to bring that back in disagreement, if we wanted, and have some more votes on the issue.

I have done that in my life. The Senator has done it a number of times: OK, we are going back to the bodies again and vote again. They would have had to have voted on our amendment there.

Mr. BYRD. Precisely, they would have.

Mr. DOMENICI. They would under law, under the rules. We said we would give that up, provided—and you stated the proviso. The proviso was that we be

here today, just as we are, with this bill freestanding. We now have it here properly, over long threats for long debates, because the Senate overwhelmingly said: Let's get on with it; even if we don't vote for it, we want to get on with it.

So it's urgent that everybody know it's here again with the Senate already having voted for it.

Mr. BYRD. Yes. Yes.

Mr. DOMENICI. They voted for that bill, with large, large support, which had our amendments on it.

Mr. BYRD. Yes.

Mr. DOMENICI. So the Senate already voted for this.

Mr. BYRD. Yes.

Mr. DOMENICI. Then it is over there in conference. We have a right to keep it there.

Mr. BYRD. Yes.

Mr. DOMENICI. We have a full-blown argument between the House and Senate. We said, no, the defense money is more urgent. That was the national interest.

Mr. BYRD. That is right.

Mr. DOMENICI. So we said, OK, we will do that, but we ought to have a vote someday.

Mr. BYRD. Absolutely.

Mr. DOMENICI. That is why we are here, and that is why you are saying: Why do we have to have so many votes on items that are not germane to this bill? This is completing a job that was started in the Senate and it broke off in the conference in the interest of a bigger problem—to wit, adequate funding of defense—but we had a commitment we would get a vote.

Mr. BYRD. Yes.

Mr. DOMENICI. I am not saying we had a commitment that it would pass. That is our job, with the help of Senators.

Mr. BYRD. No. No.

Mr. DOMENICI. I am not suggesting the leader or anybody said there would be no amendments.

Mr. BYRD. No. No.

Mr. DOMENICI. We are talking about what is next, what is fair, what is the follow-on to what we did, remembering all the time that whatever arguments are made, the Senate voted overwhelmingly to pass the bill.

Mr. BYRD. It did.

Mr. DOMENICI. With these two guarantees in it.

Mr. BYRD. Yes. I yield the floor, but may I say before yielding that the bill that is before the Senate is here through orderly procedures, it having been reported from the Senate Appropriations Committee in due course, and that is where we are now. I thank the distinguished Senator.

Mr. DOMENICI. I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The distinguished Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair. I have sought recognition to support this

bill, because I believe that a real need has been shown for these loan guarantees, certainly for the steel industry, and I believe for the oil and gas industry as well.

Senator BYRD and Senator DOMENICI have outlined the procedures which were followed in the Appropriations Committee, and I was part of that conference. The conference worked one night until past midnight, and this provision was the subject of debate.

Coming in the Senate bill, the House of Representatives accepted it after some substantial consideration, and then, as has been specified, some votes were changed. The Speaker of the House of Representatives was not pleased with this provision. The House of Representatives then changed its position after having agreed to this amendment. Then we were faced with a very difficult problem of a stalemate as to what would happen with the Senate insisting on this provision and the House opposing it. We were faced with the need to get this emergency supplemental appropriations bill to finance the military operations in Kosovo.

The meeting finally eventuated in a very small session in S-128 downstairs where Senator STEVENS was present, Senator BYRD was present, and I was present representing the Senate. There were a few of the House Members. It was a very tough bargaining session.

Senator BYRD finally agreed, in the interest of moving the bill, and we all agreed, to take this particular amendment off in order that the provisions as to financing the military operation in Kosovo could go forward. The arrangement was made that this other legislative vehicle would be available to bring the bill back up for consideration by the Senate.

Senator DOMENICI has just outlined the absence of a commitment on the vote, and I think that is, candidly, a generous position. There is a basis for contending that this amendment should be placed in the same position where it was prior to being taken off the earlier bill. If that is to be so, then this amendment will be agreed to and it will go back as the Senate's position for a conference with the House, with the House having first accepted it and then having rejected it.

Whatever may eventuate in this Chamber today obviously remains to be seen in accordance with our rules.

On the merits, I believe that is a sound proposal. The steel industry has been very hard hit over the past several decades with dumped and subsidized steel coming into the United States. The dumped steel ought not be tolerated. It is against our trade laws. It is against international trade laws. But, the dumping continues in great volume.

That dumping has, in the immediate past, cost the jobs of thousands of steelworkers and caused tremendous

lawsuits to the steel industry, which is a threat not only to the economy and to jobs and to profits, but also a threat to national security.

It is one thing to have dumped steel coming from Russia at the present time where the Russian economic situation leads them to sell at virtually any price to get dollars, but if a national emergency arises, are we going to get steel from Russia?

We have dumped steel from Brazil, from Korea, from Japan, and other countries. In times of national emergency, are we going to rely on those other countries as a source of supply?

The steel industry once had some 500,000 workers and was an enormous industry in the United States. Over a period of time, that number has dwindled down to about a third—less than a third, actually—about 150,000 workers. The steel industry has capitalized with some \$50 billion to be very competitive. But you cannot compete against dumping. You cannot compete against a seller who will sell at any price. That is why the steel industry is in the very serious condition it is today.

Mr. BYRD. Mr. President, will the distinguished Senator yield without—well, I guess the RECORD will have to show an interruption.

Mr. SPECTER. I yield to the Senator from West Virginia for any purpose under any circumstance.

Mr. BYRD. Mr. President, I thank the distinguished Senator. He is always a gentleman.

Mr. SPECTER. I retain my right to the floor. I had a lengthy debate with Senator BYRD about that many years ago when you had to retain your right to the floor. Senator BAYH has been patient, and I am glad to yield unconditionally.

Mr. BYRD. I merely want to thank the distinguished Senator for his support in this matter. He comes from a State and represents people who are very much like my State and my people. He understands the problems of the steel industry and the fact that many steelworkers have been laid off, others have lost their jobs permanently.

I have to leave to be elsewhere for an hour or so. I will not be able to listen to the Senator's speech. That is why I interrupted him, to apologize for not being here to hear his speech, but to thank him for speaking, thank him for his support in this matter, and also to express my exceedingly high regard for him as a Senator, as a gentleman, and as someone who is dedicated, sincere, conscientious, and always courteous and helpful.

Mr. SPECTER. I thank the distinguished Senator from West Virginia for those kind remarks. Our seats are pretty close on the Senate floor as evident if the television picture catches both of us, and I am sure it will. I walk over very frequently to confer with Senator BYRD on constitutional issues. Occa-

sionally, he calls me his attorney general. He just gave a nod in the affirmative—

Mr. BYRD. Absolutely, I admit to that.

Mr. SPECTER. I only got to be a district attorney. Senator BYRD and I have a long, unguarded border with southern Pennsylvania and northern West Virginia. We intend to keep it that way, especially if we can keep the steelworkers employed.

I will be relatively brief, and I know the Senator from Indiana is waiting to speak and the Senator from New Mexico. The Senator from New Mexico has spoken. If I know his practice, he may speak again. There may be some additional occasion.

We have had a very grave time in the steel industry with the loss of jobs. This is a relatively modest proposal. It is a loan guarantee proposal, and the borrowers have to provide collateral. The borrowers have to pay the fees.

I believe this program can be administered in a way that the loan guarantees will not be called into play. That, of course, is a speculative matter. The reality of the situation is, if the companies cannot borrow commercially and have to have a loan guarantee, there is some element of risk. But I believe that is a fair proposition.

The loan guarantee has been structured in a way to provide for collateral; that is, assets will have to be put up by the borrowing companies. Collateral means to fall back on if the borrower defaults; the collateral can be used to satisfy the loan.

The payment of fees is another provision to save the Government of the United States costs. The situation has been recognized by the House of Representatives when it voted in overwhelming numbers, close to 290 votes, in favor of the steel quota bill; less than half of that in opposition.

I have pressed legislation over the years which would provide for an equitable remedy to stop dumped goods from coming into the United States. In the early 1980s I had a legislative proposal to provide for injunctive relief, where the injured party could go into court and get relief within the course of a few weeks instead of many months or even years, which we now have under the procedures of the International Trade Commission. That legislation is pending now. It has been revised to provide for duties instead of injunctive relief to be GATT consistent.

I believe the companion provision here offered by Senator DOMENICI on loan guarantees for the oil and gas industry is solid, especially for the small producers who have had a very difficult time.

Years ago, my father had a used oil field supply business in Russell, KS. It really was a junkyard. At that time I had some experience with the small

producers in the oil patch. I know that they have difficult times, too, and that this loan guarantee program makes sense there as well.

I thank my colleague from Indiana for awaiting my recognition here. I thank the Chair and yield the floor.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Indiana is recognized.

Mr. BAYH. Thank you very much, Mr. President.

I commend my colleague from Pennsylvania for his very persuasive remarks. This is a major industry in both of our States. We both share a commitment to dealing with this issue. So I appreciate your leadership very much, I say to Senator SPECTER.

Mr. President, I rise today in support of the Emergency Steel Loan Guarantee Act. I would like to begin by commending our colleague, Senator BYRD, who had to leave for just a brief period of time for other pressing matters. I commend him for adopting an approach that is not just good for West Virginia, not just good for the steel industry, but good for the Nation.

Senator BYRD's dedication to doing what is right for America, and not just the narrower parochial concerns, was evidenced very clearly in the colloquy we heard between Senator DOMENICI and Senator BYRD in which Senator BYRD was going to accommodate the national interests in allowing a supplemental appropriations bill to go forward at a time our Nation was involved in military action abroad. That is indicative of his lengthy record of national leadership.

As further evidence that the approach favored by Senator BYRD and Senator DOMENICI, and others of my colleagues, is the correct approach, I am pleased to identify several Governors who have written to endorse this legislation. The list will demonstrate that it has broad regional support from the East to the West, from the North to the South. Not only my own Governor of the State of Indiana, but the Governor of Maryland, the Governor of Pennsylvania, the Governor of Illinois, the Governor of West Virginia, the Governor of Iowa, the Governor of Utah, and the Governor of South Carolina have written to express their strong, unequivocal support for taking immediate action to address this very critical situation.

Likewise, I urge that this bill be passed expeditiously and without amendment. We have a crisis on our hands. It is very important that we not get bogged down in other extraneous matters but that we move this legislation forward unencumbered.

I sometimes wonder what citizens think when they view us at our work here. We have prerogatives, of course. We have rights, of course. But it is important at this time, with the situation

in the oil and gas industry, with the situation in the steel industry, that we move this bill forward cleanly and expeditiously and, I for one would hope, without amendment.

I know something about this issue, having served as Governor of my State for 8 years and now in the Senate. Indiana happens to be the largest steel-producing State in the United States of America, producing more tons of steel than any of our 49 sister States. We currently have approximately 30,000 working men and women employed in the steel industry in Indiana. These are good-quality jobs, with high wages, high benefits, the kind of employment around which you can raise and support a family and a decent quality of life.

Many communities in our State, particularly in northwest Indiana, are dependent upon the health and vigor of this industry for their very livelihoods. The last 20 years or so have not always been good times for the steel industry across our State or across our country. In my State alone, over the last 20 years we have seen tens of thousands of jobs disappear. Our market share has shrunk. Perhaps some of this was inevitable, but perhaps some was not.

There was a point in time when the industry had to acknowledge its fair share of the blame for the state of affairs. They perhaps had been too complacent, had not made the investment in the latest technology and equipment to be world-class competitive. But those days and those arguments no longer apply.

This industry and the workers who labor within it have invested hundreds of millions of dollars, billions of dollars, in the very latest kinds of equipment, the latest technology. If you tour the steel mills across our State, and elsewhere, they are state of the art, world class, world competitive. We are in a position today where we can produce steel of the highest quality, at an internationally competitive price, if it is fair competition.

But, as we all know, since last year the competition has been anything but fair. Given the collapse of currencies across Southeast Asia, many of those countries were desperate—desperate to export their steel and to gain hard currency under any terms, in any circumstances. A flood of illegal—and I stress “illegal”—imports began to come across our shores.

Just this week, our Government has indicated that Japan has been involved in illegal trade practices. And there were other countries cited for this activity before that. This is just the latest evidence of the kind of unfair and illegal trade competition we have been facing since at least last year.

The consequences have been very damaging. We have had several companies go out of business, thousands of jobs lost; and once these companies

shut their doors and close down, once their jobs are lost, in all likelihood they will be permanent losses to our economy, with consequences to these families and these communities that go way beyond the economic toll.

This legislation is a balanced approach to dealing with this problem. It is fair to taxpayers, because the costs are offset with reductions elsewhere. It requires the loans to be repaid in only 6 and a half years, which is a relatively short period of time for major loans of this nature. There is a panel established to scrutinize every loan before it is given to make sure that the recipients are creditworthy and, in fact, that the taxpayers will be ultimately repaid.

Before closing, I will say just a couple more words about this bill because, as I mentioned, the consequences are national. In my own mind, they deal with trade and other industries as well. I personally believe that free and fair trade and competition is good for our country. It is good for consumers—with higher-quality, lower-cost goods at their disposal. It is good for our economy, because it forces us to be competitive and productive. In the long run, it leads to the most efficient allocation of resources.

But when trade is illegal, when other countries undertake steps that are not fair, are not just, and, any economist would say, in the long run do not lead to an efficient allocation of resources or a good deal for consumers or working men and women in this country, that is the kind of thing where we must take a stand.

If I am to go back to the citizens of my State and argue why free trade is in our best interest, it must go hand in hand with vigorous enforcement of current law and helping those industries that have been targeted by illegal activity. I emphasize that the pernicious effects of this illegal dumping will last a long time after the dumping has stopped.

Many of our companies have been permanently weakened. If we do not take these steps to allow them to get back on their feet, to allow them to overcome the consequences of this sort of illegal activity, who can say who will be next? Quite possibly, one of our foreign competitors will say: I'll pay a few fines in the short run, bear that short-run cost to permanently, in the long run, weaken American competitors.

That is not right. This loan guarantee program will allow these companies that have been harmed by this illegal activity to get back on their feet, to regain their competitive standing, so that we will have free and fair competition moving forward.

So, in conclusion, this is a bill of national consequence, not just to any one State or region; its interests go way beyond the steel and natural gas and

oil industries to affect literally the long-term well-being and competitiveness of the American economy as a whole. That is why I strongly urge my colleagues to adopt this legislation, to do it now, and to do it without amendment.

Thank you, Mr. President, for your patience, your time. I thank Senator DOMENICI for his leadership on this issue, and many others as well.

I am now pleased to yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this is the first time I have had a chance to say this on the floor, but while you were in the House serving in various positions, there was a Senator here with the same last name as the junior Senator from Indiana—Birch Bayh. He sat right over there.

Many a time we were on the floor arguing, debating, sometimes agreeing, sometimes disagreeing. So he can read it in the RECORD, I say to my good friend, former Senator Birch Bayh, he did a great job in producing such a son. He was always so proud of him, telling me about him. I am very pleased I have a chance to serve with him. I look forward to that, because I think he has a marvelous, level head, and very good common sense. I say that as if that is an exceptional quality around here. I didn't mean to say that. If that is what I said, it is OK.

Mr. BAYH. The Senator could not have given me higher praise, Mr. President. For that, I am personally and eternally grateful. It has been a privilege for not only me but for my family to serve with you. You have always been a man of decency, courage and honesty. For that, we are very grateful. I look forward to serving with you for many years. On behalf of both my father and myself, I thank you for your courtesy.

Mr. DOMENICI. Mr. President, I just want to put the word out, Democrat or Republican, whoever has amendments, this bill is subject to amendment. Senator BYRD has expressed the desire that we try to keep it to germane amendments, but that is not the rule. It is up to Senators. I am here on the floor. While many may think I don't have to eat, because other Senators are slimmer than I, and could probably go without lunch more often, I would like to be working. I hope we have something to do. I urge that people get their amendments to the floor and start discussing them. There are a number of them that we want to talk about, with Senators GRAMM and NICKLES, whenever they are prepared to discuss items with us.

I am going to suggest the absence of a quorum. I do have a few minutes I could use up with some comments about oil and gas, this bill, but I truly ask, if there are no Senators that want to offer amendments or speak, I will

send word to the leader that we should have a recess for a few minutes to see if we can get some amendments to the floor. In any event, somebody will be here one way or another waiting.

Before I finish and ask that my request for a quorum call be announced, I note the presence of the junior Senator from Alabama. I wonder if he would want to comment on something.

Mr. SESSIONS. I would like to comment on the bill, but if we could have a few minutes for a quorum call, that would be good.

Mr. DOMENICI. You may have as much time as you like.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. LOTT. Mr. President, what is the parliamentary situation? Senator DOMENICI is managing the time. Are we ready to hear a statement from Senator SESSIONS and waiting on an amendment to be offered?

Mr. DOMENICI. There are no time limits, I say to the Majority Leader. We were waiting for amendments.

Mr. LOTT. I encourage Senators who are working on amendments to come to the floor. I know of two or three amendments that are being prepared. Perhaps one of them could go ahead and be offered. There is at least one that would be pretty simple. It would be to strike the emergency provisions. So it doesn't take a lot of preparation. We could go ahead and continue to make progress.

We need to finish this bill today. If we do not get our work done during the daylight hours, we will be here tonight. That is OK, if we have to do it, but if it is not necessary, it would be preferable we work during the day. I know the Senate likes to return to its nocturnal habits, but I hope that will not be the case. If there are two or three or four good amendments to be offered, let's bring them out on the floor. Let's have an hour debate, and let's vote. Then let's get to final passage on this issue.

I am glad that Senator SESSIONS is here and Senator DOMENICI. I know we all need to get a bite to eat. If we could keep this moving along, I think it would save us some time tonight. I thank our colleagues for their cooperation.

I will go and make a call to Senators that I know have amendments. I urge them to come on out and have the amendments offered, and then we could make some progress.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the distinguished leader. I am trying very hard to stay here and do my part, and I hope Senators will heed his admonition. We would like to finish.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SHELBY. 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. SHELBY. Mr. President, I think we need to make a couple of things clear today about the bill before us and why it is so important to so many people.

First, I am a strong supporter of free trade, trade that is free and fair. I believe this bill is completely consistent with those basic principles. But while we engage in free and fair trade, many countries in the rest of the world do not abide by those same principles. We have trade laws to address this, but, as the distinguished Chair knows, they are slow to address the kind of serious economic injury that faces many companies and communities in America.

We can't afford to lose more industries to illegal trade practices, particularly the two we propose to offer short-term support to today: oil and gas and steel.

Second, I believe this is a reasonable response to a terrible crisis that threatens more than just companies but whole communities across America. This bill does not propose quotas. Indeed, it is GATT legal, and it is intended to provide only a short-term loan guarantee.

This is not some radical idea. Federal loan guarantees are used every day in the farm industry, the housing industry, the small business community, and for foreign countries. So let's be clear about how anathema this is to our free trade principles, because we do this all the time.

Third, this program is not a Federal handout or Federal grant or Federal award or Federal subsidy which Congress provides daily and, I might add, to millions of companies and organizations and industries in this country. It is a short-term loan guarantee program that provides that every dime—yes, every dime—is paid back. Contrary to some representations, the risk of the default is not that great, according to the Congressional Budget Office. Based on these calculations of cost, however, the program has also been completely offset.

Finally, I think it needs to be reemphasized that this program is not going to solve long-term problems that may face some companies in this industry. That is not what this is about. It is about trying to minimize the serious economic side effects that illegal trade practices have exacted on several companies in the steel industries. If this program helps one company get through this tough time until our trade laws address these illegal practices, and if it saves one community in America, it will be worth it.

Mr. President, I believe Americans deserve to be treated fairly—and not inordinately suffer the consequences of our inability to minimize and protect against continuous and systematic illegal trade practices of other countries.

I urge my colleagues to support this short-term loan guarantee program, and I thank the Senators from West Virginia and New Mexico for their leadership in this area.

I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I am pleased to join with the senior Senator from Alabama as we support this piece of legislation that I believe will help the American steel industry. It is not an industry that has stuck its head in the sand, that has failed to modernize, that is not competitive. The steel industry has gone through very difficult times and has, in fact, been able to make itself competitive and is able to sell steel products in this country cheaper than foreign imports can be sold here. That is good for America because it means that Americans are working to produce that steel. It is an important thing for this country.

I really want to say that I have visited Gulf State Steel in Gadsden, Alabama, where my wife grew up. It is the largest employer there, 1,800 or so people. I have visited there at least three times and I felt the fire in that furnace. I met with the people who work there. They are producing steel at world class competitive prices, and they are continuing to get better. They are going to continue to get better. But we have had this circumstance of a crisis around the world in foreign countries, desperate for American dollars, and they have sold their steel here below cost.

You may say, well, that helps the automobile industry, or whatever. Maybe you could make that argument. It is an economic argument that people like to make. But I suggest, and believe strongly, that what is happening is we have a potential in this period of dumping to destroy significant segments of our steel industry, which will in the future, and soon, be competitive again. Do you see what happened? Through these cut-rate imports, sold below cost, it can sink companies like Gulf State Steel. They are struggling to survive. Many of these people have been working at that steel mill for many, many years. Some of them are children of people who worked there. If they weren't competitive, OK; but they have been competitive. They have made the needed changes, and this short-term dumping has the ability to sink those companies. This loan program, I believe, will deal with that.

There is no doubt that dumping has occurred and that it has materially injured this industry. There is no doubt

that the Clinton administration knew that illegal dumping was occurring, and they failed to take the kind of decisive action that would have ended the problem months ago. So I am offering my support for this bill, which will take a modest step toward helping steel companies and small oil and gas companies who have been victimized by illegal dumping.

The Department of Commerce has determined that illegal dumping of steel into the U.S. market began in 1997. During the fourth quarter of 1997, there were 7 million tons of steel imported. But within a year, that number had totaled 11 million tons, which is a 55 percent increase. Is that explained because of some technical breakthrough by foreign competitors that reduced their costs? Did American steel companies who have been on the cutting edge of efficient production suddenly revert to outdated production methods? Did U.S. steelworkers, who produce more steel per worker than any other in the world, lose their edge? The answer is no.

U.S. steelworkers and companies did not lose a share of the market because of inefficiency or a sudden improvement in the competitors' efficiency. The steel that came into our market was below production cost prices because countries like Russia, Brazil, Japan and Indonesia were subject to a currency crisis and needed U.S. dollars. Because the administration had a history of not enforcing these trade laws, sometimes as a back doorway to implement foreign policy goals, our overseas competitors saw an opportunity to dump steel and get this hard currency. Unfortunately, our foreign policy goals came at the expense of steelworkers and their families. Despite repeated calls from Congress, including myself, there has been an insufficient response to date.

Even in the face of indisputable evidence that dumping was occurring, we have not stopped the wave of illegal imports flooding our shores. In November of 1998, the U.S. International Trade Commission, an independent commission that examines illegal trade practices, determined that dumping as defined in that agreement was in fact occurring. It was not until 4 months later, and over a year after the problem was first identified, the Department of Commerce finally began to enforce trade laws and placed a tariff, a preliminary dumping margin, on steel imported for Brazil and Japan in February of 1999. This enforcement action was narrowly focused and left out some of the biggest countries, such as Russia, which were found to be dumping steel on the U.S. market. Adding insult to injury, the Secretary of Commerce entered into a suspension agreement with Russia. The practical effect of this was to end the Department of Commerce and the International Trade

Commission's trade investigations of Russia. It did nothing to discourage future dumping by Russia or any other country. In fact, the suspension agreement may have actually rewarded Russia for its illegal trade practices by sending the stark message that there is no adverse consequences for committing or attempting to commit trade crimes against the United States. The worst that may happen if you commit trade crimes against the U.S., under this climate, is a polite request through a suspension agreement to please stop.

The administration's actions have been too little too late. The suspension agreement should be viewed as an ineffective method. This action will undoubtedly lead to additional dumping by other countries. Thousands of good jobs in this country have already been lost. The pattern of poor action and inaction taken by this administration will undoubtedly set groundwork for future job losses and create a crisis that we need to be concerned about.

The United States must not sit idly by and allow its economic strength to be damaged by consistent, unfair trade practices. We must respond to that. In Alabama, there are a number of steel companies that have been injured. Gulf State Steel, as I mentioned, in Gadsden has been directly impacted by imports. As a result, employees and families have been faced with increasing uncertainty about the future of their very facility. The production methods used and the caliber of the workforce at Gulf State and other steel plants—many of them are in Alabama—make this industry one of the most efficient in the world. Alabama steelworkers can compete effectively with other countries in the United States and indeed throughout the world. The current financial problems faced by our domestic steel makers are not the result of poor management, outdated equipment, or an underskilled workforce; rather, it is the direct consequences of illegal dumping of foreign imports into the United States. If Gulf State Steel was to cease operations as a result of illegal dumping, it would force dismissal of nearly 2,000 workers. According to an economic impact study conducted by Auburn University, the economic impact of a plant closing would be staggering to Etowah County, which has already seen one plant close of 1,300 people. Direct job losses would exceed 1,800 workers. Indirect job losses would total 3,020. Statewide job losses would total 4,820, and the overall economic impact on Etowah County would exceed \$300 million. This is just one example of the crisis dozens of steel companies now face throughout the United States.

The steel, oil and gas loan bill we are considering today is a modest solution to assist these companies that have been already injured by illegal trade practices.

It is not a handout. It is not corporate welfare. It is a loan program designed to give these companies which might otherwise be faced with bankruptcy—some are faced with bankruptcy right now—an opportunity to recover the damages they have suffered at the hands of unfair trade practices.

While this bill would authorize a highly qualified board to offer heavily secured loans to the distressed owing up to \$1 billion, it will not cost \$1 billion. The Congressional Budget Office has put the total cost at \$247 million. The Congressional Budget Office takes into account the fact that some companies which might receive loans have been damaged beyond the point of recovery, which could result in some defaults. But the cost of inaction is much greater. In Etowah County alone, Auburn University's economic study put the cost of bankruptcy for just this one steel company at over \$300 million. This figure doesn't even account for the tremendous social costs associated with the loss of jobs and income to families employed by this company.

I want to say I support free trade. I do not believe in providing unjustified economic assistance to companies. I don't believe in erecting unwise and unjustified trade barriers.

This bill would not hurt free trade. It would instead provide modest assistance to the companies and their employees who have been injured by the rampant proliferation of illegal trade practices that we have permitted to occur, and that this administration has permitted to occur too long.

I believe that we have a situation much akin to maybe people on the edge of water, a body of water. The water doesn't reach their level, and they have been able to survive and live for a long time. But a giant wave comes along one time, and the wave hits them with such an impact that they are knocked down and they are destroyed. We have had a wave of illegal imports. It has been declared by an agency to be illegal. That wave that hit our country has destabilized and undermined the strength of a number of different steel companies and, therefore, jeopardized the jobs of many Americans and incomes to the country.

When you are in bankruptcy, it is hard to get a loan. It is hard to get financing if you are in bankruptcy, or on the verge of it. So this would allow these companies to get this income to continue to operate.

Once we end the dumping, we are going to be back to a circumstance in which they can continue to operate and make a profit, as they were before this occurred.

I believe it is justified.

I see the senior Senator from West Virginia, Mr. BYRD, who has worked so hard, and Senator DOMENICI and others. I am pleased to support him in this effort. I believe that somehow, some

way, when this thing is over, we will have been able to provide some assistance to these companies to enable them to survive and continue to be productive contributors to our Nation's economy.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair. I also thank the very distinguished Senator from Alabama, Mr. SESSIONS, for his comments and for his work on this bill. I thank, as well, Mr. SHELBY, the senior Senator from Alabama, for his support and for the work that he has contributed to this legislation.

I feel very good about having their support. They are both very able Senators, and they are utilizing their talents in the best interests of the Nation in supporting this legislation.

American steelworkers earn their daily bread by the sweat of their brow. That is in accordance with the edict that was placed upon man when God evicted Adam and Eve from the Garden of Eden. Steelworkers are earning their daily bread by the sweat of their brow amid the glow of productive glass furnaces filled with molten steel. American fortunes were built on their backs. Their collective might forged a national defense and a national economy second to none.

Today, after almost 20 years of downsizing and rightsizing and modernizing, just 160,000 steelworkers are employed in state-of-the-art American steel mills, compared to some 400,000—400,000—in 1980. The industry, which retooled to adapt to international market changes, is now a world class—a world class—competitor, even while adhering to high U.S. safety, labor, and environmental standards. But the ranks of American steelworkers, it appears, are in danger of future cuts that could undermine their ability to support U.S. priorities.

This situation is not, as some would have us believe, due to a failure of the steel industry to economize or to increase efficiency. America's steel industry serves as a model in the art of modernizing to enhance competitive prowess. America's steel producers have sacrificed, they have trimmed, and they have automated, investing nearly \$60 billion in the process. In return, they have been forced to compete on a playing field that is tilted—tilted—by the weight of the unfair and illegal trade practices of foreign competitors.

Last year, a record 41½ million tons of cheap and illegally dumped steel flooded the U.S. market. Piles of this foreign-made, below-cost steel amassed at our ports. It drove U.S. producers to drop prices, to impose layoffs, to shut down furnaces, and to slow down production.

Those cold mounds of steel represented an 83-percent increase in the amount of steel imported into this country—83 percent over the 23 million tons, on average, imported in each of the previous 8 years.

Contrary to some reports, this Congress was notified of signs of a potential flood of both legal and illegal steel imports in January 1998. I, in conjunction with the Senate steel caucus leadership, have worked during this year and a half to lay a foundation that would provide meaningful help to the U.S. steel industry. The chairman of that steel caucus is Senator SPECTER, and the ranking member, or vice chairman, is my colleague from West Virginia, Senator JAY ROCKEFELLER. I have joined the Senate steel caucus in writing numerous letters to the administration and in holding hearings and discussions to provide testimony about the impact of the crisis.

I commend Mr. SPECTER and my colleague, Mr. ROCKEFELLER, on the work that they have done.

Although prices for steel have been dropping below domestic manufacturers' costs to produce due to the flood of imports, the U.S. market still offers an outlet for surpluses generated by very sharply depressed demand in Asia and elsewhere. A poor market is better than no market, so rather than idle their own furnaces and mills, foreign exporters are flooding the U.S. market. The United States was the principal destination in 1998 for Japanese-finished steel mill exports that were diverted from the depressed Asian market—to the tune of 4.2 million tons of the 4.7 million tons that Japan had exported to Asia just 1 year earlier.

In 1996, Japan exported just 18,190 net tons of hot-rolled sheet steel to the United States each month, on average, a modest increase over 1995. But, in 1997, that figure of 18,000 net tons rose to 43,095 net tons each month, on average. From January through September 1998, that average monthly figure had skyrocketed to 192,812 net tons. Over the same period, however, the value of each ton of Japanese hot-rolled sheet steel fell, from \$460 a ton in 1995, to \$409 in 1996, to \$367 in 1997, to \$295 a ton in 1998. At the same time, Japan's domestic market remains virtually closed to foreign steel, allowing Japanese steel mills to command unusually high prices at home.

A similar story can be told in the case of Russian hot-rolled sheet steel. In 1995, the average monthly import volume was 46,661 tons. In 1996, that figure had climbed to 67,587 tons per month. In 1997, it was 165,268 tons per month, and from January through September 1998, the average monthly import volume of Russian hot-rolled sheet and plate-in-coil steel was 286,311 tons. At the same time, the price per ton fell from \$316 in 1995 to just \$240 in 1998. That is a lot of cheap steel to absorb,

and that is just one particular type of steel product.

Our government's response to this threat was to handle cheating—cheating—foreign competitors with kid gloves due to concerns that the economies of those foreign nations have been in distress.

Now, who pays our way here? Who pays the fare for our trip from Sophia, WV, to Washington, DC? Who pays the fare from Arkansas to Washington, DC? Who pays the fare from Kansas, for those who represent Kansas in the Congress, to Washington, DC? Not those foreign competitors, I can assure you, as far as I am concerned. They don't pay our way. They don't pay our fare. They don't pay us. We are not on their payroll. The people of West Virginia send me here, and the road that leads to Washington leads back home.

I am going to be first, last, and always interested in the people of our own Nation who look to us for leadership, look to us to help them with their problems—not the foreign competitors.

The argument has been made that caution must be exercised so as not to push these teetering economies over the edge. I understand concerns about the intertwined economies of an increasingly global marketplace, but my heart will not bleed for cheaters. My heart aches for those American men and women who have worked and sacrificed and followed the rules, only to have their futures and the futures of their families, their communities, and their steel industry thrown into question.

The illegal dumping of steel on American shores is real. It is not imaginary. It is not something we are just dreaming about. It is not something we are seeing visions about. It is real. The crisis does exist.

Our domestic steel industry has been seeking remedy through antidumping and countervailing trade cases. The Commerce Department has ruled on or is investigating cases against Japan, Russia, Brazil, South Korea, France, Italy, India, and Indonesia. On June 11, just last Friday, the International Trade Commission, by a 6-0 ruling, found that imports of dumped hot rolled steel from Japan are "materially injuring or threatening material injury" to the U.S. steel industry.

Based on this determination, duties will be retroactively applied to imports from Japan that enter the United States after February, 19, 1999, but the international trade system established to help domestic manufacturers recover from trade-induced damage has thus far failed our steelmakers. The process is too painfully slow.

When I was a boy I read a book, "The Slow Train Through Arkansas." We are talking about a slow process here, and it has failed our steelmakers. The process is too painfully slow to avert long-term financial disaster for many U.S. steel mills.

One of the opponents to this bill said the other day: Well we have a process here.

Yes, we have a process. I am saying it is too painfully slow to avert long-term financial disaster for many U.S. steel mills.

That is why we have come to the floor with this bill, this provision that will help in the short-term. Damage must be done before a case can even be filed. Now, that is the process; damage must be done before a case can even be filed, and the investigation and the adjudication takes months.

Even if our steel companies succeed in getting our trade laws to support them by levying tariffs on unfair competitors or otherwise reducing their attempts at undercutting our domestic market, these steel mills will not receive any of those tariffs to make up for their losses or to help out their workers. The damage has been done. The damage has been done.

At best, they will get an eventual reduction of illegal imports that will allow them to compete in their own country, at least until some other nation decides to flood our markets. It is not fair. It is not right. It is not right for our steel industry. It is not right for our steelworkers. It is not fair to our steelworkers. Nor will communities that are hard hit by layoffs and threats of layoffs receive any direct compensation from the tariffs that are paid by illegal dumping. The damage has been done.

The little community of Weirton has been hard hit. The Weirton Steel Company employed 14,000 men and women a few years ago; today, it is down under 5,000. The Weirton Steel Company is the lifeblood of Weirton, WV. Without it, the community would be dead, dead, dead!

There are other communities. But these communities, as I say, that are hard hit by layoffs—and there have been additional layoffs at Weirton; 800 steelworkers laid off since last November because of this illegal dumping of below-cost steel into American ports by those foreign countries that wave their nose at the trade laws. Communities hard hit by layoffs and threats of layoffs will not receive any direct compensation from the tariffs paid by illegal dumpers. Now, that is the process. They say, well, let the process work.

The recent years of uncertainty that deterred people from buying houses, buying cars, buying anything they might have to finance longer than their job might last, no one can make up for those kinds of losses that ripple through a community, affecting jobs, affecting lives that are directly linked to a steel mill paycheck.

This crisis may not be abating, as some would have us believe. Foreign steel markets are not yet rebounding to their previous levels, and oversupply remains very high. Nearly all of the re-

cent import declines are due to anti-dumping cases against just three countries. Historically, such cases have eventually caused increased imports from other exporters and for other steel products. We have seen that in this instance, as well.

When the Commerce Department investigates import surges of a particular type of steel from a single source, that exporter temporarily cleans up his act. You see, he gets religion fast. He cleans up his act with regard to that particular type of steel. But he makes up for it. The right hand doesn't know what the left hand is doing in that case. While he cleans up that act, he makes up for it by flooding the U.S. market with a different steel product that is not under investigation, or another nation steps in to fill the opening provided by tariffs placed on a foreign competitor.

So no sooner is one dog leashed than another dog is on the attack. For many months, manufacturers and steelworkers lobbied and protested and cried: "Help me, Cassius, or I sink!"

They protested and tried every conceivable approach to draw the U.S. Government's attention to their plight, and their pleas were met by dawdling and disbelief.

We cannot afford to continue hemming and hawing, as the fires die down in the blast furnaces at Weirton, WV, or in Illinois or Indiana or Missouri or Alabama or Pennsylvania or Ohio. This is an emergency. That is why it was put into an emergency appropriations bill. It requires urgent action. We have responded to emergencies in other industries and in other nations; why can we not respond to a critical situation in our own steel industry?

Do you remember the story of Joseph and Mary, who went from Nazareth up to Judea to pay their taxes? They went to Bethlehem. Their baby was born and wrapped in swaddling clothes and laid in a manger. Why was it laid in a manger? Because there was no room at the inn. There was no room for the baby at the inn. It had to be laid in a manger because there was no room for Joseph and Mary and the baby at the inn. No room at the inn. So to the steelworkers, there is no room for the steelworkers at the inn, no room at the inn.

This crisis cannot be merely dismissed as a West Virginia matter, as some sought to do earlier. I know the word went around, well, this is just to help workers in West Virginia; this is just to help Senator BYRD from West Virginia. That is not the case. That is not the case.

So this crisis cannot merely be dismissed as a West Virginia matter. This is a national matter. It affects Kentucky. It affects Virginia. When one industry hurts in this country, the whole country hurts. When steelworkers are thrown out of jobs, there is a great ripple effect. When jobs are lost in Indiana

and Illinois and West Virginia, it hurts in Kentucky. It hurts in Virginia. This is a national matter involving an industry that stretches across the Nation.

When you see those television pictures of the tanks in the Balkans, those tanks are not made of pasteboard. They are not made of nylon. They are not made of plastic. They are made of steel. I know what it is to weld that steel, having welded in the shipyards in World War II. It was this mighty country with its steel mills and its experienced steelworkers and its efficient steel companies that made the ships to carry the manpower and the weaponry to Europe in World War I and in World War II. Let another war come. We will send tanks of pasteboard?

The ill effects that have been visited upon this industry loom in Utah, Illinois, Arkansas, Missouri, Pennsylvania, Ohio, Alabama, California, and other States. It touches the lives of all Americans. Just read the newspapers and the trade publications from around the Nation.

Bankruptcy looms for Gadsden, AL, based Gulf States Steel. Last month, Laclede Steel shut down its Alton, IL, pipe and tube plant, putting 200 employees out of work because of high levels of imports.

In April, FirstMiss, a Pennsylvania steel producer of high-grade specialty steel, announced plans to shut down, putting 140 people out of work.

These are Americans. These are people of flesh and blood, just as you and I are flesh and blood.

Geneva Steel Company of Vineyard, UT, filed a Chapter 11 bankruptcy in February, citing the surge in steel imports as the cause of its financial distress. Geneva Steel employs roughly 2,400 workers in Utah making hot-rolled and plate steel. In December 1998, Geneva officials had conceded that they would be unable to make January's interest payments on senior notes.

Bethlehem Steel officials announced in January that the steel import crisis caused them to decide to close two plants—in Washington, PA, and Massillon, OH—and eliminate a total of 540 jobs. Not surprisingly, no buyer could be found for the Massillon mill, given the poor market prospects.

In November 1998, Bethlehem Steel temporarily shut down facilities in Burns Harbor, IN, and Steelton, PA; it cut back shifts at facilities in Sparrows Point, PA, and idled production lines in Coatsville, PA, that employed 1,000 people, all because of unfair, illegal competition from imported steel, and unfair competition from foreign countries.

The Scriptures say that charity begins at home. We don't want charity. We simply want a fair, level field so the American steelworkers, whose efficiency is as great or greater than that

of any other workers in the world, can make their way, can earn by the sweat of their brow their daily bread.

I have been in the Senate 41 years. I have never turned my back on any other State or any category of people in this country who are hard up and who are out of work and who need help in order to earn their bread by the sweat of their brow.

Whether it is in my State or not, if it is somewhere else in America that an industry, that the farmers need help, that the farmers need loans, that the homebuilders need loans, I am here to help, always have been. I do not say it does not help my people. I do not say that. The chain is as strong as its weakest link. I say help them if it is on the west coast, if it is on the east coast, if it is in the North or the South—wherever. If it is America, count me in.

In November, LTV officials announced that the company would permanently close some operations at their Cleveland Works facility, eliminating 320 jobs, because, in part, of dumped imports. The previous month, LTV had temporarily laid off an additional 320 workers on a different production line. U.S. Steel also cut back operations in November, laying off several hundred of the 850 workers at the Fairless, Pennsylvania, plant. These are not West Virginia plants, but if it hurts Pennsylvania; it hurts me; it hurts West Virginia.

National Steel announced the idling a blast furnace producing 1.1 million tons of iron at its Great Lakes Division last October, reducing the steelmaking capacity there by 25 to 30 percent. Last September, California Steel Industries reported that it had lost 15 to 20 percent of its sales volume, and had reduced production operations proportionally. Also last September, Illinois-based Acme Metals, Incorporated, filed for chapter 11 bankruptcy protection, halting production at a new, \$370 million slab caster designed to take advantage of its high-quality blast furnace operations while linking it to low-cost, mini-mill style casting and rolling equipment. So much for modernizing to remain competitive! We have done it. The steel industry has done it. They have modernized the steel mills. The lesson steel makers have learned is that their investment decisions to remain modern and efficient can be undercut at any time by foreign producers driven by their own interests, or subsidized by their own governments, to increase their market share by driving under the domestic competition.

I could go on, but I think I have made my point. These American steel companies are suffering not only from the kind of depressed export market that has led the administration and this Congress to provide emergency relief to our Nation's farmers, but also from unfair, below-cost imports that

are squeezing our steel industry out of our domestic market. Why is it this Congress can so readily support funding for direct low-cost loans to farmers—and I am for that—in order to help them survive the tough times, but some Members balk at providing loan guarantees to allow an equally critical industry—one that is necessary to maintain a robust defense as well as a robust economy—to obtain market rate loans to restructure debt and tough out a battle against depressed markets and unfair competition? I confess that I simply do not understand this logic.

Help the farmers. We have heard that cry from the steeple tops, and my vote has been there. I do not have large farms in West Virginia, but when the call comes to help the farmers, my vote has been there. I have never opposed help for all the farmers.

I have been on the Appropriations Committee 41 years, Mr. President. You do not find me opposing aid to farmers just because West Virginia does not have big farms. Why provide loans and grants for foreign governments? What is the logic in the U.S. Government providing loans, direct loans in many instances, guaranteed loans and grants to people in foreign lands, foreign governments? Why help them, when there is no room at the inn for American steelworkers?

Think of it. I would be ashamed—ashamed—to deny our own people when we do not deny foreign governments. I have a list of the direct loans. I have a list of the guaranteed loans. I have a list of the outstanding loans to foreign governments. And then a Senator will stand in this Chamber and vote against guaranteed loans for an American industry, the steel industry, steelworkers, steel families. I know some Senators do not like to hear it, but listen to me. If you do not hear me, you will hear from them, the people for whom there is no room at the inn.

Opponents of this loan guarantee program would have us believe that this is an excessively costly solution to a non-existent problem. It is neither. The loan guarantee program outlined in this bill would provide qualified steel producers access to loans through the private market that are guaranteed by the federal government in the same way that the federal government now guarantees loans made to homebuilders, farmers, even foreign governments. These guarantees are needed because banks, seeing the same flood of low-priced imported steel, are not willing to make loans or restructure existing debt when their collateral—the steel made and sold by the borrowers—is so devalued. both the Congressional Budget Office and the Office of Management and Budget, acting under the credit reform provisions of the Budget Enforcement Act, have calculated the budget authority estimates of this pro-

gram at only \$140 million, reflective of the fairly low risk of default and the value of the potential collateral to be offered. This cost, as has been stated time and again, is fully offset.

The steel loan guarantee program will be established and administered by a distinguished board of directors—namely, the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Commerce, who will serve as chairman of the board. This board will be given flexibility to determine the percentage of the federal guarantee, the appropriate collateral, as well as the loan amounts and interest rates.

This board will disburse loans of not less than \$25 million, subject to a waiver, and not more than \$250 million to any one company, and the total amount of all guarantees will not exceed \$1 billion. As the loans are paid off, funds will become available for additional lending. All loans, however, must be repaid within 6 years, with interest.

This loan guarantee program is GATT-legal. We are still playing fair. We are not subsidizing our steel industry. We are not undermining someone else's domestic steel industry by dumping steel at below production costs. This program would operate within the international trade rules.

This emergency loan guarantee program is an important tool to help these companies deal with the immediate effects of this crisis as they pursue their legal cases and as other legislative remedies are being considered. By itself, this program will not solve this crisis, but it is needed to ensure that these companies can make it through some very tough times and keep their employees—our fellow citizens—working.

Which of you, the Scriptures say, if your son asks for bread, will give him a stone? Which of you, being a father, if your son asks for fish, will give him a serpent? Which of you, if your son asks for an egg, will give him a scorpion?

When I say to Senators, these steelworkers are our fellow Americans, our fellow citizens, they are asking for the opportunity to earn their daily bread, in the sweat of their brow, are we going to give them a stone?

So, what do we have to lose here by ensuring that funding is available for a crisis that our own Department of Commerce verifies is upon us? If the money is not needed, not one red cent will be dispersed from the Treasury. But if we do not act, and steel companies start to go under, you can bet that we will not be able to act quickly enough to save some of those companies, some of those jobs, and some of those steel towns that will be pulled under by the rip current of our failure to respond.

It cost us at most \$140 million to act decisively now to avert a crisis that is

within our shores. Our failure to act will surely cost us much more as a nation. I speak not only of the tangible costs of inaction—in increased unemployment, cuts in services, and bank losses, in addition to increased spending for welfare, food stamps, Medicaid, housing assistance, child care assistance, community adjustment assistance, worker adjustment assistance, and so forth, but also of the intangible costs. What does it mean if we let our steel industry fail? What does it mean if we allow it to be sliced away mill by mill by mill until only the biggest survive? What does it mean for our future to have another critical defense component delivered from a ship arriving from distant shores? Ships from distant shores will bring the steel. Can our space launch capacity be held hostage to specialty materials and components produced overseas? Can a new stealth bomber still be produced without a foreign partner?

What does it mean when we let trade theory or consideration for foreign trading partners allow us to tie our own hands and let foreign competitors unfairly or illegally pull the rug out from under American citizens? Should American steelworkers and their families go on unemployment or even welfare in order to allow foreign steelworkers to retain their jobs? I do not think so.

I think our people should come first, as far as I am concerned. This country has been very charitable to the rest of the world. This Nation has helped other nations when disasters came upon them. This Nation has helped other nations to rebuild after destructive wars. But we should not ask this Nation to give up its industries and ship those industries overseas. We should not ask our steelworkers to give up their jobs in order that steelworkers somewhere else, thousands of miles away, across the deep waters, may have their jobs.

The people who send us here place a trust in us. Those who send us here can bring us back home. They ought to bring us home if we do not listen to their pleas. They place a trust in us that we will stand for issues important to them, their lives, and their livelihood.

I cannot, in good conscience, turn my back on America's steelworkers, just as I cannot turn my back on the oil and gas workers. And I cannot turn my back on the farmers in this country. But I hope that each of you will not turn your back on our steelworkers. The time will come when you may come to my door, saying: I need your help. I may have that rollcall on how you voted when the steelworkers needed your help, when their families needed your help in order that they might have bread to eat, clothes to wear, and the other necessities of life. Let's not forget we have to help one another.

The questions for every Member of Congress are these: do we care if we have a domestic steel industry? Does it matter? Or should we throw in the towel and allow foreign competitors to chip away at our steel industry until we are forced to depend on foreign steelmakers for our every steel need in the next century? Let us not dither. Let us not believe there is no problem here. Let us not play politics.

Let's leave philosophy to Socrates and to Plato and the other great philosophers. Let's tend to things closer to home. Let us act. I urge the adoption of this legislation.

My colleague, my friend, PETE DOMENICI, who is on the floor at the moment, who represents the great State of New Mexico, will speak for oil and gas. I fully support him—fully support him. What affects his oil and gas industries affects me and my people, affects West Virginia.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Texas.

Mr. GRAMM. Mr. President, I first say to our colleagues that Senator NICKLES and I, who are on the other side of this issue, have been at the Finance Committee where we have been holding a hearing on Larry Summers, who has been nominated to be Secretary of the Treasury. As a result, it has taken until now for us to get the opportunity to participate. Because this is the most significant confirmation since either one of us has been on the Finance Committee, we did not have the luxury to miss that hearing. So if we have inconvenienced our colleagues by being late, I apologize.

I also say that one of the things that is always hard about our business—and our business is a noble business; it is American democracy at work—is that you do not get to choose your allies. If I had an opportunity to choose my allies based on their ability and knowledge and persuasiveness, I would never undertake any battle where I did not have Senator BYRD and Senator DOMENICI on my side. The problem is that when the Lord handed out ability, He did not distribute basic philosophy and values and also a reading of the facts in the same way He distributed ability, at least from this Senator's own point of view.

I find myself, which happens from time to time and never creates happiness on my part when it does, fundamentally disagreeing with two of our most able Members and two Members of the Senate for whom I have a deep affection and a deep respect.

What I would like to do today is the following: I would like to try to outline the changes that I believe should be made in the bill. Let me make it clear that I am not for this bill. I see this as harkening back to another day, the days of the Carter administration,

where we were basically trying to engage in industrial policy. I will talk more about that in a minute.

But if we are going to pass the bill, there are some things we should do—and I hope we will do—that could dramatically improve the bill. So what I would like to do today is talk about those amendments and try, for the convenience of our colleagues, to outline the amendments that I see that we would present today.

I can't speak for any other Member of the Senate. There may be others, besides Senator NICKLES and I, who have been working on these amendments together, who would want to come over and offer amendments. But to sort of give an outline, I would like to go through and outline what I think is wrong with the bill in terms of what could be improved by amendment. I would like to talk about each of those amendments and try to explain why they make sense so everybody would sort of get the lay of the land of the battlefield that we are likely to contest today and vote on today.

I would then like to try to talk about the problem in the steel industry, because Senator BYRD has spoken with such passion and conviction that, if you are going to oppose what he is trying to do, you have an obligation to explain why you disagree. So I will try to at least give you the view through the lens that I have in looking at this problem as to where I am coming from and why I think as I do.

Then it would be my proposal to either offer the amendments that I have outlined and simply have them there so anyone could debate them or, if Senator NICKLES comes over, then we could go back and forth. But it is not my objective to try to delay the process. It is pretty clear what I would like to at least have the Senate make a decision about today.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. DOMENICI. I need to get consent on behalf of the leader. It will take 30 seconds.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as thus amended, be considered as original text for the purpose of further amendment, provided further that no points of order will have been waived.

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

Mr. DOMENICI. Now that I have the floor, I wonder if my friend will engage in a little discussion with me for a moment. I think the approach you have just spoken of will be a good one for the Senate.

I am somewhat familiar—I will be more familiar when you are finished with your discussion of your four points—with what kind of amendments you are seeking. I believe it is possible

we could sit down with Senator BYRD and work on all of those amendments. Some of us have been thinking about some of those amendments, even without you offering them; and some of them make eminent good sense to me.

So if you will do that, if you will discuss them, I am certain that unless there are other Senators beyond you and Senator NICKLES, what you are talking about, even if we do not agree, we are not going to be here late tonight on those, if we can get them done. The question is, are there others? And we don't know about that. There may be; there may not be.

It may be that we cannot vote on some of these because of some other matters that are beyond our control. But I do not think we need time at 10 tonight to debate the ones you are talking about. We will understand them very soon, and we will start working with you and see what we can do.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I thank Senator DOMENICI and say, in complying with his wishes, that what I will do is simply go through and talk about four areas that I think we need to work on to improve the bill. Then I want to talk a little bit about the underlying amendment and about steel and about my different perspective on the problem than Senator BYRD has.

First of all, this bill has an emergency designation in it. What does that mean? What it means is this bill will be exempt, because of that emergency designation, from the budget caps that we set out in law and that we reinforced when we adopted the budget this year. To the degree to which that emergency designation allows us to spend beyond the cap, that expenditure will take money away from the budget surplus, every penny of which is Social Security trust fund money.

The way the bill is written, it is written in such a way that it does make some effort to try to deal with the cost of the program. In doing so, it is not effective, because it doesn't lower the spending caps to pay for this bill.

My first objection—without getting into all of the delicacies of the budget which aren't really important to this—is the following: We have a surplus today in terms of the books of the Government. But we do not really have a surplus in the sense that if we had to keep our books like the private sector does, where we had to take into account all the liabilities that we are incurring by guaranteeing Social Security benefits in the future, if we had to use what accountants call "accrual accounting," we would be running a huge deficit. It creates a problem because now, as virtually everybody in America, I hope, knows, we are collecting more in Social Security taxes than we are spending on Social Security, so we

are running a surplus and the Social Security trust fund would tend to grow as a result of that surplus.

But much to my distress, and I believe it would be distressing to the American people, if everybody understood it, it seems like weekly we spend more money, every penny of which comes out of Social Security, so that effectively we are plundering Social Security to pay for other programs.

Now, you can argue the merits or the demerits of this loan program. I will tend to argue the demerits. But even if you thought this program had great merit, I think it is bad policy, and wrong, to take the money out of Social Security to pay for it.

So the first effort that Senator NICKLES and I will undertake is that there is a budget point of order in the budget against any emergency designation for non-defense discretionary spending, when that discretionary spending would, in this case, take money out of Social Security.

So the first thing we intend to do, or at least we intend at some point during this process, is to raise that budget point of order to strike the emergency designation out of this bill.

Let me make two points about that. No. 1, it won't kill the bill. What it will say is: You have to pay for the bill, because every penny you spend on these loan guarantees is money that you are not going to have to spend on something else. If we do not strike the emergency designation, then the money we spend on the loan guarantees will basically come out of Social Security; and since we have on several occasions, and will again, be debating whether or not to put the Social Security money in a so-called lockbox, I can't, in good conscience, keep voting to say we are putting it in a lockbox when we keep turning around and spending it.

I have a little bit of trouble taking a position one day that we are protecting Social Security money and, a day or two later, supporting spending it.

So the first issue we need to deal with is the issue of whether we should eliminate any possibility that this money would come out of Social Security. We can do that by raising the point of order that the bill has an emergency designation, and if that is successful, or if an agreement should be reached to simply take the emergency designation out, then any money this bill spends is money under the spending caps that can't be spent on anything else.

So if we are successful there, what we will have done is, for all those who believe this bill is a very good idea, or even a good idea, we will have set up a situation where it has to be paid for. I believe that is prudent public policy, and I think it should be done.

The second amendment we would be offering is an amendment to change

the makeup of the board that will be making the loans. Let me remind my colleagues, and anybody else who is following this debate, that the reason these loan guarantees cost money is that we don't expect some of the loans to be repaid. The whole reason this loan guarantee package costs money—the reason we expect it to cost \$140 million—well, that is the steel number. One of the reasons we expect this program, in total, to cost \$270 million over the next 2 years is that we expect many of these loans not to be paid back.

That recognition leads to three changes we want to make in these loans, and they are the other three amendments.

No. 1, we don't think these loans ought to be made by the Secretary of Labor and the Secretary of Commerce. We believe we should have a board that is made up of people who have expertise in finance and who can guarantee two things: One, that we maximize the chances that the taxpayer will be paid back—I don't know how anybody can object to that—and, two, to the maximum extent we can, that we take politics out of the decisionmaking.

So a proposal we will make will be a proposal to change the board that will end up making the loan and overseeing the credit transaction, overseeing the payment of the loans when they are due, and the collection of the principal and interest. Rather than having the Secretary of Labor and the Secretary of Commerce, we would propose to have the chairman of the board of the Federal Reserve Bank and the Chairman of the Securities and Exchange Commission, and then have them, together with the Secretary of the Treasury, giving us a three-person board, all of whom will have expertise in finance and loans and investments.

So that we can try to achieve two objectives, both of which are important: No. 1, try to make the loans in such a way that we maximize the chances that they are going to be paid back, because that saves the taxpayers money. Secondly, to the maximum extent possible, we don't want politics to play a role in who gets these loans if you want them made. It is one thing to say they should be made, but it is another thing, I think, to set up a structure where we are almost guaranteeing that the announcements of these loans will be political announcements rather than financial decisions that are made where the board represents, in a fiduciary way, the interest of the American taxpayer.

So the second amendment we will undertake will be to change the makeup of the board to go to Alan Greenspan, Chairman of the Federal Reserve Bank, as the effective chairman of the board; and then we will have the Chairman of the Securities and Exchange Commission and the Secretary of the Treasury

servicing on the board. I think by doing that we will maximize the chances of achieving our objective of maximum fiscal responsibility and minimum politics.

A third amendment we will offer is an amendment having to do with the maximum guarantee of a loan. It is virtually unheard of for the Government to guarantee 100 percent of the loan, because by guaranteeing 100 percent of the loan, we take any risk away from the lender. If the lender is not responsible for any portion of the loan, the lender has no effective monetary interest in trying to see that the borrower has the ability to pay it back—has both the capacity and the will. In virtually every program in the Federal Government that I am aware of, loan guarantees are such that the Government does take on some of the risk in order to encourage lenders to lend, but it always—in virtually every case—leaves the lender with some residual risk, to try to encourage them to be responsible.

The proposal we will make is that no loan will ever be guaranteed for more than 80 percent, so that anybody who is making this loan will have to incur a risk of 20 percent. Needless to say, if you are making a \$10 million loan and you are going to have to eat \$2 million of it if it is not paid back, you are going to be a lot more judicious in making the loan than if somebody else is going to absorb the entire \$10 million of loss if it is not paid back.

So I think this is simply a good Government amendment. Again, if you believe these loans should be made, then they should be made in a way that doesn't take money from Social Security, which has an oversight board made up of people who have fiduciary responsibility, and who have the expertise and knowledge related to it, and who won't be political; and, finally, the loans themselves should be such that the actual lender has some stake in the loan being paid back.

The fourth amendment we will offer today will be an amendment aimed at the minimum loan level. For some reason—and I don't understand it—the authors of this amendment have put a minimum on the amount of loan that could be made. The minimum is quite large.

So the net result of that, it seems to me, would be to tilt the lending toward specific would-be borrowers and to arbitrarily take loans away from small companies that might qualify but that might not be either willing or able to borrow the minimum amount.

So the fourth amendment we propose offering today would be an amendment that says we will strike the minimum amount and then we will let the Secretary of the Treasury, the Chairman of the Securities and Exchange Commission, and the Chairman of the Federal Reserve Bank Board decide, based

on the applications that are available, who has the best creditworthiness, not who would be the biggest borrower.

So those are the four issues that, it seems to me, there should be relatively little debate about.

No. 1, don't take the money out of the Social Security trust fund.

No. 2, appoint a board of people who know something about lending and who will be good stewards of the taxpayers' money and who won't play politics in making the loans.

No. 3, don't guarantee 100 percent of the loan.

When a bank is making a loan, require them to undertake some of the risk. After all, they are going to get the benefits of the interest payments.

We propose not guaranteeing more than 80 percent of any loans. The additional advantage of that is that we could lend more money. If you think this lending is a good idea, then I don't see how you could be against spreading it more widely.

Finally, we strike the provision of the bill that sets the minimum amount, since there is no logic to saying that we will not lend to small business.

I mean, if there is any modern entity that has taken on the same political appeal that Thomas Jefferson's independent farmer had in 1800, it is a small independent businessperson.

If you think making these loans is a good idea, how can it make any sense to deny those loans to small business?

Those are the four amendments that we would like to deal with today. There are other amendments we are looking at, but these four are so clear-cut and so necessary that I wanted to put them out on the table early this afternoon.

It is my understanding that perhaps Senator DOMENICI and Senator BYRD would want to sit down and talk about these. I think the sooner we can do that, the sooner we can start moving.

Finally, I want to respond to Senator BYRD on the steel issue in explaining how I see it so differently.

It is an interesting thing to me. The longer I live, the more I discover that when people disagree with you, there are almost two reasons. There is generally one of two reasons why they do, and sometimes both reasons. One is they have a different lens through which they see the world and view things and value things, and that leads to a different conclusion. Our founders, Jefferson, for example, recognized that good people with good intentions come to different conclusions.

But a second reason that people often differ is a different perception of the facts.

Let me just talk for a minute about the facts and why I believe that there will be disappointment if these loans are made, and why it is likely that to the extent that if the problem was real,

it probably would not be solved by these loans.

Second, I want to argue that at least in terms of steel—I wish I could say the same about oil and gas—but at least in terms of steel I believe that the crisis is past.

Let me try, without holding my colleagues up, to just simply run through this real quickly.

Mr. DOMENICI. Will the Senator yield to me for a moment?

Mr. GRAMM. Yes. Certainly.

Mr. DOMENICI. First, I want the Senator to know that more times than not this past year we have been on the floor on the same side. There is an interesting result, which I will not share with anybody when that happens.

Mr. GRAMM. We always win.

Mr. DOMENICI. But, on this one, I had a different view. I think before finishing today, by working with Senator NICKLES and Senator BYRD we can bring this closer to some of the basic concerns.

We will not get around to the notion that we will make guaranteed loans. In any event, we can't do that, but that would mean we give up our fight, I think, on some other issues. We can make the lending of them more objective—make it so there is a little bit of risk the borrower takes, and also we will discuss with Senator BYRD the makeup of the board. I can't say much about that. We have to talk about it.

I am going to go to an appropriations meeting, and I will be back in 15 or 20 minutes. I know Senator NICKLES is here. I shared the same concerns with him. I understand he agrees not to offer amendments. We will have a meeting with Senator BYRD, and we will see what we can do about the Senator's amendments. I don't know about other amendments.

I yield the floor.

Mr. WELLSTONE. Will the Senator yield for 10 seconds?

Mr. GRAMM. I would be happy to yield.

Mr. WELLSTONE. I thank the Senator.

I wonder whether or not Senator DOMENICI is going to come back and speak. I wonder whether Senator NICKLES wants to speak. I wonder if I can address the Senate, after Senator NICKLES and Senator DOMENICI, and be allowed to speak on this bill.

I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, how long does the Senator intend to speak?

Mr. WELLSTONE. Twenty minutes.

Mr. DOMENICI. Go ahead of me. I have already spoken once. Let's change the order.

Mr. WELLSTONE. After the Senator from Texas and the Senator from Oklahoma, I follow?

Mr. DOMENICI. Yes.

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

Mr. GRAMM. Mr. President, let me try to explain why I look at the steel problem and see it so differently than our dear colleague from West Virginia.

First of all, let me just review the facts that nobody disputes.

In 1980, we had 459,000 Americans who were employed in the steel industry. Today, we have 163,000 Americans employed in producing steel. So employment between 1980 and 1997 declined from 459,000 to 163,000 people.

If you just looked at that number, you would say, well, domestic steel production must be just falling completely through the floor; that we must have a disaster in the domestic steel industry.

The plain truth is that while employment fell from 459,000 steelworkers to 163,000 steelworkers, the production of steel in the United States actually went up by 56 percent. In fact, on average, since 1980 we have seen about a 9,000-job-a-year decline in the number of people working in steel production. Because of technological change, we are using fewer workers to produce more steel.

The complaint that is being lodged where it is being demanded first this week that we have the government guarantee loans to the steel industry and then next week where we impose a quota on steel imports triggering a trade war—remember, we have 40 people using steel in jobs for every one person making steel—all of that legislative effort is due to a belief that we lost 10,000 jobs this year in the steel industry. We have lost 9,000 a year every year since 1980.

One of the reasons, despite all of this talk about the rush of imports and unfair trade practices, that the steel industry has never filed a section 201 claim is in part because of an inability to demonstrate that the problem is imports.

In fact, in 1997 when we had the surge in imports, we had the largest domestic steel production in American history. In fact, in 1997 we produced 105 million tons of raw steel, which is an all-time record in steel production.

Why did imports surge in 1997 when domestic production was at an all-time high, where in fact some analysts believe that we had overcapacity utilization in 1997? What happened was the economy was exploding, for which we all rejoice. We were creating 7,500 jobs a day, which still continues to this day. Thank God. As a result, people are buying cars at record rates, people are building houses at record rates, and we are approaching 70 percent of Americans who own their own homes. They are buying refrigerators, washing machines, and dryers. All of those products use steel.

We had a record level of domestic production and a record level of de-

mand. What happened? We imported steel to fill the gap.

I think it is also important to note that in 1998, the last year where we have records, production was still near an all-time record with 102 million tons. In fact, the steel industry earned profits in 1998 of \$1.4 billion.

I am not complaining about that. If I could snap my fingers and make those profits \$10 billion or \$14 billion, I would do it—or \$140 billion. I don't have any objection to profits.

But the point I want to make is that in this period where the argument is being made that steel is collapsing and that we are being drowned by imports, other than on wire rod, no steel company in America filed a 201 complaint about imports producing a loss of business for them, or costing jobs in their industry.

When they don't file the 201 complaint, it suggests that they didn't have a case.

Here is the point I am making: 9,000 jobs a year have been eliminated because of technological change where production has grown by 56 percent. We are having the greatest economic boom in American history. We are creating 7,500 jobs a day. We have towns, and I'm very grateful that my hometown is one of them, where university students go after class to have a beer, and they have impressment gangs who come around and try to drag them off to factories.

We are creating 7,500 jobs a day. In the name of 10,000 jobs that were probably lost because of technological change, we are being called upon to go back to the 1970s, to the policy of Jimmy Carter, and have the Government start lending money where we are guaranteed in advance we will lose \$270 million on the loans upfront. Of course, the default when Jimmy Carter was President was 77 percent. If we had that kind of default rate, the loss would be many times the \$270 million.

We are creating more jobs in a day and a quarter than we are talking about, and we are jeopardizing those jobs by getting Government in exactly the kind of situation we are begging the Japanese to get out of: Getting America into crony capitalism, where we are trying to institute industrial policy, where Government is making decisions instead of the credit markets.

Second, we are getting ready next week under exactly the same heading to debate a provision that would literally start a trade war which could destroy millions of American jobs when there is not hard evidence these jobs have been lost because of imports.

Finally, as if all that were not enough, if the problem really existed, it has already been solved. American imports of steel have declined 28 percent since November of 1998. Russian imported steel is down by 96.6 percent; Japanese steel is down by 74.4 percent;

Brazilian imports are down by 24.4 percent; and Korean imports are down by 46.8 percent. Imports from all countries are down dramatically.

Even if this was a problem, as normally happens in these political debates, we are a year late.

I am sympathetic to this problem. I am very sympathetic because my State is affected by these problems. The point is, we are not going to fix these problems by having the Government come in and lend money to an industry as it did when Jimmy Carter was President.

Some people said the other day that when Jimmy Carter was President, we had to do it because the inflation rate was in double digits and interest rates were at 21½ percent. That is true. But were inflation rates in double digits and interest rates 21½ percent because we had Government trying to run the economy? Isn't that what we changed in the 1980 election?

I don't want to go back to the policies of the Carter administration. This is 1999. That is why I am not for this provision. It is not because I'm not sympathetic to someone who lost a job in the steel industry. If that job was lost due to technological change—and the evidence is pretty overwhelming that it was—do we benefit anybody by lending money when we know that a substantial default on the loans will occur?

It seems to me what we need to be doing is to try to promote economic growth where people can find jobs and, hopefully, better jobs than they lost. When you have technological change in one industry that eliminates jobs and you have new technology in others, that creates jobs.

This is a tough issue. It is always easy and, I think, always tempting to try to say if anybody in America loses a job for whatever reason that the Government ought to do something about it. I remind my colleagues that in a day and a quarter we create more jobs in the private sector of the economy with the economic policies of open trade and private capital allocation and basic free enterprise; we are creating more jobs in a day and a quarter than anyone is claiming that steel has lost in the last year.

We have to weigh this point. Isn't it distinctly possible under those circumstances that we could lose more jobs by starting a trade war or getting Government into industrial policy than we will save by doing those two things? Then those jobs might be lost anyway as a result of continued technological change.

It is because I am concerned about working Americans, it is because I am concerned about keeping this recovery going, it is because I want to keep creating 7,500 jobs a day that I am not for these loan guarantees.

I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my friend and colleague from Texas. I hope his speech is one that all Members of the Senate have listened to. I happen to agree with him, I think this bill is a mistake.

I spoke on this bill. We only had 5 minutes before we voted on this. The first debate we had on this was actually 10 minutes for the proponents, 10 minutes for the opponents. That was the only debate we have had on the floor of the Senate. That was on a motion of cloture. For people who don't know what that is, it is a motion to proceed to debate the bill.

I told the proponents of the bill, Senator BYRD and Senator DOMENICI, I will object to the bill; I will debate against it; I will offer amendments against it. However, I will not filibuster it. If they get cloture, they get cloture.

They got cloture. I lost. I happen to think I was right on the issue.

I will follow through. I said I would amend it. I told Senator BYRD I would not offer a bunch of dilatory amendments. I will not go into extraneous matters. I will try to make a bad bill better. I don't think this is a good bill. I don't think it should pass. I don't think it should become law. I will work to see that it doesn't. This is one step in the process.

Let me say why I think this is a bad bill. I have great respect for Senator BYRD and Senator DOMENICI. They are very effective legislators. They have convinced a lot of people we should move forward. My compliments to them. I don't happen to think they are right on this bill.

Looking back at loan guarantees, the last time we did this we actually ended up having net loan guarantees of \$290 million and defaulted on \$222 million. That is a default rate of 77 percent. That means taxpayers had to write a check for \$222 million out of a total loan guarantee of \$290 million. That is a terrible, terrible failure.

I will mention a couple of things. That is a failure by my words, but it is a failure according to Members of previous administrations.

I will just give you a couple of comments:

Less than a decade later, all 5 loans [talking about steel loans] are in default.

And the Commerce Department's Economic Development Administration, in an internal memorandum notes:

By any measurement, EDA's steel loan program would have to be considered a failure. The program is an excellent example of the folly inherent in industrial policy programs.

They are exactly right. Other countries do not do this. They believe in the private sector. We believe in it. We believe in developing private capitalism.

Let bankers take risks, have investments, have the right to succeed and the right to fail.

Now we are on the floor of the Senate and we say, wait a minute, not in steel or not in oil and gas; those are two vital industries. I agree these are vital industries, but I do not think this bill will help them one iota. It did not help in 1978 and 1979. It cost taxpayers millions of dollars; it was a boondoggle, it was a failure. Why should we repeat it? We know better.

I am sympathetic when people say we have lost jobs and these are really tough times. I will tell you, it is a lot tougher in the oil patch than it is in the steel industry, and I think that is the reason Senator DOMENICI offered his amendment. The oil patch lost 50,000 jobs; the steel industry lost 10,000. But I do not think this is the right solution to help the oil patch. If I did, I would support it. I have been pretty supportive of the oil patch in my tenure in the Senate, but Government loan guarantees is not the solution.

I have talked to our producers. I have talked to the people. They do not want it, they do not need it, and it will not help to have a Government loan guarantee. It will not help. That is not the solution.

Not everybody in the oil patch and not everybody in the steel industry is losing money. There are 16 big steel companies, 12 of which are profitable. A lot of them do not even want it. A lot of them do not need it. What will they do, if one company gets a loan guarantee and gets a subsidized low-interest loan, say, at 6 percent and they are paying 9 percent? They will say: Wait a minute, we are in a competitive field. How in the world can we allow this company, a competitor, to go out and borrow money with the Government guaranteeing it? They get a lot better interest rate. We are competing with them. When they are doing it, we had better do it.

So we are, in effect, going to give U.S. Steel or Bethlehem Steel a loan guarantee? Those are companies that are probably doing fine, and they probably do not want this. I doubt they do. I hope they do not. Are they going to let their competitors go in and get a competitive advantage? So maybe there will be a race to grab some of this money. We should not be exposing taxpayers to that kind of risk.

We should not be circumventing the marketplace. We know the Secretary of Labor, Alexis Herman, is a great lady. I have great respect for her. But I don't think she knows better than bankers in the United States whether a loan should be made or not; or, for that matter, the Secretary of Commerce or the Secretary of the Treasury. This bill says they know better, frankly, than all the bankers, all the capitalists in this country. The Secretary of Labor,

the Secretary of Commerce, and the Secretary of the Treasury would be making the loans for a billion and a half dollars. They are going to guarantee, the Federal Government, we will back that loan up. If it fails, we will write a check. That is what this bill does.

You cannot say the bill is without cost. It has been estimated the bill could cost taxpayers \$270 million. That is not an insignificant amount of money. That is a guess. That is an absolute guess. If we have default rates like we had 20 years ago, it will be over a billion dollars Uncle Sam will be writing a check for. I do not have a great deal of confidence the Secretary of Labor or the Secretary of Commerce can make the right decisions.

This bill has a provision that allows the Government to guarantee basically 100 percent of the loan. That doesn't make any sense. When you get into a loan guarantee, most of our Federal programs guarantee 70 percent, 75 percent, 80 percent, in some cases 90 percent. Almost all small business loans are guaranteed at 90 percent or less. This bill says there can be 100 percent. What sense does that make?

I mentioned that we are going to offer some amendments to make some changes. I am hopeful the sponsors of this legislation will support us in an effort to adopt those changes. Let me just go over some of the amendments I think will make a bad bill less bad. It still will not make it, in my opinion, worthy of passage, but as I told the sponsors, I am not going to filibuster the bill indefinitely. I am going to offer some germane amendments.

One will be to change the composition of the board. Instead of having the Labor Secretary and the Commerce Secretary and Treasury Secretary make these decisions, the Treasury Secretary would be a member of the board, and he would serve as chairman—in addition the Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the Securities and Exchange Commission would serve. They would replace the Secretary of Labor and the Secretary of Commerce.

It does a couple of things. It gets politics out of it for a lot of purposes. The SEC and the Fed are not as politically in tune as a Cabinet-level Secretary. I think it offers a little more balanced business perspective. I think it would complement the board and make it a better board. So that would be one amendment. Hopefully, it will be passed.

Another amendment would be to establish an 80-percent maximum loan guarantee. Instead of having a 100-percent loan guarantee, the maximum would be 80 percent. So the Federal Government, if this board says okay to a steel company or an oil company, we are going to lend up to \$100 million, the

maximum exposure of the Federal Government on that \$100 million loan will be \$80 million. That means a private financial institution which is lending the other \$20 million has something at risk, and if it fails, they will lose a little bit of money too. It will make people a little more prudent when they start applying this idea of using Government money or Government guarantees. So, hopefully, that will pass.

We have another amendment that would strike the minimum loan levels. Some people say: Why did you have the board set up? We did not pass this bill. It passed the Senate one time but not with a direct vote. It never went through any authorizing committee. It did not go through the Banking Committee in the House or the Senate. No one has looked at it. Basically, this has been crafted and it really has not been scrutinized. I think we are pulling out some of the deficiencies of the bill.

One of the deficiencies in the underlying bill says we will have minimum loan levels. In steel, the lowest, smallest loan they could make would be \$25 million. Small steel companies, don't apply. This is for big steel. In other words, the loan levels in this package—as drafted, would have to be between \$25 million and a maximum of \$250 million. That is what the Federal Government guarantees. It would not guarantee a \$10 million loan or a \$5 million loan. We want to strike the minimum levels for both steel and oil and gas.

It says, for iron ore, the minimum level was \$6 million; oil and gas, the minimum level loan guarantee would be \$250,000. I probably have more small producers in my State than any State, with the possible exception of Texas, and why in the world would we have a Federal loan guarantee program? But, oh, if you can't borrow at least a quarter of a million dollars, don't apply. Does that make any sense?

We have thousands of producers in our State. Frankly, most of our wells produce about 2 barrels a day, 2.5 barrels a day. If we are going to help people, are we really going to say, you have to be pretty big before we are going to help you? I don't think that makes sense. So we are going to have an amendment to strike the minimum loan levels. I think that would be important.

One other amendment I hope and expect we will be successful in passing, would be to strike the emergency spending designations in the bill or make a point of order that emergency spending does not lie. I hope, if anybody in this body is going to make statements such as "we want to protect Social Security, and we don't want to spend those Social Security revenues," they better support this amendment. Because I want to make sure everybody understands, when we are talking about striking the emergency section, what it means. If you have the

emergency section in there, it means the budget doesn't apply. It means we are going to add that amount of money to the caps. It means you are going to be taking that money out of the surplus and, in this case, 100 percent of that money is the Social Security surplus. So you are raiding the Social Security surplus, raiding the Social Security funds in order to be giving loan guarantees to steel and oil and gas.

I do not know if that sells in Minnesota, but it doesn't sell in Oklahoma. It is ludicrous to say we are going to have an emergency designation on this. An emergency basically means the budget does not apply. Maybe some people do not want to have a budget.

We just passed a big bill for Kosovo. We declared it an emergency. It was a net of \$13 billion. We said it was an emergency; the budget cap doesn't apply. Some people say that was wartime, it is understandable, and so on, even though we increased the numbers rather significantly. That is one thing. Are we going to do it 2 weeks later and say that now we have an emergency steel loan program; we are going to have to declare that an emergency? Are we going to have to do that every 2 weeks? How many times are we going to declare an emergency? If we are going to do it every 2 weeks, let's just stop the charade and don't even have a budget.

Just forget having a budget. It is not necessary. We can just appropriate whatever money we want to spend and see how much it is at the end of the year. That, in effect, is what we are doing when we repeatedly declare something an emergency.

We are going to make a point of order on the emergency provision, and I hope we will be successful. I am going to venture to say on all four amendments, we will be successful. I expect we will be.

I appreciate the fact that Senator DOMENICI has communicated to us already he is willing to see if we can work something out on these amendments. It is vitally important we do so.

We do not really believe in this concept of industrial policy where the Federal Government is going to supersede the private sector and make financial decisions. Some countries try that. Communist countries try it. Socialistic countries try it. Frankly, it does not work very well. Look at third world growth rate and see how many jobs they create. They do not work well.

Why would we start doing it? We tried it 20 years ago, and it was a dismal failure, a total, complete failure. Basically what they are saying is we want to replace the marketplace with political wisdom. It is a serious mistake. Again, my State has had percentage-wise as big a job loss as any, and I still think it would be a serious mistake.

Finally, obviously, big steel has a lot of clout. We are considering this bill,

and there is another bill which just went through the Finance Committee dealing with section 301. Then there is a bill that the House has already passed dealing with steel quotas. I believe the majority leader said we are going to be voting on that next week. There will be a cloture vote on whether we should take it up. I urge my colleagues to vote no on cloture and defeat the steel quota bill.

Today I asked Mr. Summers, who is the nominee for Secretary of the Treasury, what his position is on the bill. In the past, we heard the President was against it. He said his advisers will be recommending the President veto it. That is the right position. They should veto it.

One has to ask a couple of questions: Do you believe in GATT, the General Agreement on Tariffs and Trade, which has made it possible for us to have a greater economic activity worldwide? If you believe in it, the steel quota bill is totally, completely inconsistent with GATT. Totally. Our trading partners would retaliate.

If you think if we pass this steel quotas bill, that it is going to protect steel jobs, it will not, because there will be retaliation. The retaliation in many cases will be: We are not going to buy some of your other products.

You may think we are saving a few steel jobs, but the net result is we are going to lose a lot more jobs throughout the economy—not a few, a lot more—and maybe even start a real trade war. That is a serious mistake. We should not do that.

I urge my colleagues, if you believe in free trade, if you believe in GATT, if you believe in negotiations—that does not mean we cannot take retaliatory action if somebody is dumping. The administration has already imposed anti-dumping tariffs on Brazil and Japan. There are proper avenues to do that. A steel quota is not one, and loan guarantees is not one.

I urge my colleagues to support the amendments that Senator GRAMM and myself, and I believe Senator MCCAIN, will be offering shortly this afternoon. Maybe we can have them agreed to. If not, I hope we will have votes and they will be adopted. I urge my colleagues to vote no on final passage on this bill.

Mr. GRAMM. Will the Senator yield?  
Mr. NICKLES. I will be happy to yield.

Mr. GRAMM. I want to be quick because I know our dear colleague is waiting. When the Senator talked about the minimum, he may have misplaced a decimal point. Under this bill, the minimum loan is \$25 million for steel.

Mr. NICKLES. That is correct.

Mr. GRAMM. The second thing I want to know, is the Senator aware that mining has been added to where the loans can now go to iron ore companies as well with a \$6 million minimum?

Mr. NICKLES. I did not mention that in my statement. The Senator is exactly right. Under the iron ore loan guarantee, the minimum loan is \$6 million, a maximum loan of \$30 million.

Mr. GRAMM. I congratulate the Senator. His remarks were excellent. I agree with every point he made, and I believe a couple of things are important. This is not going to be the last one of these we do if we do this one. If we have already expanded this to iron ore, and we have steel and it was expanded in committee to oil and gas, does anybody doubt, if we pass this one, that 2 weeks from now, we are going to be back passing another one and another one and another one?

Mr. NICKLES. Good point.

Mr. GRAMM. The amazing thing is that we are getting the Government involved in allocating credit at a time when we are creating jobs at a record rate on net of 7,500 jobs a week.

Finally, I ask the Senator if he is aware that in a Los Angeles Times article in March, it pointed out there is expansion in the steel industry in that seven new plants will come on line this year, but each one of them, very interestingly, will employ 200 or fewer people. What is happening is, these small companies, with a small number of employees producing specialized products, are really outcompeting the bigger companies.

In looking at the assessments by Wall Street, they are bullish on steel in general, and the three companies which have gone bankrupt, they say have gone bankrupt because they are too highly leveraged and they bet on technology that did not pay off.

Mr. NICKLES. I appreciate the Senator's comment. I was not aware of the article. I am aware of the fact the steel industry as a whole is not doing all that bad. I mentioned, I believe, in my comments that 12 out of 16 of the larger companies are all profitable. Not all companies, but several companies are profitable.

The Senator mentioned seven new plants. I was not aware of that. That is an excellent point. I do not think they are clamoring for Washington, DC, to give them a loan guarantee. I have not had them knocking on my door saying give us a loan guarantee. If they do, I certainly would not want to be an investor. If somebody in the steel industry is knocking on the door saying, we need the Government to give us a loan guarantee, that is a bad sign, poor management, and they are in serious trouble.

Mr. GRAMM. I thank my colleague.

Mr. NICKLES. I thank my friend and colleague from Minnesota, and I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I say to both my colleagues, actually sometimes coming down and waiting to

speaking is positive. You get to hear people, as my colleague from Texas said, who see it through different lenses, who see it a different way.

What I want to do is, first of all, try to bring this debate back to people and talk about it in very personal terms as it affects people in my State of Minnesota. Then I want to speak to what I believe has been a political economy argument that has been made, and I take sharp exception with what my colleagues have had to say.

As to Minnesota, believe me, the loan guarantees in this legislation will be much appreciated in my State of Minnesota.

My colleagues also mentioned the iron ore mine operations and the steel loan guarantee program sets a \$30 million ceiling for iron ore companies. That is going to be particularly important to the Iron Range in northern Minnesota.

One hears a lot in the media about the Goldilocks economy we have. I heard some of my colleagues talk about this Goldilocks economy and how great it is; it is a booming economy, we are just humming along. For many of our people in Minnesota, especially on the Iron Range in northeast Minnesota, this Goldilocks economy is much too cold.

Already, 10,000 workers have lost their jobs due to a flood of illegally dumped imports. This is the worst crisis the steel industry has faced since the mid-1980s when 28,000 people left the Iron Range in Minnesota for good. We do not want to let it happen again. That is what this debate is about: people's lives, about whether or not we are going to see more broken lives, more broken dreams, more broken families. Now, all these statistics that my colleagues have been laying out, they affect real people in real communities. The surge of steel imports over the past year or so threatens thousands of people in northern Minnesota because iron ore mining is the mainstay of the Iron Range economy.

I thought what I would do, since we have heard all these abstract economic theories laid out here, is tell you a little bit about the Iron Range, about the communities, about the people whose future we hold in our hands.

Let me repeat that. I want to talk about the people and the communities of the Iron Range, because we hold their future in our hands.

More than 20,000 jobs in northern Minnesota depend on the iron ore industry, though less than a third of those workers actually work in the mines. The industry purchases over \$376 million in goods and services annually from nearly 200 Minnesota communities, and it contributes more than \$1 billion annually to our State's economy. The taconite production tax provides nearly \$100 million annually for the support of Iron Range counties, cit-

ies, townships, and school districts, and it provides funding for economic development and property tax relief as well.

Most of this country's iron ore reserves are in the form of low-grade taconite found on the Mesabi Range of Minnesota. There is no shortage of taconite. In fact, the Mesabi Range holds about 200 years worth of pellet reserves. But the challenge has been to continue mining and processing taconite in a cost-efficient way.

I agree with my colleagues when they talk about the importance of being able to compete. No question about it. Back in the 1980s, the industry was told they had to modernize in order to compete with foreign steel. And they did just that. They played by the rules of the game. They poured \$1 billion of investment into modernization, and they shed 10,000 jobs. As a result, the industry now has only 6,000 workers, and this industry is the world's most efficient.

With the boom in the national economy, some people in the Iron Range were starting to hope that they could dig their way out of the debt they piled up during the 1980s, make an addition to their house, save some money for their kids' college education, and attend to some of the needs they had too long neglected. But sadly, because of the steel crisis, many of those dreams have proved to be short-lived.

In 1998, LTV Steel Mining Company in Hoyt Lakes, MN, was forced to reduce its fourth quarter production by 360,000 tons, an equivalent of 66 jobs. Employees at US-Minntac in Mt. Iron, MN, were forced to make concessions last fall to prevent 133 layoffs. Employees at EVTAC in Eveleth, MN, now have nothing left to give. EVTAC permanently laid off 168 employees, a quarter of its employees, when it shut down one of its two pelletizing furnaces last week. EVTAC is fighting hard to stay out of Chapter 11. Two other Iron Range taconite facilities, Butler Taconite and Reserve Mining Company, both closed under similar circumstances in the mid-1980s. We do not want to go through that again.

The workers who were laid off at EVTAC, and workers throughout the Iron Range, and steelworkers all across the country are all looking to us for some help. That is where they should look. This crisis is not their fault. They were told to modernize and they did. This crisis is the result of illegal dumping. Unless we want to see a repeat of the 1980s, we must act.

Again, this piece of legislation, this loan guarantee is a good first step, but it is only a first step. Soon we are going to be considering legislation introduced by Senator ROCKEFELLER which will provide even more effective relief. I will be joining Senator ROCKEFELLER, and other Senators will be joining him, Democrats and Republicans. I heard some of my colleagues

speak to that legislation, and I want to respond to some of their arguments.

It is unfortunate that we are in this difficult situation. We should have acted sooner. U.S. trade laws and the WTO recognize the legitimate need of every country to prevent extraordinary import surges such as this one from destroying its industrial infrastructure and eliminating thousands of jobs. Under section 201—let me be bipartisan in my critique—the administration could have imposed the same remedies as now provided in the Rockefeller bill.

Steelworkers played by the rules when they modernized their industry, and steelworkers paid the price for that modernization. They made the sacrifice. Steelworkers also played by the rules when they asked for Section 201 relief. But they didn't get it. The administration was implored for months to take action under section 201, and it chose not to do so. Now foreign steel exporters are the ones breaking the rules.

The question is not who is playing by the rules but, rather, which rules the administration chooses to apply. Now, my colleagues—as it turns out, Republican colleagues, though I am being critical of my administration, a Democratic administration—my colleagues talk about how this crisis is all the result of Adam Smith's invisible hand. But that is not quite the political economy that we are looking at.

The administration did not hesitate to slap 100-percent tariffs on imports from the EU when a top campaign contributor to both parties, Carl Lindner of Chiquita Bananas, had a trade complaint. Lindner's dispute with the EU hardly even involves American jobs. It concerns bananas grown in Central America. But we were there for them. Now when American steelworkers ask for existing trade laws to be applied, they're given short shrift. The message this sends to American manufacturing workers is that they are not a priority.

Moreover, this administration went the extra mile, working through the International Monetary Fund, to organize bailouts for Wall Street investors when their risky investments turned sour in Indonesia, Brazil, Korea, Russia and Mexico. But when American steelworkers asked for similar consideration under existing trade rules, they get short shrift.

So my colleagues come out here on the floor and they say this bill is terrible. The government getting involved in any kind of loan guarantees? This is the government running the economy.

That's hardly the case. When steelworkers say: How about some relief for us, how about some consideration for us under existing trade rules, my colleagues come out here on the floor and they say, this would lead to trade wars. This would do damage to Adam Smith's invisible hand. We can't do that.

I didn't hear those same colleagues when it came to the IMF organizing a bailout for the Wall Street investors when their investments went bad in Indonesia or Korea or Russia. I didn't hear the same colleagues come out and say: Oh my gosh, we have a government institution that's involved. When it's these Wall Street interests, it is fine. But when the workers ask for some support, it is not so fine.

The administration is concerned that limiting imports from Brazil, Japan and Russia could hurt their slumping economies. I have some sympathy for that argument. We should all be concerned about reviving growth in these countries. But American steelworkers are not a foreign aid charity. They should not be asked to pay the ultimate price, to pay with their jobs, for the failure of this administration's foreign economic policy. And I might add—given what some of my colleagues have said on the other side—I think the failure in foreign economic policy is also a failure of the Congress.

When the Clinton administration, working through the IMF, helped bail out Wall Street investors in Brazil, Russia, Indonesia, Korea and Mexico, it committed public resources. It didn't ask Wall Street to pick up the tab by itself, even though the major industrial institutional investors were by far the biggest beneficiaries of the bailout. The administration and some of my colleagues on the other side are now asking steelworkers to pay a price that they would never ask of Wall Street.

I hope we can pass that Rockefeller legislation next week. I hope the White House will withdraw its opposition and sign it into law. I heard my colleague from Oklahoma say that he had talked to Secretary Summers and he said the administration was going to veto this bill. I hope they will change their mind.

I say to the administration, you were there for the big investors when their investments went sour in some of these other countries. You used public money to help bail them out. You ought to have the same concern for steelworkers and working families in our country.

But we need to do even more than that. We need to widen our focus a little bit and address the root causes of this crisis. I heard my colleague from Texas speak about what has gone wrong, and I want to quarrel with his interpretation of international political economy. I think we should be working to change the rules of the global economy so that these kind of devastating crises do not keep happening.

I am not worried, like my colleagues are, about these loan guarantees. They will make a difference to an important industry in our country and will be important to so many working families. What I am worried about is our failure

to make some changes in this global economy so we don't keep having these devastating crises happening over and over again. I am surprised I have not heard my colleague talk about this at all.

The long-term solution to this crisis is restoring economic growth around the world. The steel crisis was precipitated by the collapse of global demand following the Asian crisis, and worsened by the economic crises in Russia and Brazil. Excess steel production is being dumped in the United States because our country is one of the few economies in the world that is growing right now. Only when we have global economic growth, only when this growth revives, will foreign steel producers consume more of their own steel production and find export markets other than the United States.

Although the administration claims to be working to revive foreign demand, its actions speak louder than its words. In fact, I believe its policies are marching in the opposite direction. They have tended to promote a "race to the bottom"—a global trade competition that rewards those countries that can attract foreign capital by advertising the lowest labor, lowest environmental, and lowest safety standards, rather than raising environmental and labor and safety standards overseas.

When my colleague from Texas talks about the international economy, I will simply say, no wonder we are in trouble with these trade agreements that don't make sure there are some environmental standards and fair labor standards that other countries have to live up to. What you have is a situation where those countries have a workforce that can't buy anything. There is no demand for what we produce.

Those countries tried to export themselves out of the crisis, and our working families are hurt both ways. We are hurt because we can't export to those countries, because the people there don't have any money to buy. At the same time, we are competing against people who are working under exploitive, grinding labor conditions. This is the race to the bottom.

Why in the world has this administration not adopted a trade policy that makes much more sense for working people in this country, and for working people in other countries as well? Why, when my colleagues come to the floor, do they continue to talk about this international economy as if it were a level playing field? We dare not speak about any fair labor standards or environmental standards or any safety standards.

Despite recent encouraging economic news, there is compelling evidence that something is fundamentally wrong with the world economy. First, it is becoming increasingly obvious that the global economy cannot tolerate ever-

increasing inequality among countries and within countries. Policies that lead to the replacement of good-paying union jobs with jobs that pay subsistence-level wages only contribute to growing and dangerous imbalances in the global system. Widening inequality at home and abroad depresses the consumer demand necessary to fuel our economic growth. We need to encourage foreign countries to raise their wages and increase demand, so they can consume more of their own production and stop dumping surplus production on our markets.

Similarly, I believe we must reexamine the orthodox view that export-led development is the key to prosperity. Not everyone can rely on export markets for their economic growth. The entry of subsistence-wage China into global competition makes this all too clear. Somebody has to buy all of those exports. For too long the United States has been the buyer of last resort, absorbing excess production from all the export powerhouses. While cold war responsibilities obliged us to play that role in the past, we cannot do this forever. If we want to have a manufacturing sector in our own country, we should aim to make exports a complement, rather than a substitute, to healthy domestic demand.

Third, we must come to grips with the related problem of overcapacity and excess production. For various reasons, in industry after industry, gluts have developed in the world economy. The problem of overcapacity is now made worse by the recession and deflation in Asia, Russia, and South America. We need progrowth, stimulative economic policies to restore some of that lost demand. Simply absorbing excess foreign production in the U.S. market is not a solution. We cannot indefinitely run record trade deficits that hollow out American industry, put American workers out of work, and lead to growing economic inequality.

Finally, I believe this administration must rethink its zealous commitment to unfettered capital flows, despite the fact that this is a top priority of the U.S. financial interests. Numerous economists have agreed that misguided Treasury, IMF, and OECD promotion of capital account liberalization was an important cause of the Asian crisis. The enormous amount of capital sloshing around the globe at lightning speed injects too much instability into the world economy, and it magnifies the dangers of capital flight, which the IMF cites as justification for plunging Brazil and other economies into deep recession.

Instead of placing a priority on the interests of Wall Street investors, the Clinton administration and some of my Republican colleagues should look out more for the interests of average Americans, such as American steelworkers. Its top priority should be Main Street,

not Wall Street. It should ignore Wall Street's demands for more IMF austerity overseas, which is designed to safeguard Wall Street investments but ends up creating problems that are later dumped on the backs of American workers. The administration should promote worker rights overseas, rather than demanding antilabor changes in foreign countries' labor laws—as it has done for years, to the applause of Wall Street. And it should promote policies that reduce economic inequality overseas by ensuring that the growth is more broad-based and less lopsided.

By promoting more robust, more balanced growth, stronger unions, and more widely shared prosperity overseas, we can help create enough foreign demand so that these countries can consume more of their own production and stop dumping their excess production on our markets. That is the core problem. Looking out for average working people here in the United States and overseas is a win-win proposition.

We need a change in policy. Last month, our trade deficit reached record levels. Without a change in course, I am afraid this administration will simply repeat the mistakes of the late 1970s and 1980s, when over 350,000 steelworkers lost their jobs and 28,000 workers left the Iron Range for good.

This is why I speak on the floor of the Senate, not just to support this loan guarantee legislation today, which we need and which is important, but also to support the bill Senator ROCKEFELLER will bring to the floor next week that I intend to be out here supporting.

I am afraid that this administration's solution to the global economic crisis, and I am afraid given what I heard my colleague from Oklahoma and my colleague from Texas say on the floor of the Senate, that their solution to the global economic crisis will be to ask Americans to continue absorbing more and more imports. Their solution will be to ask—mainly unionized—manufacturing workers to look for jobs elsewhere.

Mr. President, this is no solution at all.

I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). Under the previous order, the Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I note the presence on the floor of Senator DEWINE. Does he want to speak?

Mr. DEWINE. I would like to speak for about 10 minutes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I may yield to the Senator from Ohio and that I be recognized when he finishes.

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

The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I thank my colleague from New Mexico. I will try to be brief.

I rise today to support the bill my colleague from New Mexico, Senator DOMENICI, and Senator BYRD, have brought to the floor. This bill has great significance in my home State, but I think it also has great significance for this country.

I rise today to express my strong support for this bill. Our steel industry today is in trouble. Why? I think as we engage in this debate we need to start at the beginning of the story.

To my colleagues who have risen on the floor this afternoon opposed to this bill, I would point out one thing that I think their comments have failed to reflect; that is, we are here today because of illegal activity. We are here today because of illegal dumping of steel into the United States. That is an uncontroverted fact. That is what the truth is. That is what the finding has been. Steel has been dumped repeatedly, month after month after month, and it has been dumped illegally. That has been the findings. That is why we are here today.

Last year, U.S. steel producers had to withstand an onslaught of illegally imported steel. In 1998, 41 million tons were dumped. That represented an 83-percent increase of imported steel for the previous 8 years. In other words, if you took the previous 8 years and looked at the amount of imported steel on the average for those 8 years, what you would find is that when we got to 1998, and compared 1998 to the previous 8 years, it went up 83 percent. That is a phenomenal increase in the importation of steel. It is no accident. This was clearly dumped.

Many steel companies are, obviously, reporting financial losses, most attributable to the high levels of illegal steel imports. It has been estimated that 10,000 Americans—10,000 workers, 10,000 families—have already lost their jobs because of this illegal dumping. The Independent Steelworkers predict job losses as high as 165,000, if steel dumping is not stopped.

I introduced a bill. Some of my colleagues in the Senate have introduced other bills—Senator BYRD, Senator ROCKEFELLER, Senator SPECTER, Senator SANTORUM. It is legislation that we will be taking up shortly. I believe it is time for action. All eyes of this country and the world are today on the Senate. The question is, Will we respond to this crisis?

Certainly a good first step would be the adoption of the bill before us, Senator BYRD's steel emergency loan guarantee program. This loan program is designed to help troubled steel producers that have been hurt by the record levels of illegally imported steel. For many companies, this program is the only hope they have to keep their mills alive and their workers working.

Specifically, the program would provide qualified U.S. producers with access to a 2-year \$1 billion revolving

guarantee loan fund. In order to qualify, steel producers would be required to give substantive assurances that they would repay the loans.

A strong and healthy steel industry is absolutely vital to our country. It is vital to our national defense. This bill has a lot to do with national defense. It is essential, if we are going to have the national defense we want—if we are going to have the security we want in this country—that we always have a vibrant, energetic, tough steel industry. This bill speaks to that issue.

This bill also has to do with an even bigger issue; that is, whether or not in this country we are going to continue to make things and manufacture things and be producers.

There are some people who have been quoted—some people even in this administration who have been quoted—saying things which would give you the impression they really do not care if we produce things anymore, that being a service-driven economy and an information-driven economy is enough. While service is good and information is good, and they produce jobs, we still have to produce. We still must be a manufacturing country, if we are going to retain our greatness.

Fortunately, today, our steel industry is a highly efficient and globally competitive industry. It wasn't too many years ago that the critics of the steel industry, sometimes very correctly, would criticize the industry. They would say: You are fat, you are flabby, you are not tough enough, you are not lean enough, you have to invest, you have to modernize, and you have to do things differently.

As a result of that, and as a result of some very tough times in the 1970s and 1980s, the steel industry in this country did that. They did it. They invested billions of dollars. They modernized. They made the tough and the hard decisions that they had to make to be efficient. Yes, the workers made sacrifices as well. The unions made sacrifices as well. Everyone knew they had to pull together. It was not always easy, but the result is that we have a steel industry today in this country that is better than any steel industry in the world.

If you strip away the subsidies by other countries that are subsidizing their steel industries, you will find that we can compete with any company in the world—with any country in the world—in the production of steel.

Yet, despite all of this great effort, despite this modernization, our steel producers face a number of unfair trade practices and market distortions that are having devastating impacts in Ohio and other steel-producing States. That is not just MIKE DEWINE speaking. Those are the findings that have been made.

I have heard about this crisis firsthand from industry and labor leaders. In fact, I have looked into the eyes of

steelworkers, whether it be in Steubenville, OH, or in Cleveland, OH, or in other places. All they want is a fair chance to compete and a fair chance to recover from the illegal dumping that has already taken place.

One of the things I point out is that one of the reasons for this bill, despite our other bills that we hope to pass in this session, is they do not in any way stop the illegal dumping that has already taken place, and has taken place for well over a year. So this bill is needed to rectify some of the problems that have been created by this illegal dumping.

Many steel companies are in serious trouble and are in desperate need of immediate assistance. The short-term loans that would be provided under this program will provide that very assistance without burdening taxpayers, because if steel plants close, if workers lose their jobs, taxpayers would be forced to pay for unemployment compensation, food stamps, Medicaid, housing assistance, Medicare, and on and on and on, all of which will certainly exceed the total cost of this program.

Again, the steel companies are required to repay the loan within 6 years, provide collateral, and pay a fee to cover the cost of administering the program.

I am a free trader. I believe free trade, though, does not exist without fair trade. Free trade does not mean free to subsidize. Free trade does not mean free to dump. Free trade does not mean free to distort the market. That is exactly what has been taking place month after month after month.

Our trade laws are designed to enforce these basic principles. However, the current steel crisis underscores flaws and weaknesses in our current laws. I am, therefore, pleased the majority leader has indicated he has reserved time within the next several weeks to deal with many of these other problems, and to look at some of the remedies, proposed remedies that I and some of my colleagues have proposed.

The House has already acted. I believe it is time for us to act. Today we have an opportunity to help an industry that throughout its long and illustrious history has been there for our country, has been there for our national defense. We should pass the bill and commit to adopting meaningful legislation to deal with the steel import crisis.

I thank my colleague, Senator DOMENICI, for his leadership on this bill, Senator BYRD for his tireless efforts, Senator ROCKEFELLER and the other members of the Senate steel caucus who have worked on this issue.

This bill will help. This bill will save jobs. This is about our national security.

I emphasize how important I think it is as our colleagues consider the merits

of this bill that they remind themselves of one basic fact: We are in the Senate today to consider this bill because illegal dumping took place and it took place month after month after month after month.

The steel companies, the steelworkers did nothing wrong; they did everything right. They modernized, they made the sacrifices. They want the opportunity to compete. Given that free opportunity, they will not only compete, they will win.

I thank my colleague for yielding time to me.

Mr. DOMENICI. Under the order, I am to proceed. I note the presence of Senator ROCKEFELLER and I will yield to him in 1 minute.

In my case, on behalf of oil patch—not Exxon and Texaco; these loans do not apply to them—the question has been asked: Why them? As if the United States and the Congress of the United States has not helped businesses that are in bad shape, that are regional or national in nature. And I have no complaints about that help.

Let me suggest that since 1993 we have, under supplemental appropriations as an emergency measure, appropriated \$12.8 billion for agriculture assistance. That is not oil patch. I voted for agriculture and I live in a modest agriculture State. I was told that it would help, so I voted for it.

Natural disasters, the kind that you can hardly avoid calling a disaster, but I think oil patch is a disaster. I will explain that further in my remarks following Senator ROCKEFELLER.

Let me talk about natural disasters. People wonder whether emergency designations are useful in this country. In the same period of time, 1993 through 1998, we have spent \$36.1 billion for natural disasters without batting an eye. Some of them cost \$5 billion.

We are concerned about oil patch, especially the small people whose businesses are right down at rock bottom, and the patch isn't flourishing so the bankers are wondering whether they should loan to them. We want them to know we are concerned.

I will discuss the numbers. Oil patch, oil rig, oil well drilling, and related activities in America have lost more jobs in the past 10 years than any American industry. Our dependence continues to come down. We are starting to close wells off so they cannot ever be used, because they are too small and too expensive because the price is too low. The companies that work them are going to go broke. We think some are viable and banks might look at them and say with this kind of approach, although the banks will have to risk something under the new approach, we think it might help a few.

We have had \$36.1 billion in declared emergencies for related damage in natural disasters, \$12.7 billion for agriculture, and some Senators think it should have been double that already.

I have not been called upon to vote on whether that is enough or not. I listen when we are presented with problems and I do what I can for a part of America's economic sector. That is why I said if we are going to help steel—and I think we ought to do that; I have heard some wonderful Senators discuss why we should—I thought we ought to say something to the oil patch of the United States, since the same kinds of problems are occurring in Hobbs, NM, Eunice, NM, medium and small towns in Texas, Oklahoma and elsewhere, and across the oil patch States of this land.

I yield the floor.

Mr. ROCKEFELLER. I thank my friend from New Mexico.

Mr. President, in a sense what we have now is the torch being passed. Any number of Senators have described—and I will not, therefore, try to repeat any of that—how this whole steel crisis, not to mention the oil patch crisis, has developed.

It started in 1997. In the history of recorded trade statistics, as long as our country has been keeping trade statistics, there has never been an import surge of the magnitude, in any commodity at any time, as there has been in the last 2 years in steel. It started off with three countries; it is now all over the world.

The Secretary of Commerce put out a release saying it is wonderful the steel crisis is over. I wonder where he has been.

We should understand that the steel crisis is deep. If you take the first quarter of 1999, the first 3 months of 1999, and compare that to the worst possible months of the steel crisis, the first quarter of 1998, last year, the total improvement which the administration keeps trying to talk about—I think they know it is wrong and the administration realized it hasn't done anything about this problem and it will be paying a price for it—the total decline from the 1998 first quarter to the 1999 first quarter is a total of 5 percent worldwide on all steel. That is going from the worst steel statistics in history and a 5-percent decrease. That could go right back up.

The torch has to pass from the administration protecting our national trade laws, protecting free and fair trade, to us. Now we have to do something about it because they have declined to.

I have been to everybody all the way up to the President and Vice President on a number of occasions. Expressions of interest but no results, no action taken.

This affects the lives of my people; it affects the lives of people in many States. I hate to see that.

I used this analogy on the Finance Committee. Football is a rough sport, as is international trade. International trade is a rough sport. Everybody is

trying to get the advantage of everybody else and undersell. In football, you can get hurt—any individual player, a large or small player. They have rules. That is why we have rules. That is why they have referees.

If you are a linebacker and you charge through the line and you get through and you hit the quarterback on the helmet with your elbow, you are penalized. You know that beforehand and you may get thrown out of the game for that.

If you are inbounds and you are a pass catcher and you run out of bounds, that is no good. You jump offside, you get penalized.

Everybody knows the rules. The more they play the game, the more they know what the rules are. That is what has kept the integrity of the game, because of its predictability. Secondly, it kept a lot of people from getting their heads taken off and knees broken. Football is tough anyway, as is international trade.

So, there are rules. We have rules in international trade too. And we set them; the Congress set them and the administration set them in previous years. It is the Trade Act of 1974. It sets out a whole series of these rules. The administration keeps saying we are going to abide by the rules; we are abiding by the rules; we plan to abide by the rules. Of course, they are not. So the torch is passed to us. And there are a couple of points there I need to make.

The bill is incredibly important. There is also a bill going to be taken up on a cloture vote next week, on steel quotas, which is incredibly important. It is very important for my colleagues and their staffs to understand; the vote this afternoon on this excellent bill of Senator BYRD and Senator DOMENICI and the bill next week which deals with imports are totally separate and different; that if you vote for this one, it does not mean it solves the import problem, or if you vote for that one, it doesn't solve the financial problem that this bill helps with. They are separate bills.

So anybody who says, I voted today for Byrd-Domenici; therefore, I do not have to worry about next week because we have taken care of the problem, does not understand there are two totally different subjects. I cannot make that point strongly enough. This one is about the finances of companies that are going under, giving them a chance at commercial rates, repayable—to go to banks, because they cannot now borrow, and to be able to borrow a little bit, to survive a little bit longer—whether it is the steel mill or the oil patch. That is terribly important for the viability of those industries.

Then, equally important, since this bill has nothing to do with the import problem which created all of this—that is what next week's vote has to do

with, the problem of the imports and how do we adjust the import problem on a short-term basis to bring some fairness to what we like to call free trade but which is practiced virtually only by us. It used to be practiced by Hong Kong. I don't know how they are on it now. But it is practiced by nobody else in the world. So all the steel comes into us: India, up 72 percent; Indonesia, 60-something—it doesn't matter where you go, the numbers are up, because they know, the word is out, if you want to dump subsidized or underpriced steel in the United States, they will take it. So it puts people out of work. It does not matter to them. They will go ahead and take it.

That is what I call the best way to destroy the possibility of a national coalition for a trading system, which I believe in. I am somebody who has always voted for fast track and somebody who believes in engaging the world. I have worked very hard within my own State—which is not particularly an international State in its viewpoint, being landlocked in the mountains, so to speak—to make my people understand the global economy is part of their economy, we are all part of each other's economies, and we can sell products to other countries and they can invest in West Virginia, and this is all good; so we are all part of an international trading system.

But there have to be rules in that. If you allow the quarterback to have his head given a concussion, it is very important the referee be there. But the referee usually does not have to be there, because people know what the price will be: You will get tossed out of the game or you will get a penalty of 15 yards. So all kinds of fair play is carried on on the football field, because people know what the rules are.

Again, the torch is passed to us, and I think we have two duties. One is, we have to pass this excellent bill this afternoon. We should have passed it much earlier when it was the subject of earlier consideration. Then it got done in, in conference. I am terribly glad Senator BYRD, my senior colleague, and Senator DOMENICI, have combined forces to help on this.

Frankly, it is important to combine forces sometimes on bills around here, because there are only 16 States that are major producers of steel. I do not know how many States produce oil, but I suspect there are not that many. So this is a very good opportunity for us to give those companies a chance to go to the bank, to get some money to be able to exist for a few more months or another year or so. It is not going to do anything about the import problem, which is the real cause of the devastating human crisis in steel.

So we, as a legislature, as a Congress, have to decide, as the House has already decided by an overwhelming margin, that steel is important to

America. This is not just a question of West Virginia or Ohio or Minnesota or other places; this is a national crisis. Senator DOMENICI has said, I don't know how many times: When Members on my side of the aisle—the other side of the aisle—come up to me and say I have this milk support problem, I have this farm support problem, I have this food support problem, I have whatever it is, I am always there. I am always there, because I believe it is as if you built the interstate system in this country and, because Pennsylvania is bigger than West Virginia, you made it four lanes in Pennsylvania but you only made it two lanes in West Virginia and then it went back to four lanes in Ohio. That would not be very smart. No. 1, it wouldn't fulfill the work of a national defense highway system. No. 2, it would cause massive traffic jams.

So we understand we are all part of each other's destiny. West Virginia, insofar as I have been able to determine, has no oceans on our boundaries, but we pay taxes to support the Coast Guard. That is as it should be, because we have an obligation to each other, as West Virginia does to those who use the Coast Guard on coastal areas in different parts of the country. So that is part of our compact in America. It is part of our contract with each other, that when a region needs help, when an industry needs help, if there is a reason and possibility of doing so, you try to do that.

This one is particularly good because it helps companies get money they cannot otherwise get. The international trade situation is more complex and, in the longer run, will probably do more to solve the problem, because it actually deals with the level of imports. It says to other nations, we are not going to be Uncle Sucker forever, or, in this case, at least for a period of 3 years. It is not radical. People think, what are we doing this for?

What is interesting is that over the years the average foreign imports of steel into the United States—over the last 30 years, let's take it—is probably less than 20 percent. Less than 20 percent is usually what foreign countries export into this country, what we therefore import into this country; less than 20 percent of all the steel we use comes from other countries. That is the way it has been. That is perfectly acceptable as a figure.

Interestingly enough, in the bill coming up next week, that figure can range as high as 23 percent, certainly no lower than 18 or 19 percent. It is only for 3 years. But it is a way of saying we in America, if we are going to get into this, deeper and deeper into the international trading system, we really do care about our rules. We really do think about our quarterback's head. We think the chop blocking, which can break a young man's knees or legs, is

wrong, and there are rules about that. We actually passed those rules in the Congress, and the President signed them all in a previous era, and they apply today, and we all live by them—except that we do not.

So, in closing, I want to say these are two distinctly important decisions we are going to be making in separate weeks on separate bills. The one today is filled with merit. It is tremendously important. It is part of the comprehensive solution to the problem.

But, then again, the one next week is the one that deals with imports, and it is the only one that deals with imports. So we need to do both of those so no Senator thinks that, because that Senator has made a particular vote on one day, he does not have to face up to the same situation on another day, because they are entirely different problems that each bill addresses.

This is a matter of high urgency in the part of the country I come from. I was Governor of West Virginia for 8 years, and I dealt in 1982 and 1983 with 21-percent unemployment. That is not a whole lot of fun, when 1 out of every 5 people you pass does not have work. There is not a family in West Virginia that is not accustomed to not having work or has not dealt with it.

We are on the way back, but we are going to get knocked down if this steel import crisis continues. I do not want that to happen to Ohio. I do not want that to happen to Pennsylvania. I do not want to have that happen to Arkansas, Utah, Texas, or any other State. I do not want that to happen. It does not have to happen, and it is not even a budget matter. It is a matter of fair trade, fair play, rules that we have passed and by which we should live.

I thank the Presiding Officer, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thought I had reserved under my UC request my right to speak, but I was mistaken. As we called on other people, I did not repeat my request. There is no unanimous consent agreement recognizing me. I understand the Senator from Arizona wants to offer an amendment, so I yield the floor.

Mr. MCCAIN. Mr. President, I will be glad to wait until Senator DOMENICI finishes his remarks.

Mr. DOMENICI. I have finished my remarks, I say to the Senator.

Mr. MCCAIN. Mr. President, 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. MCCAIN. Mr. 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. 685

(Purpose: To restrict the spending of any money for these programs until they are authorized by the appropriate Committees and the authorization bill is enacted by Congress)

Mr. MCCAIN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 685.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 48, between lines 17 and 18, insert the following:

(c) Notwithstanding any other provision of this Act, no amount appropriated or made available under this Act to carry out chapter 1 or chapter 2 of this Act shall be available unless it has been authorized explicitly by a provision of an Act (enacted after the date of enactment of this Act) that was contained in a bill reported by the Committee or Committees of the Senate with jurisdiction over proposed legislation relating primarily to the programs described in section 101(c)(2) and 201(c)(2), respectively, under Rule XXV of the Standing Rules of the Senate or the equivalent Committee of the House of Representatives.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, this amendment is pretty straightforward. It restricts the expenditure of funds for loan guarantee programs until the appropriate committees have authorized the expenditures for these programs and these authorizations have been approved by the Congress.

In other words, with this amendment, we carry out what is supposed to be the procedures of the Senate, and that is, before taxpayers' dollars are expended, they are authorized.

All of my colleagues know that this loan program for steel, oil and gas companies has been inserted into the appropriations bill, and it has not gone through the authorizing committee process.

The legislation creates an unnecessary and unwarranted loan program for steel, oil and gas industries. Once again, Congress is seizing an opportunity to engage in the all-too-common game of pork barrel politics. The bill was originally intended to address the President's request of \$6 billion for the war in Kosovo but quickly became a vehicle for a hasty and ill-conceived program to subsidize the steel, oil and gas industries.

The bill creates a \$1 billion loan guarantee program to support the domestic steel industry and a \$500 million loan guarantee program for oil and gas companies. These programs will provide loan guarantees of up to \$250 million for any domestic steel company,

\$10 million for any oil and gas company that "has experienced layoffs, production losses, or financial losses."

I do not take lightly the value of these industries to our Nation, nor do I disagree that in the case of steel imports, illegal dumping of foreign steel has occurred. However, I question the wisdom of creating an emergency loan program to subsidize an industry that finds itself in trouble. We set a dangerous precedent by opening the Federal Treasury to industries facing economic difficulties.

Specifically, I have three problems with this measure. There is no need for these substantial loan programs. The legislation is fundamentally flawed, and using the appropriations process to enact this measure circumvents the normal authorization process. These elements are common in all three loan programs. I will focus my comments on the steel loan program because I believe it is the driving force behind this matter and the most egregious.

First, I seriously question the need to create such a substantial loan guarantee program. During today's debate, I am certain my colleagues will forewarn and have forewarned the dire consequences to the steel industry if we fail to enact this legislation. As my colleagues hear these predictions, I ask you to keep a few facts in mind.

In 1998, the U.S. steel industry produced 102 million tons of steel. This was only slightly below the record of 1997 of 105 million tons, making it the second highest production year since 1980. This record production year resulted in earnings of \$1.4 billion. Furthermore, 11 of the 13 largest steel mills were profitable. These numbers make it difficult for me to understand the need to create a \$1 billion loan program.

Even if there were a steel crisis, it is certainly over. Citing Commerce Department statistics, the White House recently stated that during the first quarter of 1999, overall steel imports returned to the traditional pre-crisis levels. In fact, imports were down 4 percent in comparison to 1997. Again, the need for this program at this point eludes me.

My second concern is that the bill will result in the needless loss of taxpayers' funds. Supporters argue that this measure is paid for with budget cuts and administrative fees. They point out the program guarantees loans and does not actually lend money. This assertion ignores the history of such loan programs.

In the mid-1970s, the Economic Development Administration operated a similar program for the steel industry. The result of that program was disastrous for the taxpayers. Steel companies defaulted on 77 percent of the dollar value of their guarantees. An analysis of that loan program by the Congressional Research Service concluded

that loans to steel companies represent a high level of risk. Nevertheless, we are poised today to provide an additional \$1 billion in guarantees. I find it ironic that at a time when the American public is demanding reform of our public institutions, we offer them the failed economic policies of the 1970s.

The measure also fails to require that losses triggering access to the loans relate to the so-called steel crisis. Therefore, companies that lost production as a result of the 54-day GM strike will also be eligible for the loan program.

Furthermore, the program could benefit companies that suffer losses after the steel crisis was over. Companies that suffer losses or layoffs in 1999 or even the year 2000 are eligible for the program. Many of the losses suffered by steel companies are the normal result of operating in a competitive global market.

The measure also fails to set terms, conditions, or interest rates for the guarantees. Instead, it leaves these critical decisions to the discretion of the board making the loans. The only guidance given to the board is that the terms should be reasonable. These provisions are problematic and will likely result in taxpayers guaranteeing bad loans.

Finally, I have serious concerns about how this provision was brought to the Senate floor. I will remind my colleagues that our forebears intended the Senate to be a forum for reasoned and informed debate. Unfortunately, some Members choose to legislate complex and controversial matters in appropriations bills. The result is a hasty review of legislation with very little time to identify and discuss its implications. It also denies the committee of jurisdiction the ability to review these important measures, which will require the commitment of millions of taxpayer dollars.

The amendment that is at the desk will restrict the expenditure of funds for the loan guarantee programs until the appropriate committees have explicitly authorized the expenditure for these programs.

Authorizing on an appropriations bill has become an all too common event in the Senate. However, this is one of the most egregious examples of legislating on an appropriations bill I have seen since I have been in Congress. Out of the more than 20 pages of text in the bill, only 23 lines contain appropriations language. The rest of the bill goes on to authorize a \$1 billion loan guarantee program for steel companies and a \$500 million loan guarantee program for oil and gas companies.

These programs will place at risk hundreds of millions of taxpayer dollars. It will do so without a hearing, without testimony from those affected by it, and without the consideration of those who have the most experience with loan guarantee programs.

I point out also that this legislation is complex and controversial. My colleagues will offer amendments today which attempt to resolve some of these issues, but this process is inadequate and is not a substitution for the authorization process.

The appropriate authorizing committee should be allowed to examine the provisions of this bill. They can most appropriately determine what remedies, if any, should be taken to help the domestic steel, oil, and gas industries. Instead, these loan guarantee programs are simply being rushed upon us on the Senate floor without proper consideration.

This amendment requires that the measure go through the normal authorization process that every other measure should go through. I hope my colleagues will support the amendment.

I listened carefully to the words of the Senator from West Virginia, who is an individual I admire and appreciate. He is a person of great compassion. I believe I share that compassion, whenever there are changes or layoffs in industries that for one reason or another are unable to compete in what is now becoming increasingly a global marketplace.

I also am happy to say I will support job training programs, ways for workers to make a transition into other lines of business and work, retraining, and other public-private partnerships, of which there are many in America today.

But there should be one lesson that the 1970s and 1980s and early 1990s have taught us, and that is the economy of the world is undergoing a profound and fundamental change. We are changing from what once was an economy based on the steel industry, the oil industry, the railroads, the automobile industries, the product of the industrial revolution, to one which is rapidly evolving into a high-tech information, technology-based economy.

I refer my colleagues to the testimony of Alan Greenspan to the Joint Economic Committee in the last few days. It is a very illuminating discussion of the transition that America's economy is undergoing.

This transition overall has led to the strongest economic period in the history of this country. There is literally a kind of prosperity that, thank God, is affecting this country which is providing jobs and opportunities that we literally have never seen before in our lifetimes. That is the good news.

But the bad news is there are industries which, for a broad variety of reasons—which we have seen throughout history, as certain industries have been replaced by others—either cannot compete or there is not a need for the product that they manufactured.

I remember once visiting Pittsburgh, PA, once one of the heartlands of the

steel industry in America, and seeing where there had once been steel mills; and there were the ensuing environmental problems associated with that. Now high-tech industries, that are clean industries, are employing people at equal or higher salaries.

People in Pittsburgh went through a wrenching change. I remember in the State of California, and to a lesser extent my State, when we started cutting back on defense spending in the early 1990s. Literally hundreds of thousands of people lost their jobs because of the cutbacks in defense spending.

Now I travel to California and see a booming economy, an incredibly, unbelievably, booming economy, both in my State and the neighboring States. What happened? It went through a very wrenching and difficult experience going from a defense-dependent industrial base to now a high-tech information technology base.

It was not an easy transition. Hundreds of thousands of people lost their jobs in California. But I know of no one who said: Keep spending this level of defense money and prop up these industries forever, because we don't want them to lose jobs because they're going through difficult times.

I have the greatest sympathy for any steelworker who is out of a job. I will do everything I can to help in retraining, in job opportunity, and education for those workers. But if there should be one lesson we learned in the 1970s and 1980s, it is that you cannot keep industries in business with Government subsidies, because if they cannot compete without them, over time they will not be able to compete with them.

As much as I admire and respect the Senator from West Virginia, he and I have a profound philosophical difference of opinion about the role of Government. He said we should help whatever industry is in trouble. Yes, we should help, by trying to take care of the displaced workers, but not by keeping obsolete or noncompetitive industries in business when we have the ability to transition into much higher-paying jobs and better industries that provide advancements in technological improvement for all of our lives.

I often have the pleasure of debating my dear friend and colleague from South Carolina, Senator HOLLINGS, who makes an impassioned plea for the textile industry in South Carolina, and bemoans, laments the great dislocation that took place there. I had the pleasure of going to the BMW plant which, thanks to a great degree of effort by Senator HOLLINGS, located in Columbia, SC. There are more jobs, higher-paying jobs, expanding jobs, and much better working conditions at the BMW plant than there were in the textile mills.

The transition is going on. The transition is going on at an even more rapid pace than any of us in this body

ever anticipated, and as a fundamental change from an industrial-based economy to one which is now increasingly technological-based.

Those that take advantage of this opportunity and make the transition will grow and prosper. Fifteen years ago there was hardly a Member of this body who new where the Silicon Valley was; now everybody in America knows where it is.

Recently, in the past few weeks, a corporation called Global Crossing announced they were going to merge with U.S. West, one of the largest telecommunications companies in America. Three years ago, Global Crossing did not exist as a corporation. This same story can be repeated throughout America's economy.

We should not be spending our time authorizing on appropriations—not even authorizing. We should not be spending our time appropriating money to subsidize companies and corporations with loans which history shows us had a 77-percent default the last time we did it.

What we should be doing is making every effort we can, as a Government, to help them make the transition, which sooner or later they will inevitably go through. Because over time, the harnessmakers, once the automobile was invented, went out of business. It will happen here, too.

Again, I want to point out that I will do everything I can to help any worker who is displaced. I will support Government programs that work. I will especially support public-private partnerships, which have been largely successful, to provide America with the educated workforce necessary to take advantage of this incredible change that is going on in America and the world, in which America leads.

But to go back to a failed program of subsidized loans, in which in the 1970s the steel companies defaulted on 77 percent of the dollar value of their guarantees, and eventually ended up, by the way, in just as bad shape as they were in before they received those guarantees and defaulted on all those loans, I think is a serious mistake, a failure to recognize that, as societies change and industries change, and as evolution goes on, to try to have Government intervene and subsidize is not a success.

That is why I oppose this amendment, not only on the grounds of the procedures involved, which I find, as an authorizing committee chairman, offensive, but the concept and the idea that somehow this will succeed, I believe, flies in the face of all historical data, and, by the way, also flies in the face of what we Republicans are supposed to stand for.

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. McCAIN. Mr. President, I ask unanimous consent that the vote be delayed until the majority and minority leaders agree as to the time for the vote.

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

Mr. McCAIN. Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I rise to offer support for the legislation that is brought to the floor this afternoon and to make a few comments about the legislation itself. Let me especially comment on the subject of steel.

I come from a State that doesn't produce any steel. North Dakota is predominantly an agriculture State. But the roots of the problems that confront our steel industry, in many ways, are common to the roots of the problems that confront a number of industries in our country today, especially and including family farmers.

I haven't heard the news this afternoon, but I understand that the monthly trade deficit results are to be announced today. My expectation is that the announcement today will conclude that we have another record monthly trade deficit, probably the fourth in a row, probably \$20 billion that we have gone in the hole in this country in our trade relations. This probably amounts to somewhere between \$250- to \$300 billion a year just in trade in goods and services. The deficit in trade in goods will be much higher than that, perhaps over \$300 billion.

What does that mean? It means that this country has to borrow in order to finance its trade deficit. It means, at least in the field of economics, to the extent there are any certainties, that this country will have to repay this trade deficit at some point in the future through a lower standard of living. Is it a problem? Is it of concern? Apparently not to many people, because there is not much discussion about it. I think it is a very serious concern to this country.

People make the point that we have a good economy and we have prospered. That certainly is the case. Unemployment is very low. Inflation is almost nonexistent. Believe me, the Federal Reserve Board is on its hands and knees with magnifying glasses searching for signs of inflation. If they don't exist, the Board will try to find them. They are so concerned about it. But homeownership is nearly at a record high; new housing starts are nearly at a record high. There is a lot of good news in this country's economy.

But there are clouds on the horizon because of this trade deficit, a record high trade deficit. And it is rising rapidly. We have a trade deficit with China that is very substantial; an annual trade deficit with Japan somewhere in the neighborhood of \$50- to \$60

billion—in fact, about the same level with China. We have a trade deficit with Canada, a trade deficit with Mexico, and the list goes on.

Some come to the floor and say, well, we must be required to compete. I say, absolutely. If the family farmers I represent can't compete with others in the world, then we are not going to make it. But the question is not, will we or shall we compete; the question is, what are the rules of competition? How do we compete? Are we to say, let's tie our hands behind our backs? Then we will see how well we do. Is that competition?

For example, you run a manufacturing plant in this country, and you produce widgets. We say: You must compete with all other widget makers in the world. By the way, you have to pay a living wage, a minimum wage. By the way, you cannot dump your chemicals into the rivers and into the air. By the way, you cannot hire 10-year old kids. By the way, you can't pay them 14 cents an hour. And, by the way, your factory must be safe.

Well, the widget maker says: Well, we know that we fought about that for 75 years and lost all those fights. We have to pay a minimum wage. We have to have safe workplaces. We have to abide by child labor laws. We have to abide by antipollution laws, and we don't like it. So what we are going to do is pole vault right over this geographical barrier and go to another country somewhere else in the world. We are going to hire kids. We are going to pay them peanuts and put them in unsafe plants. We intend to dump our chemicals in the air, and we intend to pollute the streams. We are going to produce the same widgets, and we are going to send them back to Pittsburgh, Fargo, Los Angeles and Kansas City and sell them there.

I ask the question: Is that fair competition? Is that what people mean by competition? You must be able to compete, and if you can't compete, quit? You must be able to compete, and if you cannot compete, go broke? Is that fair competition?

The answer is, of course, it is not fair competition. We have fought for three quarters of a century in this country over these issues. People died on the streets from gunfire, marching for their rights as workers to organize for better wages, for safer working conditions, for all of these issues.

Now, some say: But it is a global economy; you just don't understand. Competition now is not with the rules that we would describe as reasonable. The rules are whatever you can find anywhere in the world if you are a producer. That represents fair competition?

Where I come from, that is not fair competition.

I frankly admitted, when I started, I do not know much about the steel in-

dustry. We do not produce steel in my State. I do not expect we will in the future ever see a strong economy that does not have manufacturing activities in automobiles and steel and other things that represent the central tenets of a strong economy. I don't think you can decide that you will have a strong economy if your manufacturing base is gone.

I get in the car and turn on the radio and drive to work. The news report on the radio tells about America's economic health. It is always about what we consume, not what we produce. It is always about the economic health as measured by what we consumed last month. Consumer spending is up. Spending is this; spending is that.

That is not a sign of economic health. What you produce is a sign of economic health. What you produce determines who you are and how you are doing.

I find it interesting—I know Mr. Greenspan is on the Hill today testifying, and I know Wall Street will weigh every word he says for some nuance about what the Fed might do with interest rates. The stock market will rise or fall like a bobber in the ocean, based on what Mr. Greenspan says.

You ask Mr. Greenspan, and he will have to admit it—so will the governors of the Federal Reserve Board—does a heart attack or a car accident represent economic growth to an economist? The answer is, of course. Heart attacks and car accidents represent economic growth in the data that economists use to determine how well our country is doing. Because a car accident means someone must fix a fender; a heart attack means someone is employed in emergency rooms.

So you ask yourself: What do these economists tell us? What do they mean? What does it say about our country? What do they measure?

Family farming is why I came to the floor today. Family farming suffers, too. We have steel manufacturers in trouble and going out of business. We have people being laid off. So the Senator from West Virginia says we ought to be concerned about that. We should.

Is a steel plant like a harness for a two-hitch team, destined to be gone forever from the landscape of this country because it can be done elsewhere much less expensively? I don't think so. I don't think anyone in this country would suggest that our country—with the kind of economic power and might that we have—is a country that ought to do without a strong manufacturing sector or a country that ought to do without a strong steel manufacturing capability.

Then what about farming? When we talk about farming, people say: Well, the farmer must compete. It is agriculture, some monolith called agriculture.

It is not that in my State. It is families. It is not just families planting

some wheat that they hope to harvest in the fall. It is families that live out on the land, that help create a small town, that help provide economic sustenance on that main street, that organize the church, that support the school, that support the charities. That is what family farms are all about. Some people may say that you can get rid of all of those families. America will be farmed. Corporate farms can farm America from California to Maine, hardly stopping to put some gas in the large tractors they would use to pull those plows. But it would not be the same because corporate farming isn't going to stop at a small town in Hettinger County to say: Let me help form that church, or that school, or help nurture Main Street, or help with a lifestyle that really breeds family values.

I hear people stand and talk about family values all the time on the floor of the Senate. There is nowhere in this country that nurtures family values any better than on the family farm. I am not saying they are better than anybody else, but I am saying that families living in the rural reaches of our country, with a yard light illuminating that life, they are the ones who really do it alone—except when there is trouble, all of their neighbors are there to help. That is the way farmers in a rural neighborhood are.

We will lose something very important in this country if we decide that family farmers don't matter. A North Dakota author named Critchfield wrote a good number of books. He was a world-renowned author who came from Hunter, North Dakota, a tiny town near Fargo. He wrote a book called "In Those Days." It is the finest book I have ever read about small-town life and the rural lifestyle—a wonderful book. He wrote his next book about the rural lifestyle in a different way, and he said something I never really thought much about before. He talked about the nurturing of values, family values, the nurturing of shared responsibility, and caring. This country really always had its roots in rural America; it would roll from the farm to the small town to the big city as America grew. We have lost farmers who have moved to small towns and who have moved to big cities. We have had a refurbishment of the value system of our country coming from its seedbed in rural America. I wonder what would happen at some point if we decide that that seedbed of family values in rural America really doesn't matter, that America can as easily be farmed by large corporate enterprises with no lights and no homes and no stopping in small towns.

Well, this discussion today is about steel and oil, but especially about steel. I am talking about agriculture because I want to talk about the common thread that exists on these issues.

I just heard my colleague from Arizona speak, and he is a close friend and someone whose views I admire. We have disagreed from time to time. On this issue of trade, we find ourselves in somewhat different camps, I think, because we probably see it a bit differently. I don't, for a moment, dispute that it is a global economy. The times are changed. But I also believe that this country has every right, on behalf of its producers, to decide it will fight for values such as fair wages and safe workplaces and a good environment—to fight for those things that we have fought for in this country for over 75 years. We have a right also to fight for that in our international trade agreements. We regrettably do not do that.

Our country, interestingly enough, has a leadership position on trade matters. We go out and negotiate a lot of trade agreements. Did you know that we almost never enforce an agreement? My biggest complaint with our trade officials is that they negotiate bad agreements. If that weren't bad enough, they fail to enforce even the bad agreements. Go down to the Department of commerce, where they are required to enforce trade agreements, and ask yourself how many people in this Government, in the Department of Commerce, are around with the responsibility of enforcing our trade agreements with China. Does anybody know? Or Japan? Anybody know? I will tell you the answer. Six or seven people are tasked at the China desk with enforcing our trade agreements with China. It is the same with Japan. We have a nearly \$60 billion trade deficit with China, and about the same with Japan, but slightly less. We have a handful of people whose job it is to enforce our trade agreements. Why? Because our mindset has always been to go negotiate new agreements because we want to trumpet the success in negotiating a new agreement, but we don't want to mess around with enforcing the old ones. That results is a lot of folks who are angry, because the last trade agreement that was negotiated was not a very good one and, in any event, it wasn't enforced.

So we ended up with a trade agreement called NAFTA, the North American Fair Trade Agreement, with Canada. A miserable agreement. It turned a trade surplus that we had with Mexico into a big trade deficit. It doubled the trade deficit we had with Canada. I know it will tire anybody who has heard me say it, but not long after the trade agreement with Canada, we had a flood of Canadian grain coming across our border and undermining the market for our family farmers. Our State university said it cost our farmers in North Dakota over \$200 million in lost income.

I drove up to the border with a fellow named Earl in an orange truck that was about 10 years old. In this 10-year-

old orange two-ton truck we took a couple hundred bushels of durum wheat. We saw 18-wheel trucks coming in our direction that were full of Canadian grain coming south. On a windy day, the grain trucks drop a lot of grain on the road. Our windows were getting hit all along the way by Canadian grain dropping off the huge semi trucks coming south. After seeing dozens of them, we pulled up to the Canadian border with Earl and his orange truck and a couple hundred bushels of durum wheat, saying we want to take this North Dakota durum into Canada, knowing that millions of Canadian bushels are flooding into our country. Earl Jensen and I didn't get across the border with that durum wheat because you could not get it into Canada. Our border was open to the Canadian grain producers, flooding our country and undercutting our markets, but their border wasn't open to us. Another fellow who was with us brought along some beer. That is, after all, liquid barley. Beer comes from, in most cases, barley, and you liquefy barley. He was going to take barley, in liquid form, into Canada. No, you can't do that. How about a used clothes washer? Can't do that. The list goes on.

I sat up at that border understanding firsthand why our farmers have a right to be so angry. Who on earth would negotiate a trade agreement with Canada that says let's have a one-way circumstance across the board? You can bring all your products south and flood us with your grain, but, by the way, when your little orange truck comes north with Earl and Byron, we are not going to let you through. That is not fair competition. That is not the trade relationship we expect that would result in fair competition. So my experience is that we have a right, it seems to me, in our country, to be mighty upset about the current circumstances that exist for family farmers and unfair trade agreements or in trade agreements that even if they were fair are not enforced. We have a right to be upset with respect to the circumstances with steel. My colleague who spoke previously said undoubtedly there may be dumping of steel. I will bet there is. I guarantee you there is dumping of grain in this country.

I asked the GAO to get the data from Winnipeg and Montreal. Those folks thumbed their nose and said: Do you think you are going to get that out of us? Not in a million years. We don't intend to give you one figure with respect to the sales we are doing secretly in this country. That's the Canadian Wheat Board. That would be illegal in this country, selling at secret prices in this country. They said to GAO that there is not a chance, you are not going to get numbers out of us.

Is there a reason for people to be angry and sore about this? Of course. Do American producers have a right to

ask the question of whether this country will stand up for fair trade? I am absolutely full up to my neck with folks who say that anybody who speaks the way I just spoke is a protectionist. I want to plead guilty to saying that I want to protect our economic interests and demand fair competition. If that is what being a protectionist means, I will plead guilty. In fact, I demand credit. I want to protect this country's economic interests. I also believe in expanded trade and trade relationships that are growing and are healthy. I believe in and demand and expect fair trade relationships. I expect our trade negotiators not to go out and lose in the first 24 hours of every single negotiation.

The Senator from Texas is on the floor. There is a lot of beef in Texas. We had a big beef agreement with Japan 20 years ago. You would have thought we had won the Olympics when we announced we had this beef agreement with Japan. Everybody celebrated. Guess what? We are getting more beef into Japan. More American beef is going into Japan. But there is now a 50-percent tariff on American beef going to Japan. They negotiated a 50-percent tariff. That will be ratcheted down over time, but it snaps back with increased quantity.

Would anyone here ever expect we would have a 45-percent tariff on a product and not be ridiculed in the world community by it? That is exactly what we negotiated with Japan. It was declared a success. Our trade negotiators thought it was just great.

We have such lowered, dimmed expectations of our trading partners that we don't even try. Part of that is because for the first 25 years after the Second World War almost all of our trade relationships were about foreign policy. We could beat anybody with one hand tied behind our back. It was easy. We negotiated trade relationships that were almost exclusively foreign policy initiatives. But in the second 25 years, it was different. For that reason, as better competitors developed—Japan, Europe, China, and others—our trade negotiators didn't change much. Most of our trade negotiating is still disguised as foreign policy, regrettably. It is not fair to our producers.

That is why the initiative was brought to the floor today with respect to steel. We don't produce steel in North Dakota, but I am well aware of unfair trade. I am well aware of the inability to provide remedies and to seek remedies for unfair trade. Certainly our producers understand that every day in every way they have to face unfair competition, and no one seems willing or able to do anything about it.

That is the frustration. It is a frustration, in my judgment, that produces the kind of proposition that is brought here to the floor of the Senate today. Is it a reasonable, modest proposition?

Yes. Is it a proposition that jumps over the ditch here on this? No. Of course, it is not. It is not that at all. It is modest, in my judgment, reasonably thoughtful, and is something Congress should pass.

The reason I took the time to come to the floor is to say this: Following this legislation, we will come in next week to the floor of the Senate once again on the subject of family farmers. Family farmers are now in a circumstance where they are facing Depression-era prices and are going out of business in record numbers.

It is almost impossible to go to a meeting in farm country and listen to those farmers, who have invested their lives and their dreams and their hearts in that land, who stand up and pour out their souls and then begin to get tears in their eyes when they talk about being forced off the land they love.

I told my colleagues recently of the woman who called me and said her auction to sell her family farm produced on that day a circumstance where her 17-year-old refused to get out of bed—refused to come down and help her with the auction sale. She said it wasn't because he is a bad kid, or it wasn't because he was lazy; it was because he was so heartbroken that he wasn't going to be able to farm that he just could not bear to be present at the auction sale of their farm. His dad had recently died. They were forced to sell, and he simply couldn't bear to watch the sale of that family farm.

A 6-foot-4-inch fellow stood up at a meeting. He had a beard. He was a big, burly guy. He said his granddad farmed. He farmed. He said his dad farmed. It was in their blood. Then his chin began to quiver, and his eyes began to water. But he said: I am going to have to sell out. He would like to continue, and he couldn't. And he couldn't continue to speak, because this is more than just a job. It is a lot more than just the term "agriculture."

Again, I come to the floor to talk about family farming, because this question today relates to what we are going to talk about—agriculture, and fundamentally unfair trade policies that undermine our family farmers for which there is no remedy.

You go to the trade ambassador's office to seek a remedy. You go to the Commerce Department to seek a remedy. I guarantee you, industry after industry, you can prove the dumping, and you will not get relief. You will not get a remedy. That is, in my judgment, the weakness and the shortcoming of our trade laws.

Let me end by saying again that we must find a foreign home for almost half of what we produce in a State like North Dakota. I am not someone who wants to shut borders or restrict trade, but I darned well insist on behalf of the producers that I represent, just as the Senator from West Virginia and the

Senator from New Mexico insisted today, I insist that this country stand up for the economic interests of its producers, at least demanding fairness and competition in international affairs. As we deal with a global economy, we ought to be able to provide that kind of fairness for American producers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, you are going to hear an announcement in a moment from the two authors of the bill that is pending that we have worked out an agreement on the four amendments that were discussed earlier. I will leave it to them to talk about it.

It appears we would have this vote on an extraneous matter, and then either accept the vote on the four previous matters discussed or have a rollcall vote. But before we get into all of that, I wanted to say that I am supportive of the amendment offered by the Senator from Arizona.

One of the problems we increasingly have in the Senate is that it is so hard to pass an authorization bill that we are reaching the point where almost every legislative action originates in one of two committees—the Finance Committee, which engages in direct spending through entitlements, and the Appropriations Committee, which appropriates money.

We have before us a bill that really should be under the jurisdiction of the Banking Committee. We are for all practical purposes appropriating without authorizing, or, one could say, authorizing within the Appropriations Committee. As I said to Senator STEVENS, maybe I ought to start reporting appropriations bills to the Banking Committee and try to bring them to the floor of the Senate.

But Senator MCCAIN's amendment really brings home a very important point; that is, we have committees that have jurisdiction in these areas. We undercut the Senate when we don't recognize it.

A policy, I think, that is ultimately quite independent of the issue we are talking about today but relevant to this amendment is that the sooner we can get back to having authorizing committees authorize and having appropriations committees appropriate the better off we will be.

I am in support of this amendment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I am not sure of the procedure. But I would like to offer an amendment at this time.

I ask unanimous consent to lay aside the pending McCain amendment.

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

AMENDMENT NO. 686

(Purpose: To amend the pending committee amendment to H.R. 1664)

Mr. MURKOWSKI. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska (Mr. MURKOWSKI) proposes an amendment numbered 686.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

"SEC. .GLACIER BAY STUDY.—The Secretary of the Interior shall, in cooperation with the Governor of Alaska, conduct a study to identify environmental impacts, if any, of subsistence fishing and gathering and of commercial fishing in the marine waters of Glacier Bay National Park, and shall provide a report to Congress on the results of such study no later than 18 months after the date of enactment of this section. During the pendency of the study, and in the absence of a positive finding that a resource emergency exists which requires the immediate closure of fishing or gathering, no funds shall be expended by the Secretary to implement closures or other restrictions of subsistence fishing, subsistence gathering, or commercial fishing in the non-wilderness waters of Glacier Bay National Park, except the closure of Dungeness crab fisheries under Section 123(b) of the Department of the Interior and Related Agencies Appropriations Act, 1999, (section 101(e) of division A of Public Law 105-277)."

Mr. MURKOWSKI. Mr. President, less than 3 months ago this body adopted my amendment allowing commercial fishing and subsistence gathering, which consists primarily of gathering sea gull eggs in Glacier Bay. That issue came before this body, and passed 59 to 40.

It went to conference, along with the issue of the steel and oil and gas guarantees that are under discussion before this body.

I am here on behalf of the little people. I can't stand here and compete on the broad issues of steel dumping or the impact the decline of the price of oil has had on our stripper wells; or the economies of those areas dependent on steel, West Virginia and New Mexico; or oil and gas, as in Oklahoma. I stand here on behalf of a few of the native people of my State, the Huna Tlingit Indians, who have lived for centuries with access to an area known as Glacier Bay, which is one of our premier national parks.

Clearly, this issue is not in proportion with the importance of steel dumping, or the decline in the price of oil. I come before this body representing this small group of indigenous American Alaskan Indians who have been dependent on a subsistence lifestyle for thousands of years.

Glacier Bay is a large area in the northern end of the archipelago of

southeastern Alaska. It is a magnificent area. Visitors in the summertime arrive on cruise ships. It is a great way for a visitor to enjoy this magnificent, scenic site. However, it is a very short season, roughly Memorial Day to Labor Day.

The rest of the time, the area has been utilized by very small, individual fishing vessels that are bound by the resource management of the Alaska Department of Fish and Game.

In conference, there was a concern expressed by various House Members as to whether the fisheries resource in Glacier Bay could be maintained and the impact commercial fishing would have on that resource. As a consequence, I have changed my amendment. My previous amendment simply allowed commercial fishing and subsistence gathering to remain in Glacier Bay until the court determined whether the State had the right to manage these waters within the State of Alaska.

I have now changed the amendment to propose a moratorium for 18 months. During that time, there would be a joint study between the State Department of Fish and Game and the Park Service to study the impact of this small amount of commercial fishing and subsistence gathering on Glacier Bay, and to make a determination whether there was any detrimental effect. If there was, obviously, it would cease.

It is interesting to note that the matter before the Senate is associated with a matter of substantial cost, because we are talking about dumping steel, we are talking about addressing relief, we are talking about oil and gas, we are talking about some type of relief for the stripper wells. It is my understanding that steel, oil, and gas amendments might amount to as much as \$300 million.

I point out to my colleagues, there is zero cost associated with my amendment—no cost whatever. There is justice to residents of these communities of Alaska.

Let me describe the communities. Gustavus has 346 residents and is adjacent to Glacier Bay; 55 of those residents are actively engaged in fishing. Elfin Cove, outside the bay, has 54 people; 47 are engaged in fishing. Huna, which is a Tlingit Indian village directly across from Glacier Bay, has 900 people; 228 are in the fisheries. Pelican City has 187 residents; there are 86 in the fisheries.

These communities have no alternative. They can't go anyplace else. What is the justification for the attitude of the Park Service? There has not been one public hearing held—not one. They did not advertise for witnesses to determine the impact. They simply made an administrative decision and said we are closing it.

Let me show another chart demonstrating where commercial fishing is

allowed by statutory law in National Parks: Assateague, in Virginia; Biscayne, in Florida; Buck Reef, in the Virgin Islands; Canaveral National Seashore, in Florida; Cape Hatteras, in North Carolina; Cape Krusenstern, in Alaska; Channel Islands, CA; Fire Island, NY; Gulf Islands, MS; Isle Royale, in Michigan; Jean Lafitte National Park, LA, to name several. But they have made a decision to close the fishing in my State of Alaska.

It is interesting, further, to note some of the other activities they allow in the park, because it reflects the attitude of the Park Service and the manner in which they initiate an action.

The Park Service saw fit some 3 months ago to initiate what was basically a raid on commercial fishing in Glacier Bay. They used Park Service personnel, they boarded the boats that were fishing there, they had sidearms, and they simply said they were going to close this area. The area was not, in fact, closed. Those fishermen had a right to be there at that time. That was a pretty heavy tactic to use, but they saw fit to use it.

Our Governor indicated his wish, as did our State and our legislature, that commercial fishing be allowed to continue in Glacier Bay.

To add insult to injury, the people of Glacier Bay have been dependent on the gathering of sea gull eggs since time immemorial. One wonders why they would need sea gull eggs. Frankly, it is very difficult to raise chickens in Alaska. There is a lot of rain. This is a typical village in Glacier Bay. This is an 1889 photo. That village is no longer there, but this is the kind of village they used to have. You see there, they are drying the fish and so forth. The Huna villages today are not like that by any means—but the point is these people still live in a subsistence lifestyle.

What I want to say here is just the other day the Park Service decided to prohibit, if you will, what it had ignored previously and that was the gathering of sea gull eggs for harvest in Glacier Bay. They apprehended a Huna native for gathering sea gull eggs. I do not know how long they kept the sea gull eggs, but a couple of days later they gave them back to the Huna Indian Association. What is the consistency of this? I do not know that there is any, and it points out the Park Service is aggressively hostile to something that other agencies have seen fit to recognize as unique to the character of the subsistence lifestyle of the native people of Alaska.

It should be remembered that Canada and the United States reached an agreement several years ago allowing native people to take birds and eggs during the spring. That agreement was recognized by an amendment to the Migratory Bird Treaty. It has been nearly 2 years since the Senate approved the

amendment to the treaty. What this amendment did was recognize the need of the native people to take birds and eggs in the spring, because in the fall those birds are gone. The reason is very simple; cold weather has come and the birds have left.

The State Department has not yet exchanged the instrument of ratification with Canada. This is the final formal exchange of documents necessary to put the new treaty into effect. Canada is eager to complete the process because the new treaty language is needed to comply with changes in its Constitution. I'm told the delay is due to the bureaucratic failure of the Department of the Interior to implement new regulations. Some of the State Department officials think that is needed before final documents are exchanged. I, personally, see no reason for the delay.

The point I want to make is an obvious one. The U.S. Fish and Wildlife Service has recognized the necessity of the native people of Alaska, being dependent on subsistence, to take birds and eggs in spring, including sea gull eggs. But the Park Service—another branch of the Federal Government—has chosen to enforce a prohibition against taking sea gull eggs. What is the justification for that? I do not know, unless it is a very aggressive Park Service. But, clearly, if the U.S. Fish and Wildlife Service sees fit to allow a modest taking of eggs and migratory birds for subsistence purposes, you would think the U.S. Park Service would recognize and honor and appreciate the tradition of the Native Alaskans and allow this to take place. Still, that is not the case.

I ask unanimous consent to have printed in the RECORD a press clipping from the Juneau Empire covering the story on the apprehension of the individual who was accosted by the Park Service for gathering, for subsistence purposes, sea gull eggs.

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

#### GULL EGGS CONFISCATED

JUNEAU—National Park Service officials seized several dozen gull eggs from a Hoonah man in Glacier Bay National Park over the weekend.

Dan Neal, 46, his son and a family of five visiting from Illinois came ashore Saturday on Marble Island. They landed near two U.S. Geological Survey biologists doing research on a glaucous-winged gull colony.

The biologists informed Neal and his companions they couldn't legally collect eggs there, and the group left, Glacier Bay Chief Ranger Randy King said.

Park Service employees later stopped the boat, and Neal reluctantly surrendered the eggs, King said.

Gathering gull eggs is prohibited by international treaty and federal regulations throughout Alaska. However, the harvest of gull eggs is an important cultural tradition for Hoonah Tlingits.

The Park Service and the Hoonah Indian Association are exploring ways the tradition might continue.

"Our cultural and traditional uses in our ancestral homeland are deeply woven into our very being," said Ken Grant, the association's president, who urged tribal members to refrain from collecting eggs until the Park Service finishes its studies.

Mr. MURKOWSKI. In my amendment I propose this joint study take place, and it is quite legitimate to ask, Where is the money going to come from? For some time now the Park Service has been generating revenue from cruise ship receipts from a recreation fee demonstration program. They have approximately \$2.8 million, of which \$435,000 is unencumbered at this time. It is my suggestion this be used for the Park Service's joint evaluation, along with the State of Alaska, to study the renewability of the fisheries resources in Glacier Bay.

Somebody might ask, Why should a Glacier Bay moratorium be attached to this bill—an appropriations bill? I hope the appropriators recognize this is a legitimate appropriations amendment. It is setting parameters for the expenditure of funds being appropriated. Further, the moratorium is a time-honored and time-tested device. This moratorium simply amends last year's appropriation bill which terminated the fishing in Glacier Bay. If fisheries can be closed on an appropriations bill and the field of participants can be narrowed in an appropriations bill, then it is not out of place to use the same process for a follow-up measure, and that is what we have done. This is a legitimate appropriation amendment setting parameters for the expenditure of funds being appropriated.

This belongs in this package because it went over to the House and Senate conferees as part of the supplemental package, along with steel and oil. It was a part of those issues that were considered.

But as we look at the issue of equity here, there is no question this amendment is an amendment substantially different from the previous amendment inasmuch as it gives a moratorium of 18 months in which to evaluate, in a joint study, the renewability of the fisheries resource. As evidenced by the concern of the conferees in the House, Senator STEVENS and I—I was given the opportunity in that conference to make a personal presentation. But that was a different amendment. That was simply to allow fishing to continue until such time as the court determined who had jurisdiction. This amendment sets to rest the concerns relative to the renewability of that resource by authorizing this joint study.

It also recognizes, in a sense, there is no real trustworthy information on the impact of fishing or subsistence use in Glacier Bay on the ecosystem. Opponents have argued from time to time there may be some consequences, but they have offered no real proof. On the other side, it is impossible to prove the negative that fishing has no lasting impact.

Before fishermen are permanently removed or restricted, which will have irreversible consequences for the fishermen, the processing companies and the communities affected, I think it is appropriate to actually test the hypothesis that fishing is detrimental in some way. That is why we have altered our amendment to require this 18-month study.

My worst fear, as I have indicated, about the Park Service harassment of the Alaska Native people, was realized this last week when they seized several dozen sea gull eggs from a Native resident of Hoonah, one particular resident. This was unwarranted harassment by the Park Service. I think it represents an insensitive, arrogant attitude and is reminiscent of the Indian policies of the 1800s, where we were simply driving individuals off the land they had traditionally had access to. Only passage of my amendment will end this harassment.

Again, this is only a few hundred people, but they have no other appeal. They do not want to live off welfare. They have no other place to go. There is no reason why they should be excluded from fishing in this area, as we recognize the Park Service allows fishing in the 16 other national parks. I have had letters from local residents repeatedly assuring me that previously they had been under the assumption the Park Service had no intention to eliminate the traditional use, including fish and subsistence gathering.

Why do they enforce such an action in Glacier Bay and not enforce it in the 16 other areas where they allow it by statute? This fishery consists of a small number of small vessels. They do a little salmon, crab, halibut, bottom fishing. It is important to the people, as I have indicated, of Elfin Cove, 34 people, Hoonah, 228 people, who fish.

There have been provisions that Senator STEVENS has been able to prevail on, allowing Federal funding for fishermen as a consequence of them losing the right to fish. The letters I have ask me why the Park Service is mandating they can no longer fish. Why isn't the Government more sensitive to their particular needs? Why is the Government singling them out when they have no place else to go? These are hard questions to answer.

This is a situation of justice. These little people are crying out, and they are crying out in the only voice they have, and that is the voice of the Congress of the United States.

That is basically where we are. It is my understanding there may be an effort to table this legislation. I personally cannot understand why the amendment would not be accepted and sent over with the rest of the package. Again, I appeal to fairness and equity and recognize, unlike the steel issue and the oil issue, this has absolutely no cost. This is simply an 18-month study

on the merits of the resource—that is simply all it is—so these people can continue their rightful pursuit of their traditional use of fish and game.

Mr. GRAMM. Will the Senator yield?

Mr. MURKOWSKI. I will be happy to yield to my friend from Texas.

Mr. GRAMM. I know the Senator from Arizona wants to vote on his amendment, but I want to ask you a question, having sat here and listened. You are talking about Glacier Bay, and you showed a map of it. This is a far off place where, except for a very short period of the year, it is cold and frozen; right?

Mr. MURKOWSKI. That is pretty much the case; that is correct.

Mr. GRAMM. You have Native Americans who live by fishing and gathering and eating sea gull eggs; right?

Mr. MURKOWSKI. They have traditionally gathered sea gull eggs in the spring of the year. They depend on fishing throughout the year.

Mr. GRAMM. You have bureaucrats in Washington who may have never been to Glacier Bay suggesting that maybe, instead of eating sea gull eggs, they might raise chickens?

Mr. MURKOWSKI. It is pretty hard to do in that climate, but I am no expert on chickens.

Mr. GRAMM. They have never tried going to Glacier Bay and raising chickens, have they?

Mr. MURKOWSKI. I do not think they want to do that, with 200 inches of rain.

Mr. GRAMM. To make a long story short, what you are really saying is you have Native Americans who are trying to eke out a living by fishing and by eating sea gull eggs, and you have bureaucrats in Washington who may have never been there, certainly would never go live there, who are saying that somehow they have the right to force them to change their way of life, with the idea that somehow it is more their business what happens in Glacier Bay than it is the business of people who live there; right?

Mr. MURKOWSKI. That is pretty much the case. They say fishing is a commercial activity, but if you look at this tour boat entering into the bay with 1,200 passengers, that obviously is a pretty significant commercial activity.

There was a cruise vessel that had an accident in Glacier Bay the other day. It hit a rock. As far as I know, it is still on the rock. It leaked a little fuel—a few gallons. They are working on it. They are going to get it off. There is not going to be damage to the ecology or the environment. Nevertheless, that is a commercial activity.

Mr. GRAMM. I intend to vote with the Senator. I hope everybody will. Your amendment really makes the point that there is no end to the arrogance of people in Washington who are trying to tell people in a completely

different part of the country, which they know nothing about, how to live their lives and claiming that somehow this bay belongs more to them than it does to people who have lived there for a thousand years. Not only are you representing your constituency, but you are speaking out on behalf of a concern, not in as clear a way, not in as glaring a way, but that many people in other parts of the country share. The last time I looked, there was no shortage of sea gulls on the planet.

Mr. MURKOWSKI. I have observed that as well. I thank my friend from Texas.

Mr. GRAMM. I thank the Senator.

Mr. MURKOWSKI. Mr. President, I will make one more point—I am sure there are others who want to be heard—relative to an inconsistency. That is, again, the U.S. Fish and Wildlife Service allows migratory bird taking in Alaska in the spring, and they have seen fit to do that, recognizing the subsistence needs of those native people, and egg gathering as well. But the U.S. Park Service, just within the last 2 weeks, has indicated they will not allow sea gull egg gathering in the park. We have two different agencies with two different jurisdictions, I grant you that. But it is definitely an inconsistency.

Again, for those who are wondering what this issue is doing in the middle of steel and oil, I simply appeal to the floor managers to recognize the action that was taken when it was sent over to the House. Unlike steel and unlike oil, which did not have a vote on this floor, this issue had a vote. We had a good vote. As a consequence of that, it belongs in the package that is going back. Some may argue the intricacies of procedure, but a deal is a deal, and I made a commitment to my colleagues that I would bring this up again, and I intend to bring it up again and again because there is an injustice here.

If we are able to prevail on a tabling motion, why, then we run the risk of what may happen to it in the House. I urge the floor managers to take this amendment.

It is my intention to ask for the yeas and nays. I do not know what the procedure is, but it may be that the leaders want to delay voting on this matter until such time as they determine it is appropriate. I appeal to my colleagues to take the amendment.

The PRESIDING OFFICER. Is there a sufficient second? At the moment, there is not.

The Senator from Arizona.

Mr. McCAIN. Mr. President, in light of the fact the Senator from New Mexico wants to speak on this amendment, I ask for the regular order.

With all due respect to my friends, we were going to vote 45 minutes ago.

Mr. STEVENS. Will the Senator yield?

Mr. McCAIN. I ask for the regular order.

Mr. STEVENS. Will the Senator yield?

AMENDMENT NO. 685

The PRESIDING OFFICER. The regular order is the McCain amendment No. 685.

Mr. STEVENS. Mr. President, I move to table the McCain amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 685. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Pennsylvania, Mr. SANTORUM, is necessarily absent.

Mr. REID. I announce that the Senator from Connecticut, Mr. DODD, is necessarily absent.

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—64

Akaka	Feinstein	Lugar
Baucus	Gorton	McConnell
Bayh	Graham	Mikulski
Bennett	Harkin	Moynihan
Biden	Hatch	Murray
Bingaman	Helms	Reed
Bond	Hollings	Reid
Boxer	Hutchinson	Robb
Breaux	Inhofe	Roberts
Bryan	Inouye	Rockefeller
Byrd	Jeffords	Sarbanes
Campbell	Johnson	Schumer
Cleland	Kennedy	Sessions
Cochran	Kerrey	Shelby
Conrad	Kerry	Specter
Daschle	Kohl	Stevens
DeWine	Landrieu	Thurmond
Domenici	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Edwards	Lieberman	
Feingold	Lincoln	

NAYS—34

Abraham	Fitzgerald	Murkowski
Allard	Frist	Nickles
Ashcroft	Gramm	Roth
Brownback	Grams	Smith (NH)
Bunning	Grassley	Smith (OR)
Burns	Gregg	Snowe
Chafee	Hagel	Thomas
Collins	Hutchinson	Thompson
Coverdell	Kyl	Voinovich
Craig	Lott	Warner
Crapo	Mack	
Enzi	McCain	

NOT VOTING—2

Dodd Santorum

The motion was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Alaska is recognized.

UNANIMOUS CONSENT AGREEMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that I be recog-

nized in order to offer a unanimous consent agreement regarding amendments; that following that I be recognized in order to make a short statement and move to table the Murkowski amendment No. 686, with no amendments in order to the amendments prior to the vote on that motion to table. I also ask unanimous consent that following the vote on the motion to table, if that amendment is tabled, the bill be read for the third time and the Senate proceed to a vote on passage of the bill, with no intervening action or debate, at 9:30 a.m. on Friday, June 18, and that paragraph 4 of rule XVIII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. Mr. President, point of inquiry. I don't mean to object. When does the Senator intend to have a vote on the tabling motion?

Mr. STEVENS. Immediately after I make that motion.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to speak for another 5 minutes on the amendment, which is the pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I do object. Would the Senator at least let me be able to get the other amendments out of the way first?

Mr. MURKOWSKI. I have no objection, even though my amendment is the pending business—reserving my right to have 5 minutes on my pending amendment.

Mr. STEVENS. I have no objection. I amend my request to ask that prior to the motion to table and my comments, my colleague be recognized for 5 minutes. Let's get the agreement.

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

Mr. STEVENS. The total sequence is now agreed to, Mr. President?

The PRESIDING OFFICER. Correct.

AMENDMENT NO. 687

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Alaska [Mr. STEVENS], for himself, Mr. DOMENICI, Mr. BYRD, Mr. GRAMM, and Mr. NICKLES, proposes an amendment numbered 687.

The amendment is as follows:

On page 7, beginning on line 3, strike all through line 7.

On page 10, beginning on line 23, strike all through page 11, line 2.

On page 34, beginning on line 14, strike all through 16.

On page 9, after line 17, insert the following new paragraph:

(4) GUARANTEE LEVEL.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

On page 36, after line 23, insert the following new paragraph:

(4) GUARANTEE LEVEL.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

On page 48, beginning on line 9, strike all through line 17.

On page 6, line 7, strike all through line 13, and insert the following:

(e) LOAN GUARANTEE BOARD MEMBERSHIP.—

(1) IN GENERAL.—There is established a Loan Guarantee Board, which shall be composed of—

(A) the Secretary of Commerce;

(B) the Chairman of the Board of Governors of the Federal Reserve System, who shall serve as Chairman of the Board; and

(C) the Chairman of the Securities and Exchange Commission.

On page 33, line 17, strike all through line 23, and insert the following:

(2) LOAN GUARANTEE BOARD.—There is established to administer the Program a Loan Guarantee Board, to be composed of—

(a) the Secretary of Commerce

(B) the Chairman of the Board of Governors of the Federal Reserve System who shall serve as Chairman of the Board; and

(C) the Chairman of the Securities and Exchange Commission.

On page 32, strike lines 10 and 11, and redesignate the remaining subparagraphs and cross references thereto accordingly.

Mr. DOMENICI. Mr. President, could we have a minute or two to explain that amendment?

Mr. STEVENS. I withdraw the request.

I ask unanimous consent that Senator DOMENICI, Senator GRAMM, and Senator NICKLES be permitted 5 minutes each to explain the amendment.

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

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, in the interest of time, I will explain only one amendment, and I will let my colleagues pick up the others. If they want to repeat what I have said, fine.

Essentially, many Senators on this side have complained that this was an emergency measure, and that one way of looking at an emergency measure was that this bill might use some of the Social Security surplus. The emergency clause has been stricken. It is not in there anymore. As a consequence, this money is spent out of the regular allocation: Truth in budgeting, as you call it. It does not come out of the trust fund because it is paid for like any other program.

If you are wondering how much for this year's appropriation, it is \$19 million. So we have to find \$19 million within the \$1.8 billion budget of the United States. So we don't have to take any money out of Social Security. That is the only point I want to make.

We fixed three other things other Senators were concerned about. I will let Senator NICKLES or Senator GRAMM explain those. I don't need the remainder of my time. Whatever I have left, I yield back.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I thank my colleagues and, in particular, Senator BYRD, Senator DOMENICI, and Senator STEVENS, for working with Senator GRAMM, myself, and others to try to make this a better bill. Senator DOMENICI mentioned one, we strike the emergency provision. That basically means there is \$270 million estimated cost by CBO of this bill, and it was declared emergency. We are striking that. That means we won't be raising the caps. I think that is important; I don't think we should be calling everything an emergency, as I stated, and busting the budget. I appreciate the cooperation in striking that section.

We did a couple of other things. The bill originally said that the loan guarantees would be made up to 100 percent. We limited that now to a maximum loan guarantee of 85 percent. The lending organization, or bank, is going to have to put up 15 percent, with some risk. It may be 25 or 30 percent, but they will have to put up at least 15 percent. I think that is a good amendment.

We changed the composition of the board. Originally, the lending board was comprised of the Labor Secretary, the Treasury Secretary, and the Commerce Secretary.

We changed that. We said, well, we will keep the Secretary of Commerce on, but we will change it and add the Chairman of the Federal Reserve Board and the head of the SEC—I think, again, trying to take politics out of it, trying to put people on the board that are more interested in economics and making good financial decisions, and not have it be so political.

We also have another amendment that would strike out the lower loan limits. The bill originally said in steel the loan range would be from \$25 million to \$250 million. We dropped the \$25 million lower limit. In other words, now a steel company can get a \$5 million loan, or a \$10 million loan, or a \$1 million loan; it won't have to be at least \$25 million.

We did the same thing for ore, which had a \$6 million minimum loan level. Now that can be smaller. For oil and gas, I believe, there was a \$250,000 minimum. We struck that minimum as well.

I think the combination of amendments we have had make this a better bill. I appreciate the fact that leaders who are promoting this bill have agreed to these amendments. I think it improves it. I am still going to vote no on final passage. I really do not think the Federal Government should be in the loan guarantee business for steel, or for oil and gas, and for the iron ore companies. But I do appreciate their consideration of these amendments.

I urge my colleagues to support them.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. FITZGERALD. Mr. President, I have a question for the Senator from Oklahoma about his amendment. I am wondering if there is anything in his amendment that would correct one problem I see in the bill, which is that it occurs to me, if that a steel company, for example, has an existing loan with some private bank—once this program goes into effect and that loan is in bad shape, the bank can encourage that steel company to apply for a new loan under this program and get that Federal guarantee, and thereby you are transferring that risk, or at least 85 percent of it, from that bank that otherwise would take the hit to the taxpayers.

Is there anything in the amendment that the Senator knows of, or anything in the original bill, that would prevent that kind of shenanigan?

Mr. NICKLES. To respond to the question of my friend and colleague—I think it is an excellent question—we didn't fix that problem. The Senator is exactly right. This bill still leaves it open where you can have a bad loan, or basically you are going to have that refinanced with the Government guaranteed loan; i.e., a steel company would have a \$100 million loan. Maybe they are paying a high interest rate—maybe 12 percent. Maybe that loan is in jeopardy. Maybe they are having a hard time making payments on it.

We haven't fixed that yet. That is an amendment some of us have been talking about. It wasn't in this package we just agreed to.

Mr. FITZGERALD. What about if there is a loan out there to one of the small oil and gas companies, and the president and owner of the company have personally guaranteed the loan? Would they be in a position now, with this new loan program, to apply for a new loan under this type of guarantee program, get that new loan issued, and replace their personal guarantees with the Government guarantees so the owners and major shareholders, who could be very wealthy individuals, would be taken off the hook by the taxpayers?

Mr. NICKLES. I think, again, my colleague from Illinois is pointing out a shortcoming that is in the bill. It has not been fixed by the amendments that were offered. Quite possibly, maybe the Senator from Illinois will have an amendment, and maybe the principals that are engaged in this might support it.

I will be happy to work with the Senator to see if we can't correct that problem. But we haven't stopped anybody from refinancing a bad loan, or maybe a self-interest loan, as the Senator discussed. I personally think those mistakes should be corrected. We have taken four good steps to make it better. But we need some additional amendments to solve that problem.

The PRESIDING OFFICER. Under the agreement, the amendment is agreed to.

The amendment (No. 687) was agreed to.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I ask unanimous consent that the time for Senator GRAMM be reserved for a later time today. He is not here at this time.

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

Mr. STEVENS. Mr. President, if I may, I think I have some time on the bill to respond to the Senator from Illinois, to a certain extent.

With Alan Greenspan on the board managing this program—if I could have the attention of the Senator from Illinois—and the head of the SEC on the program making the regulations concerning these loans, the fact that the Senator has raised this issue on the floor I am sure will not miss their attention.

Mr. President, my colleague has 5 minutes. Then I am recognized after that. Is that correct?

The PRESIDING OFFICER. That is correct.

The Senator from Alaska is recognized.

AMENDMENT NO. 686

Mr. MURKOWSKI. Mr. President, it is my understanding that my amendment on Glacier Bay is the pending amendment before the body.

The PRESIDING OFFICER. The Senator is correct.

Mr. MURKOWSKI. I thank the Chair.

I am disappointed to learn that my senior colleague intends to table the amendment. On the other hand, I know that he very much supports the continued fishing and subsistence harvest in Glacier Bay. Nevertheless, we are faced with a situation here where the issue is kind of caught, if you will, between two major issues; namely, the guarantee on steel and the guarantee on oil. The reason it belongs here is because we voted on it in the supplemental in which we also had the steel and oil matters. We voted on it and passed it 59 to 40, and it went over to the conference. It was the same conference that addressed the Glacier Bay issue that addressed steel loan guarantees and the oil guarantee, which, I might mention, cost \$270 million. My amendment costs absolutely zero.

I hope my colleagues will accept the amendment. But they may see fit not to. As a consequence, I believe we have an injustice occurring in Alaska for those few hundred Alaska Indian people who depend, and have for years and years, on subsistence access in Glacier Bay. The bureaucrats within the Park Service moved in and simply said: We are going to close it, and that is it.

We have been able, through the efforts of Senator STEVENS, to get remuneration for the potential loss of their

rights. But the fact is, on this chart we have 16 national parks where commercial fishing is allowed.

I encourage my colleagues to reflect on the vote that prevailed, 59 to 40, to allow fishing in Glacier Bay. But this is a different amendment. I changed my amendment. Previously, we were going to wait until there was a determination by the State to decide who had jurisdiction. That was going to go to the courts. My current amendment is simply an 18-month moratorium to allow the State to work with the Park Service to evaluate whether or not the resource is in danger. The funding for that is available within the funds for the Park Service.

I ask unanimous consent that statements by Alaska's Lieutenant Governor Fran Ulmer, by Myron Naneng, a respected member of the Migratory Bird Treaty negotiating team, and by the Director of the Fish and Wildlife Service, Jamie Clark, be printed in the RECORD with regard to the specifics of allowing migratory bird hunting in the spring on Federal lands in Alaska, as well as egg gathering.

MIGRATORY BIRD TREATY  
ENFORCEMENT INCONSISTENCY

Unlike recent Park Service actions, the Fish and Wildlife Service has had a long-standing policy that is sensitive to subsistence use of migratory waterfowl, and shows that the Fish and Wildlife Service understands its importance to rural Alaskans.

During a Sept. 25, 1997, Senate hearing on the Migratory Bird Treaty, Alaska's Lt. Governor, Fran Ulmer, noted: "... much of the traditional harvest of migratory birds in rural Alaska has taken place, and continues to take place, during the closed-season portion of the year. In Alaska prohibitions on traditional hunting practices have been enforced on a very limited basis."

Myron Naneng, representing the Alaska Native Migratory Bird Working Group, and one of the treaty negotiators, said: "I want to begin by expressing our deepest appreciation for the leadership and commitment (former Fish and Wildlife Service chief) Mollie Beattie demonstrated as head of the U.S. negotiating team. She showed an uncommon understanding of the nutritional and cultural aspects of the Native subsistence way of life, and her actions showed her confidence in Native people as responsible caretakers and managers of their subsistence resources."

The current Director of the Fish and Wildlife Service, Jamie Clark, had this to say: "Native people have continued their traditional hunt of migratory birds in the spring and summer, and neither government has rigidly enforced the closed season given the realities of life in the arctic and subarctic regions."

Elsewhere in her testimony to the Senate Foreign Relations Committee, Clark called the Fish and Wildlife Service's policy "discretionary non-enforcement." It was—and is—the only way to make the best of a bad situation until the treaty amendments can be put into effect.

If the Fish and Wildlife Service has the good sense to use "discretionary non-enforcement" everywhere else, then that option certainly is open to the National Park Service.

Unfortunately, NPS has instead chosen to ignore both the needs of the local people and Congress' clear desire to allow reasonable spring harvesting.

Mr. MURKOWSKI. Mr. President, finally, I believe that as an authorizer I have been caught, if you will, in this continued dilemma of the appropriators.

I remind you that we have not had hearings on the issue of steel, nor hearings on the issue of oil, as far as this guarantee package is concerned.

It reminds me of an issue that occurred last year with respect to the appropriations process. The Clinton administration decided to acquire Headwaters in Northern California for \$315 million and the New World Mine Site in Montana at a cost of \$65 million. That is \$380 million. It did not go through my committee of jurisdiction, the Energy and Natural Resources Committee. These decisions last year were made with no congressional involvement. The administration sought to bypass the authorizing committee entirely and have the appropriators essentially just write the check for the purpose. We are seeing more and more of this.

As an authorizer, I think we have a job to do, and we are either going to do our job or we might as well give it to the appropriators.

As chairman of the authorizing committee, I want the opportunity for the committee to carefully review the merits of this acquisition. Instead, \$380 million went right out. As a consequence, we are seeing similar things today with regard to the merits of the loan guarantee on oil and steel.

Ultimately, my arguments failed last year. The authorizations and funding were included in the 1998 Interior appropriations bill, much to the administration's delight. There were never any hearings. There was never any open debate for any type of public review.

My little deal represents a few hundred Native people in Alaska, appealing, if you will, for 18 months to study the impact of their modest fishing and subsistence gathering, and they are depending upon the Senate in this regard because they have no other place to turn. Give them money if you want, but they don't want handouts. They are a proud people; they want the right to continue to do what they have done.

I encourage my colleagues to recognize what is happening here. I hope some day we go to a 2-year budget process.

I appreciate the consideration of all my colleagues.

Mr. STEVENS. Mr. President, I note the Senator from Texas has returned. I ask unanimous consent his time be restored.

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

Mr. GRAMM. We have a bill before the Senate. Perhaps some believe the

Government ought to be lending money to American industry; I don't, so I am not for the bill.

We have put together an amendment which I believe improves the bill.

No. 1, we strike the emergency designation so none of the money will come out of the Social Security trust fund.

No. 2, we set up a board made up of the Secretary of Commerce, the Chairman of the Federal Reserve Bank, and the Chairman of the Securities and Exchange Commission. Alan Greenspan would be Chairman. It is a major move towards taking politics out of the determination of who gets the loan.

We require that the lender put up 15 percent of the capital, take 15 percent of the risk, so that the Government does not end up eating the entire loss if there is a loss. Obviously, if you are lending money, you are going to have to make up part of the loss; you will do a better job than if you are lending somebody else's money. We take the minimums out of the bill, so small business can compete for the money.

Finally, we have agreed on language that will put a focus on trying to make loans to maximize the chances that the loans will be paid back and, to the maximum extent possible, take politics out of the process.

This does not make it a good bill, in my mind. I am not for it, but I think it improves it.

I thank the two authors of the bill for working for people, who were not for their bill and were not going to vote for it, to try to make it better. I thank my colleague for giving me an opportunity.

Mr. BYRD. I ask unanimous consent I be allowed to speak.

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

Mr. BYRD. Mr. President, I was one of those who worked on the amendments. I thank those who participated. I thank Mr. DOMENICI. I thank Mr. GRAMM and Mr. NICKLES. We all met, and I agreed on the amendments. I think they were good proposals. I think overall they improved the bill.

I thank all Senators who were engaged in the efforts. I thank the chairman of the Appropriations Committee for his fine cooperation.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I ask that Senator FITZGERALD be added as a cosponsor to the amendment.

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

Mr. STEVENS. Mr. President, I take the Senate back to the time we were in conference. We were in conference a long time on the supplemental appropriations bill with concerns about Kosovo and other vital areas of our national defense policy.

In conference on that bill, we worked late into the night on a series of mat-

ters. We had a vote on the Byrd and Domenici amendments. As a matter of fact, the House voted to accept the Byrd version of that loan guarantee program and rejected the version from Senator DOMENICI.

The Senate had not voted at that time. I conferred with Senate conferees and we told the House we insisted on our amendments. The House came back and voted again. At that time, it rejected both amendments. We were stalemated.

We went into the night the next night and through the day. It was about 9:30, 10 o'clock and I asked Senator BYRD if he would consider a suggestion I had. We had a second supplemental in our committee, and we had not conferred on that. It was a bill that was passed by the House and is a viable bill to send back to the House as another supplemental appropriations bill. I asked Senator BYRD if he would consent to take his amendment off of the bill that was pending in conference. I assured him that when we reconvened after the recess I would move the committee to put the steel loan guarantee on that bill and report it to the Senate. I made the same request to Senator DOMENICI. Both of them agreed.

We then conferred with the leadership of both the House and Senate. At that time, it was clear that if this proposal of having these two loan guarantee programs on the supplemental and sending it back to the House had any other amendment it would not be sent to conference in the House.

I remember well Senator BYRD asked me at that time: What are you going to do if the bill gets to the floor and this amendment is offered that would not be germane to either of these two loan guarantee programs, which under the circumstance would lead to the bill not being sent to conference in the House, by the House?

I said: Senator, as chairman of the Appropriations Committee, I will personally move to table any amendment that is not germane to the bill if it is reported by our committee.

We are at this position now. We have adopted the germane amendments. I congratulate all concerned for working that out. I was constrained to move to table the amendment of the Senator from Arizona. I thank the Senate for tabling that amendment.

The last amendment is the amendment of my colleague that I cosponsored when the bill was before the Senate before. I say to the Senate, in all sincerity, the word of a Senator has to be kept, no matter what the price. I know I will read in my papers in Anchorage and throughout Alaska tomorrow about this, which will be deemed a feud between me and my colleague. It is not a feud. I have a responsibility to keep my word.

As chairman of the Appropriations Committee, I move to table the Mur-

kowski amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 686.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Pennsylvania, Mr. SANTORUM and the Senator from Arizona, Mr. MCCAIN, are necessarily absent.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—59

Abraham	Feingold	Mikulski
Baucus	Feinstein	Moynihan
Bayh	Gorton	Murray
Biden	Graham	Reed
Bingaman	Gregg	Reid
Boxer	Harkin	Robb
Breaux	Hollings	Roberts
Brownback	Inouye	Rockefeller
Bryan	Jeffords	Sarbanes
Byrd	Johnson	Schumer
Chafee	Kennedy	Sessions
Cleland	Kerrey	Shelby
Cochran	Kerry	Smith (OR)
Collins	Kohl	Snowe
Daschle	Lautenberg	Stevens
DeWine	Leahy	Torricelli
Domenici	Levin	Warner
Dorgan	Lieberman	Wellstone
Durbin	Lincoln	Wyden
Edwards	Lugar	

NAYS—38

Akaka	Fitzgerald	Lott
Allard	Frist	Mack
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Bunning	Hagel	Roth
Burns	Hatch	Smith (NH)
Campbell	Helms	Specter
Conrad	Hutchinson	Thomas
Coverdell	Hutchison	Thompson
Craig	Inhofe	Thurmond
Crapo	Kyl	Voinovich
Enzi	Landrieu	

NOT VOTING—3

Dodd	McCain	Santorum
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The motion was agreed to.

Mr. BYRD. I move to reconsider the vote.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I will make one clarifying statement relative to the vote that was taken and a reference made by my senior colleague to the germaneness of my amendment.

I would like the Record to note that the moratorium that I proposed simply amended last year's appropriations bill which terminated fishing in Glacier Bay. If the fisheries could be closed and the field of participants could be narrowed in an appropriation, then it was certainly not out of place to use the same process for the Glacier Bay amendment, which failed under the tabling motion. I think it was a legitimate appropriation amendment. It set parameters for the expenditure of funds to be appropriated. That is certainly a time-honored, time-tested device.

I recognize all my colleagues were interested in saving their own individual bills, those who are interested in steel, those who are interested in oil guarantees; and, obviously, I was interested in saving fishing in Glacier Bay for native people.

But, hopefully, there will be another day. I will continue to work to convince my colleagues of the merits of my position. I particularly want to thank and recognize the explanation offered by my senior colleague, Senator STEVENS, who had indicated to me sometime ago he would move to table any amendments on this pending matter. That was certainly addressed as well by Senator BYRD. I appreciate and respect their opinion.

We will still be fighting for the native people associated with fishing in Glacier Bay.

Mr. BYRD. Mr. President, if the distinguished Senator will yield?

Mr. MURKOWSKI. I am happy to yield to my good friend.

Mr. BYRD. As the distinguished Senator from Alaska will recall, I voted with him previously. But as I explained earlier today, had we amended this bill with a nongermane amendment, it would have killed the iron and the oil and gas guarantee bill. It would have been dead. Because the Speaker made no commitment to help bring up a bill that would have other matters included in it. He only made his commitment with regard to the iron and oil and gas guarantee. So I thank the Senator.

I had to vote against the Senator from Alaska on this occasion because I wanted to save the bill before the Senate.

Mr. MURKOWSKI. I certainly accept my good friend's explanation. I hope I will have another opportunity to bring the issue up and garner his support on its merits.

I thank the Chair. I thank my colleagues.

Mr. BURNS. Mr. President, I rise today with mixed feelings. On one hand I desperately want to do everything possible to help out America's oil patch. My state has lost thousands of jobs over the last decade and our small independent oil and gas producers are being forced out of the business. Our oil towns are now ghost towns and oil

development plans for Montana are far and few between. I would love nothing more than to find a way to help out this vital segment of Montana's economy.

Unfortunately, I do not believe that the piece of legislation is the best course of action. With all due respect to my colleague, Senator DOMENICI, I cannot support any legislation that dips us deeper into the Social Security fund. We have made a stand. We will not continue to dip into this fund and put a further cramp on a system already strained to its breaking point. One step here, another there, and the next thing you know the pledge is gone, and along with it a promise I have made to my fellow Montanans.

It is a hard, hard decision, but I know that Montanans will support me. I have already heard from many of them on this vote. I have called some of my independent producers and asked them if this is the course of action they need us to take right now. Some of them originally supported the program, but more often than not I heard an answer that made me even more proud to know these men and women. They told me that they don't want a handout, and this legislation doesn't address the heart of the problem. The problem in oil country is pretty simple. The federal government is running us off the land and ensuring we can't make a profit.

If you want to help the true independents out there, the Montana businesses, and the other producers who live in the communities, then you better look at royalty relief and streamlining the process to keep our marginal wells in production. You need to let us get to the oil and gas, and you need to be there working with producers, not against them. The Bureau of Land Management, the Department of the Interior, and the United States Forest Service need to change. We don't need to set up a loaning bureaucracy to place more restrictions on our producers and rope them into more capital investment in a market of uncertainty.

Passing this legislation without addressing the heart of the problem is the same as increasing someone's credit limit because they are on the edge of bankruptcy. You have to address the problems of price and access versus production cost, you can't just give them more lead rope and hope the market rebounds to allow them to repay their loans.

Additionally, the legislation before us says you are only eligible for loans under this proposal if credit is not otherwise available, and you can ensure repayment. Well, that sounds like we are talking out of both sides of our mouths. To make matters worse, the legislation dictates that you have to let the General Accounting Office take a full look at your company's records. Not many Montanans that I know want

the federal government having full access to their books as a bargaining chip in their effort to get a loan. The other big problem is that the Guarantee Board is made up of appointees of the Clinton-Gore Administration. I believe the real problems facing our producers are political. Would this legislation only make this problem worse? The administration has a known political agenda that is attempting to move all economic activity off our public lands. They are locking it up piece by piece. Will this agenda infect the decision process as to who gets loans? A lot of our interest is on public land and I don't want to have to face the possibility that some of my producers would be discriminated against because they operate on public land.

I know that my colleagues who support this measure mean well, and they are looking for a way to respond to the pain in the oil patch as quickly as possible, but this is not the way to do it. We need to rally behind a consensus bill that gives tax relief and helps lower the cost of production. We need to stand firm on royalty rates, and we need to continue pushing our Cabinet agencies to stop running our producers off the land. We can extract oil and gas responsibly, and our nation depends on it. Unfortunately, the agenda of the current administration is blinded by politics and is set on completely ignoring the reality of what is good both for the West, and for the security of our nation.

No matter what the outcome of the vote today, I hope it does not distract us from working together to find a real solution. If the legislation passes, I don't want to hear that we have fixed the problem. If it fails, I hope those of us who understand the problems facing our oil and gas producers can come together and work towards passing legislation that goes to the core of the problem.

Mr. BREAUX. As a cochair of the Congressional Oil and Gas Forum, I would like to take a few minutes to discuss the importance of America's small, independent oil and gas producers and the importance of this oil and gas loan guarantee program to their survival.

Over time, oil and gas production in the lower 48 states has become the province of independent producers. The so-called majors are more likely to operate in the offshore deepwater and in Alaska. The independents' share of production in the continental U.S. has increased from about 45 percent in the mid-1980s to more than 60 percent in 1997.

Independents are a different element of the oil and gas production industry than majors. Most producers operating in the lower 48 are small producers. They don't have the resources of majors such as refineries and chemical operations to buffer them during periods

of low oil prices, such as those over the last year and a half.

As a result, independents finance their operations differently than majors. Independents generate 35 percent of their capital primarily from financial institutions. Low oil prices have made banks reluctant to make loans to the industry. This program would unlock the access to capital that is the lifeblood of this industry.

Independent producers have suffered significantly from the current price crisis. These statistics show the impact low prices have had since October 1997:

Domestic production has dropped below six million barrels per day—from 6.4 million to 5.8 million barrels per day. That's the lowest production since 1951.

More than 56,000 jobs lost out of an estimated 340,000 total industry jobs—that's more than 16 percent.

Although prices are improving, an additional 20,000 oil and natural gas jobs are at risk of being lost.

Since October 1997, 136,000 oil wells (25 percent of the U.S. total) and 57,000 natural gas wells have shut down. Many will never operate again.

Mr. President, \$2.21 billion in lost federal royalties and state severance and production taxes. In my state, falling royalty and severance tax revenue have caused Governor Mike Foster to order a \$30 million freeze on state government hiring and spending to head off a budget shortfall. The rate of growth in Louisiana sales and personal income taxes has fallen in recent months as laid-off energy workers reduce their spending.

Mr. President, \$25 billion in lost economic impact associated with shut down oil and gas wells.

U.S. production down 651,000 barrels per day to 5.88 million, the lowest level since 1951.

Operating rig counts have hit historic lows. From November 1997 through April 1999, the domestic drilling rig count dropped 50 percent. The rig count is a quick measure of the level of activity in the industry. While most of this drop has been in the oil side of the business—about a 60 percent drop—the natural gas side of the industry has seen a 40 percent decline.

Capital budgets for oil and natural gas development are down 25-30 percent with the biggest cuts in the U.S. Most independents are drilling new wells.

Faced with these stark problems, the oil and gas loan guarantee program provides a two-year, GATT-legal, \$500 million guaranteed loan program to back loans provided by private financial institutions to qualified oil and gas producers and the associated oil and gas service industry (drilling contractors, well service contractors, tubular goods, etc.)

The OMB estimates that the program will cost \$125 million. The cost is fully offset by funds from the Administration's travel budget.

Loan guarantees are an approach that the Federal Government has used to help recovery of key domestic industries or cities in times of severe crisis. They have been used for Chrysler Corporation and New York City. The Department of Agriculture operates an ongoing loan guarantee program for farmers that addresses their problems during low commodity prices. Here, the concept would provide bridge financing to allow independent producers and the oil industry supply business to recover from the current price crisis.

Independent producers throughout the country continue to suffer severe economic distress. Recovery will be neither quick nor easy. This Emergency Oil and Gas Loan Guarantee Program will save jobs and businesses. It will contribute to the continued viability of the independent producing industry and U.S. national security.

I urge my colleagues to support this legislation.

Mr. BINGAMAN. Mr. President, I co-sponsored the oil and gas loan guarantee program on the emergency supplemental because I believe this is an important and necessary program to ensure independent producers are able to continue operating in the United States. This program is available only to small producers who do not own refineries of any size. No major oil company is eligible.

We are currently importing well over 50 percent of our oil needs. The Energy Information Administration projects that by 2020 we will be importing 65 percent of the oil we consume. The independent oil and gas producers, those companies eligible for this program, have remained committed to domestic production. They are the backbone of our domestic oil supply. They do not import oil, and they do not sell gasoline. Every barrel these independents produce generates jobs, tax and royalty revenues and eliminates another barrel of imports.

Oil prices were as low as \$7 per barrel in New Mexico a few months ago. Although prices have recovered somewhat, small producers were devastated. In addition to the pending loan guarantee program, I believe we need to implement other policy changes to protect our domestic production. Our tax and royalty policies need to be changed to ensure independent oil and gas producers have enough cash flow so they can avoid shutting in production again when prices fall as low as they were recently.

I urge support for this bill.

The PRESIDING OFFICER. The clerk will read the bill for a third time.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. I thank my colleagues for their work in the handling of this legislation today. They made a lot of progress. We will vote on final passage first thing in the morning.

A number of Senators have asked about the plan for tomorrow. We do take up the State Department authorization bill after we have final passage of this piece of legislation. There may be a necessary vote or two on amendments, but they will occur, hopefully, as early in the morning as possible, but none later than 11:45. So any of you who have plans to leave at 11:45 or 12 noon, whatever, you will be able to do that.

As usual, we announced we would have a vote or votes on this Friday, but the votes will not occur beyond 12 noon. I hope it will be earlier than that.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I am glad to yield.

Mr. BYRD. I thank the distinguished Senator from Massachusetts.

I only want to take a few seconds to thank the majority leader for bringing up the bill which the Senate has reached agreement on which will be voted on tomorrow morning, the iron and oil and gas guarantee bill. The leader made a commitment to bring that bill up; he did not make any commitment to pass it. He did not make any commitment to vote for it. But he made a commitment to bring it up, and he has kept his word. I thank him for that.

Mr. LOTT. Thank you very much.

Mr. BYRD. I thank my own leader, and I thank TED STEVENS, the chairman of the Appropriations Committee, and Senator DOMENICI. They have used their usual skill, good humor, and toughness. I think the Nation is better off as a result.

Thank you.

Mr. LOTT. Thank you very much.

Mr. BYRD. I thank the Senator from Massachusetts.

#### MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I see my friends and colleagues here from California and Illinois. I intend to use my 10 minutes. I will be glad to respond to questions, but I ask unanimous consent that following my time that the Senator from California be recognized for 10 minutes and the Senator from Illinois be recognized for 10 minutes.