



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 107<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 148

WASHINGTON, TUESDAY, SEPTEMBER 17, 2002

No. 117

## House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. KERNS).

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
September 17, 2002.

I hereby appoint the Honorable BRIAN D. KERNS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,  
*Speaker of the House of Representatives.*

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 1777. An act to authorize assistance for individuals with disabilities in foreign countries, including victims of landmines and other victims of civil strife and warfare, and for other purposes.

### MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. SMITH) for 5 minutes.

### TARIFFS ON STEEL IMPORTS

Mr. SMITH of Michigan. Mr. Speaker, I am going to make some comments

on the tariff on steel imports. President Bush approved the new tariffs on steel imports, I think to help give the steel industry and our American steelworkers a chance to make changes so that they might compete in the long term. I suspect the President, who as a young man did physical work in the oil fields, wanted to give a chance to save some of the jobs of the people that do the hard physical work in the steel industry.

However, the high tariff restrictions on steel imports have turned out to be a mistake with a potential of losing more jobs than they save. The price of steel in the United States has risen since March by 30 to 50 percent. In addition to the large price increases, there has been a reduction in the amount of steel available. This has made it impossible for many steel-consuming industries to find sufficient supplies of steel. Domestic steel producers have in many cases reneged on long-term contracts now that the steel prices have leaped, with the result that the consuming industries have been forced to pay higher than agreed-on prices or have been forced into the volatile spot market for steel.

This has harmed American workers in a number of ways. First, some American producers lose out because they are now competing with foreign companies that have access to cheaper steel. Their products become relatively more expensive because the steel in them costs our American producers more.

Second, many American firms have had trouble securing supplies of steel sufficient in quantity to keep that factory operating. I have had layoffs in my district because plants have closed for lack of steel.

Third, it gives American firms a powerful incentive to move production out of the United States to foreign plants where steel is available at the lower world market price. This is so that they can compete, so that they can survive as a company.

There are 57 workers employed in steel-using companies for every one worker in the steel-making industry. Steel-using industries account for more than 13 percent of gross domestic product, while the steel industry accounts for about one half of 1 percent. Thus, the steel tariff has threatened many more jobs than it has protected.

The Bush administration has recognized some of the distress that the steel tariffs are causing. It has issued rulings that exclude 727 products from the tariff. And, of course, this has set off a frenzy of lobbying as some of the steel-using companies angle for exemptions. This causes distortions not only in the price of domestic and foreign producers but between competing domestic producers as well.

Finally, the steel tariff encourages retaliation from our trading partners. The European Commission is now threatening retaliatory tariffs of 100 percent on a 22-page list of goods ranging from rice to grapefruit to shoes, brassieres, nuts, bib overalls, billiard tables, ballpoint pens, et cetera. The Japanese are also drawing up their steel payback list. Steel-exporting Russia has already retaliated by fencing out U.S. chicken. Hopefully that is going to be resolved.

We can ask if the tariff has done that much for the steel industry. Over the past 30 years, the Federal Government has been implementing policies to keep the steel industry in business despite its inefficiencies. These policies include voluntary quotas, antidumping, countervailing duty measures. Some of the companies have moved up and are now competitive, but much of the industry, instead of resulting in a stronger manufacturing efficiency, these policies have allowed companies to continue with production methods and labor contracts that keep it perpetually at the risk of dissolution.

Standard and Poor, for example, did not seem optimistic with the President's decision and responded to the

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



Printed on recycled paper.

H6257