

DOMESTIC STEEL INDUSTRY IN CRISIS

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, in recent years the United States has become the world's largest steel dumping ground at the expense of U.S. jobs, U.S. families, the U.S. economy, and maybe U.S. national security. It is a fact. This fact must be addressed now.

As a Nation, we import more than twice as much steel than we did in 1991 and we do so at prices significantly lower than those in 1998. This surge in illegally dumped steel has been devastating to the domestic steel industry. In the last 4 years, 26 steel companies have filed for bankruptcy; seventeen have filed for bankruptcy protection in the last year alone. This list includes three companies in northeast Ohio: RTI of Lorain; LTV Steel of Cleveland; and CSC Steel in Warren.

I recently joined civic leaders, company executives, and steelworkers at a public rally for Lorain's RTI, a steel manufacturer that employs 1,500 people in my district. At the rally, I cited the President's decision to impose a section 201 steel tariff as one of the primary reasons that I was optimistic. But at the same time we were rallying in support of RTI, the President's Treasury Secretary was telling European leaders that he expected a large proportion of the tariff exemption applications filed with the United States to be decided upon favorably by the United States. As a representative of a steel-producing State that has suffered severe hardship due to illegal steel dumping, I was disturbed to hear the President's Treasury Secretary make comments shifting the administration away from its own recently imposed 30 percent tariff on imported steel. These statements have continued to be a source of great concern to those of us in Congress who had assumed, I hope not wrongly, that the Bush administration was committed to enforcing its own tariffs on illegally dumped steel.

One can imagine the confusion these statements have caused the tens of thousands of already anxious steelworkers. The President's remedy excludes steel coming from Korea and Australia. The tariff remedy also excludes steel from our NAFTA partners, Canada and Mexico, which opens up the very real possibility of the illegal transshipment from Asian countries or somewhere else through Mexico or Canada. A Mexican steel company, for example, could easily have foreign steel shipped to a plant in Mexico, where they then could redirect it to the United States with little or no direct value added.

Administration trade officials have argued that there are appropriate controls in place to prevent this transshipment of foreign steel, but there are also controls in place to prevent the

transshipment of other items and the transshipment of illegal narcotics through Mexico, and to prevent the importation of unsafe foods. The sad truth is the Federal Government, because of Republican budget cuts, inspects only 1 percent of all the imports, food and any other kinds of steel imports and anything else, only 1 percent of the imports that cross the U.S.-Mexican border. Our border agents simply do not have the resources necessary to prevent illegally transshipped steel from entering our country.

The current tariff remedy has already been diluted by the Bush administration. The holes in this steel tariff that President Bush himself created severely weaken our safeguards against illegal dumping. During an October visit in 2000 to Weirton, West Virginia, then Vice Presidential Candidate DICK CHENEY criticized the Clinton administration's handling of the steel issue. He pledged that a Bush administration would take action on the steel crisis, and he told steelworkers, "We will never lie to you. If our trading partners violate trade laws, we will respond swiftly and firmly."

The steel industry needs the administration to follow through on that promise. The domestic survival of this industry absolutely depends on it. The survival of this industry is not just an economic issue. It is also an issue of national security. We must protect the 700,000 hard-working families who rely on this industry for their salaries, for their pensions, and for their health benefits. We also must ensure that we retain the ability in terms of national defense to manufacture steel for planes and weapons and ships.

In addition to strict enforcement of the Bush tariff, the Republican leadership in the House should respond to public demand, should respond to a majority of Members on both sides of the aisle, and bring the Steel Revitalization Act to the House floor. In the future, Congress and the President must respond to the public's demand for U.S. trade policies that actually support American workers. If the President is sincere about helping the steel industry, he will not allow these exemptions suggested by his own Treasury Secretary. He will not allow these inappropriate exemptions to erode the effectiveness of his tariffs. He will not back away from these measures before they have been given a chance to work.

To give concerned Members of Congress, Mr. Speaker, and employees of the steel industry confidence, I urge President Bush to publicly affirm his support for his own administration's steel tariffs.

ADMINISTRATION CONSIDERS LOWER PUBLIC DEBT LIMIT

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, the leadership is currently considering a proposal to change the definition of debt subject to the debt limit. This proposal would create a new lower limit applying only to debt held by the public. This would exclude debt owed to government trust funds, principally the Social Security and Medicare trust funds. As chairman of the Speaker's debt limit task force in 1995 and 1996, I oppose this proposal.

Ending the inclusion of debt held by government trust funds, what the general fund has borrowed from Social Security and Medicare, in the statutory debt limit is unwise for good fiscal reasons. I think that the proposal of creating two classes of debt will create opportunities for the manipulation of government accounts to disguise the true level of debt.

This concern is not wholly theoretical. The Treasury has used some accounting gimmicks available in the past. As my debt limit task force report documented, the Treasury divested \$39.8 billion from the civil service trust fund in November of 1995 to avoid bumping up against the statutory debt limit. Though the divestment was reversed after an increase in the debt limit, it put the retirement benefits of millions of government employees at risk while masking the true size of government obligations. If we change the debt ceiling to apply only to Wall Street debt, the same thing could happen to Social Security and Medicare.

The truth is, however, that there are only a limited number of opportunities for this sort of finagling under current law. Creating a broad class of accounts outside of the debt limit will increase the danger of this sort of manipulation exponentially. Further, it will complicate government accounting and make it even more difficult to understand the government's true financial situation.

I have another concern as well. Taking government-held securities out of the debt limits comes close to saying that our debts to bondholders on Wall Street are more important, or more real, than our debts to the Social Security and Medicare trust funds. The change could be portrayed as discounting our obligations to Social Security and Medicare while protecting Wall Street bondholders. It would be, in fact, a denial of the fiscal mess we are in with our entitlement programs. Not only do we owe that money in the trust funds that some would like to ignore, we have tens of billions of dollars of unfunded liabilities for Social Security and Medicare. We have to face up to this challenge and make some hard decisions. Instead, the proposed debt ceiling change would sweep it under the rug, our future obligations, leaving the problem to our children and grandchildren.

If we are interested in honest accounting and fair depiction of our government finances, we would increase