

TRADE FAIRNESS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 30, 1997

Mr. CUNNINGHAM. Mr. Speaker, golf was not invented in the United States. But the United States leads the world in the manufacturing of quality golf clubs. Golfers know that most of these manufacturers are headquartered in California, predominantly in Carlsbad in my congressional district. They dominate this \$2-billion industry because they lead in research and development of new materials that improve the performance, durability, and appearance of golf clubs. Major American investments have been made in the research, development, design, and manufacture of golf clubs, components, and their materials.

To remain competitive, these companies at times source components, such as golf club heads, offshore. Their high-paying research and design and final manufacturing operations remain here in the United States. Modern quality domestic golf clubs undergo precision operations involving many skilled U.S. technicians, using leading edge assembly and test equipment here in the United States.

Unfortunately, the prosperity of American employers is threatened and disrupted by arbitrary or capricious country of origin marking rules and regulations. These have been adopted and proposed by the U.S. Customs Service. They include the NAFTA marking regulations, the proposed marking regulations, and ultimately the Uruguay round country of origin changes scheduled for implementation in several years. The U.S. golf club industry has been able to cope with U.S. Customs regulations prior to implementation of the NAFTA marking rules. But the new country of origin marking requirements have become real trade and economic barriers. Contrary to their stated purpose, the new requirements are less understandable, more subjective, and more burdensome than previous marking requirements.

The marking problems can be resolved by recognizing that the process of final manufacturing of golf clubs in the United States is clearly a substantial transformation. Unlike golf clubs of the past, the final manufacturing of modern golf clubs is a high-precision, multi-step process by skilled U.S. technicians requiring significant attention to detail. They use laser-guided equipment and highly sensitive scales to determine the weights of individual components and final clubs. Any slight variance causes the rejection of a club that does not meet company or industry swingweight standards.

The U.S. golf club manufacturing industry is a significant domestic employer that deserves to be treated fairly by trade laws. New and Proposed country of origin marking requirements simply fail to recognize the technological progress this industry has made, at the demand of golfers everywhere. By enacting legislation that reflects current industry practices, we restore trade fairness to the U.S. golf club industry, preserve good American jobs, and enhance our trade competitiveness.

CAMPAIGN FINANCE REFORM

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 30, 1997

Mr. KIND. Mr. Speaker, my colleagues in the Republican Party have continued to argue that they oppose campaign finance reform because we first need to investigate the abuses by the White House during the last campaign. While I fully support the airing of the abuses that may have taken place in 1996, I do not accept the excuse that we cannot act on changing the system until the Republican investigations are concluded.

The reality is that much of the abuses of the system in 1996 were technically legal. Parties are allowed to raise soft money, intended for party building activities, without any limits and with very little accountability. It is the completely legal soft money contributions of hundreds of thousands and even millions of dollars that are corrupting the political system.

Furthermore, the hearings are not covering every abuse of the current system. One such example is the multibillion-dollar tax break given to the tobacco industry during the balanced budget agreement. In that agreement, the Republican leadership in the House and the Senate inserted a \$50 billion tax break for the tobacco industry. Campaign contributions of more than \$1.9 million to the Republican Party over the past 18 months, all legal under the current system, bought the tobacco industry a multibillion-dollar tax break. Yet no one is investigating that issue.

Mr. Speaker, it is appropriate that we vigorously investigate possible violations of the law, by both political parties, during the 1996 election cycle. However, we should not use that as an excuse to delay making real changes to the campaign finance system as soon as possible. The time to act is now, we can no longer accept no as an answer.

THE 150TH ANNIVERSARY OF
CLEVELAND-CLIFFS INC.**HON. BART STUPAK**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 30, 1997

Mr. STUPAK. Mr. Speaker, I have the privilege of coming before Congress today to pay tribute to a company operating in my district that has played a major role in the economic, cultural and historical development of northern Michigan and in the rise of the economic and military power of the United States itself in the last century and a half.

The history of Cleveland-Cliffs Inc. is a fascinating one, because it is entwined with the development of the Soo Locks, the growth of shipping on the Great Lakes, and the development of pelletizing iron ore. The company's history even has ties to a candidate for the U.S. Presidency in the year 1876.

The company began as the Cleveland Iron Co. in 1847, just 3 years after iron ore was discovered in the remote wilderness of Michigan's Upper Peninsula. Michigan had been given the Upper Peninsula as compensation for a disputed piece of land along the Michigan-Ohio border known as the Toledo strip.

The discovery of iron and of copper in the Upper Peninsula of Michigan made this exchange suddenly seem very much worthwhile.

Northern Michigan in those years was still a remote frontier area. Mining began in earnest in the 1850's, but getting the ore to port from this wilderness was a great challenge. The construction of a plank road through miles of rugged terrain brought ore to the budding city of Marquette on Lake Superior, and by 1857 a railroad with steam engines was hauling ore to the new docks in Marquette.

The opening of the Sault Ste. Marie Ship Canal, allowing ships to bypass the rapids on the St. Mary's River en route between Lake Superior and Lake Huron, was a significant event in the development of the iron and steel industry in the United States. The passage of the two-masted brigantine *Columbia* through the Soo Locks in August 1855 with 120 tons of ore was significant in this regard. It meant not only that ore would be mined in Upper Michigan, and later in Minnesota, but that processing of ore and the manufacture of steel would be done in blast furnaces far from the mines, in States on the south shore of the eastern Great Lakes.

During the Civil War and in the years that followed the war, production tonnages increased on a regular basis, with shipments hitting the 200,000 ton mark in 1880. Surface deposits of ore were exhausted by then, and shaft mining was begun to follow the rich iron ore veins underground.

By 1890 there were two major iron mining operations on the Marquette Iron Range. Joining the Cleveland Iron Co. was the Iron Cliffs Co., founded by Samuel J. Tilden, Democratic Party nominee for President against Rutherford B. Hayes. A merger of these two companies in 1891 created the Cleveland-Cliffs Iron Co.

This new company was a pioneer, bringing many firsts to the industry and to the region. It brought electrical power to the Upper Peninsula by building an hydroelectric plant in 1910. In 1900 it created the first geological department for an iron mining company in the Lake Superior Region. It organized a welfare department in 1905, developed a pension plan in 1909, formed the region's first mine safety department in 1911, built a modern hospital in 1918, and even build lumber mills to harvest the abundant timber.

Making good use of its vast land holdings, the company hired a landscape architect to design a model town for the area. The community of Gwinn is named for Elizabeth Gwinn, mother of company president William Gwinn Mather.

Perhaps the most significant breakthrough for the region and for the industry occurred when Cleveland Cliffs researchers, working with the U.S. Bureau of Mines, developed the current method of concentrating low-grade ore into pellets. The process of pelletizing iron ore has provided Cleveland Cliffs and the steel industry with more than 375 million tons of iron ore pellets. These pellets are made from ore once considered too low in iron to have any value. Despite periods of economic slowdown, the company, now known as Cleveland-Cliffs Inc., is the world's largest producer of iron ore pellets and the leading supplier of high-quality iron ore products to the steel industry in North America.

The company employs approximately one-third of its 6,000-member work force in northern Michigan. Others work in the corporate