

three children and was among those laid off in September.

We need to act.

SOLUTIONS TO THE CHALLENGES WE FACE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Mr. Speaker, I have the privilege of representing a very diverse district in Illinois. I represent the south side of Chicago, the south suburbs in Cook and Will Counties, a lot of bedroom communities like the town of Morris where I live, towns like Peru, and a lot of farm towns. When representing a diverse district, of course one wants to listen and find out what is a common message, and I find, as I listen and learn, the concerns of the people of this very diverse district. They tell me one very clear message, and that is the people of our part of Illinois want solutions, solutions to the challenges that we face.

In fact, in 1994 when we were elected they sent us here with a very clear message that was part of that effort to find solutions, and that is we want to change how Washington works and make Washington responsive to the folks back home. When we were elected in 1994, we wanted to bring solutions to balance the budget, to cut taxes, to reform welfare, to tame the IRS. There were an awful lot of folks in Washington who said we could not do any of those things because they had always failed in the past. But I am proud to say that we did. I am pretty proud of our accomplishments: balancing the budget for the first time in 28 years, cutting taxes for the first time in 16 years, reforming welfare for the first time in a generation, taming the IRS for the first time ever. We produced a balanced budget that is now projecting a \$2.3 trillion; that is "T" as in Tom trillion dollars surplus of extra tax revenue. We produced a \$500 per child tax credit that will now benefit three million Illinois children. We produced welfare reform that has now lowered rolls in Illinois by 25 percent, and taxpayers now enjoy the same rights with the IRS that they do in the courtroom, and that is a taxpayer is innocent until proven guilty.

Mr. Speaker, those are real accomplishments, but we continue to face challenges in this Congress, and because this Congress held the President's feet to the fire, we balanced the budget, and now we are collecting more in taxes than we are spending. And the question is today: What do we do with that extra tax money? What do we do with that \$2.3 trillion surplus of extra tax revenue?

I believe it's pretty clear what the first priority is, and I think we all agree. We want to save Social Security. We want to save Social Security first, and I want to point out that last fall

this House of Representatives passed the 90-10 plan which would have set aside 90 percent of the budget surplus, the extra tax revenue to save Social Security. Two weeks ago in this very room the President said we now only need 62 percent. Well, we agree. We want to make the first priority, and we certainly agree that at least 62 percent of the surplus tax revenue should be reserved for saving Social Security. The question is: What do we do with the rest?

Some say, particularly Bill Clinton, we should save Social Security and spend the rest on new big government programs. Now I disagree. I believe we should save Social Security and give the rest back in tax relief. The question is, it is simple: Whose money is it in the first place?

If my colleagues go to a restaurant and they pay too much, they overpay their bill, the restaurant refunds their money. They do not keep it and spend it on something else. Well, clearly in this case the government is collecting too much. Well, let us give it back.

The question is: Do we want to save Social Security and create new government programs and spend the rest of the surplus, or do we want to give it back by saving Social Security and eliminating the marriage tax penalty and rewarding retirement savings? Tax Foundation says today that the tax burden is pretty high. In fact, for the average family in Illinois, 40 percent of the average family's income in Illinois now goes to Washington and Springfield and local taxing bodies at every level. In fact, since Bill Clinton was elected in 1992, the total amount of tax revenue collected has gone up 63 percent since 1992.

Clearly taxes are too high.

We can help working taxpayers we can help working taxpayers, we can help working families. Let us save Social Security and cut taxes. Let us save Social Security and eliminate the marriage tax penalty. Let us save Social Security and reward savings for retirement. Some say we cannot, but I believe we can. Just as we balanced the budget for the first time in 28 years, it is because we also cut taxes for the first time in 16 years, reformed welfare for the first time in a generation and tamed the IRS for the first time ever. We can also save Social Security, and lower taxes for working families and bring that tax burden down for the first time in a long time.

Mr. Speaker, let us save Social Security, let us cut taxes, let us eliminate the marriage tax penalty.

STAND UP FOR STEEL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from West Virginia (Mr. MOLLOHAN) is recognized during morning hour debates for 5 minutes.

Mr. MOLLOHAN. Mr. Speaker, 2 weeks ago the Ohio Valley made itself

heard here in the Nation's Capital. Thousands of steel workers and their families woke before dawn on a cold damp January day. They came from Weirton, they came from Wheeling, from all across the tri-state area. They jammed into dozens of buses for a 6 hour ride to Washington. When they got here, they rallied long and hard on the steps of this Capitol. Then they marched down Pennsylvania Avenue and rallied long and hard at the White House. Then they jammed back into their buses to get home before morning came again, and many of them lost a day's pay in the process.

So why did they do it?

They did it, Mr. Speaker, because our steel communities are in a state of pure crisis. We have been overtaken by illegal imports, and we cannot take it any more.

Every hour another American steel worker loses his or her job. Every hour another American family wonders when and if they will ever see another paycheck. And what is worst of all is that they have not done a single thing wrong. In fact, Mr. Speaker, they have done everything right.

For years the American steel workers have sacrificed, our American steel companies have made huge investments. They did it all in the name of efficiency, to achieve productivity standards unheard of, and now they are the world's best producers.

But that means nothing if our so-called partners do not play by the same rules. It means nothing if Japan and Russia and Korea can dump steel in our markets whenever they want.

That is not fair trade, Mr. Speaker. That is not even free trade. It's foolish trade, and it is, in fact, absolute folly for this Congress and this administration to sit and watch as the American steel industry is destroyed by unfair foreign imports.

Our steel industry is at the breaking point, Mr. Speaker. There's no time left for tough talk; there is only time for tough action.

Today the Steel Caucus is introducing tough legislation. I commend my good friends: the gentleman from Ohio (Mr. REGULA), the gentleman from Pennsylvania (Mr. MURTHA), the gentleman from Indiana (Mr. VISCLOSKEY) and the gentleman from Ohio (Mr. TRAFICANT) for their leadership on this issue. I am proud to cosponsor the bills that are being brought before the Congress. I urge my colleagues, Mr. Speaker, to make this legislation the very first priority in the 106th Congress. I urge them to stand up for steel.

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THE STEEL IMPORT CRISIS

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. REGULA) is recognized during morning hour debates for 5 minutes.

Mr. REGULA. Mr. Speaker, I rise today to discuss the continued threat that the surge of low priced steel imports is having on our domestic steel industry and on the jobs of steel workers, their families and the communities in which they live.

According to the President's steel report released on January 7, we have already lost 10,000 steel worker jobs in the United States.

This import crisis is having a dramatic effect on the families that are directly affected by these job losses, but the story does not end there. Many more jobs are being lost as suppliers cut back and businesses in the affected communities must cut back on employment because demand for their products and services is no longer there.

We are told by the administration, and I quote from the January 7 report: "Free and fair rules-based trade is essential for both global economic recovery and for U.S. prosperity." I emphasize "fair rule-based trade."

But what have we seen since July 1997 when the Asian financial crisis began and the Russian economic crisis flared up has certainly not been "fair rules-based trade." At that time we already had worldwide over-capacity in steel production because many nations had subsidized the building of new steel plants that had no economic basis. Then demand in these nations collapsed as their currencies and the economy collapsed.

In order to obtain hard currency, foreign companies began shipping to the world's most open market, the United States. The oversupply of steel products on the world market flowed into the United States, often at prices that had no relation to actual production costs.

For example, steel mill imports into the United States jumped almost 33 percent in 1998 over imports in 1997, and it should be noted that 1997 was already a record year for imports.

Steel mill product from Japan surged 163 percent in 1998 over 1997, with hot rolled steel products from Japan increasing an astronomical 386 percent in 1998 over 1997. Steel mill product imports from Russia were up 58 percent and on and on.

These figures do not paint a picture of "fair rules-based trade," as the President called it, with regard to steel imports.

It is time that the administration truly enforce fair trade in this Nation with regard to steel imports. It is also time that we examine our overall trade policy.

As we provide nations in financial and economic turmoil with international monetary fund aid, should these nations be allowed to export their way out of their troubles, thereby threatening a basic industry in the United States? Why should an industry, such as the steel industry, which has modernized and downsized to become world competitive, now be put at risk because of outside factors over which it has no control?

Do we want to become a nation without any basic manufacturing capability, totally dependent on foreign supply of things such as steel? These are questions that we must address and which have been brought to the forefront by the steel import crisis.

I continue to urge the administration to take immediate action under existing authority. I refer to Section 201 of the 1974 Trade Act, which allows the President to respond to injurious import surges. He now has the authority to impose tariffs or quotas if the International Trade Commission finds injury.

Section 201 is the appropriate current law remedy accepted under our international obligations to stop import surges that injure.

One problem that exists with Section 201 is that the injury standard is high, higher than required by the World Trade Organization rules. Because the injury standard under current law is so high, Section 201 has not been the remedy of choice.

I have proposed legislation that would lower the injury standard that now exists in Section 201 to bring it into compliance with World Trade Organization rules. This would restore the effectiveness of Section 201 and make it a viable remedy against import surges.

With this change to Section 201, the administration could join with the Congress, industry and labor to rekindle the partnership that was so effective during the 1980's in rebuilding this vital industry, and come up with a solution to stop up fair imports.

Such a solution to the import crisis could be agreed to by all parties under a U.S. law that is in accordance with our international obligations. We could work together to ensure that no more jobs are lost and that we maintain a vital and strong domestic steel industry here in the United States.

SUPPORT THE VISCLOSKY-QUINN-KUCINICH-NEY STEEL BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. KUCINICH) is recognized during morning hour debates for 5 minutes.

Mr. KUCINICH. Mr. Speaker, we are here because the policy of this administration on international finance and trade is causing a crisis for American workers and industries.

The centerpiece of the administration's policy is to widen the trade deficit. They are depending on American consumers to continue spending record amounts to pull the rest of the world out of the severe recession it has plunged into. The rest of the world includes Russia, Thailand, Brazil and Mexico.

Many of these countries have witnessed a dramatic devaluation of their currencies, which makes their product very cheap when sold in the United States. And when the products are

flowing into the United States unfairly, underpriced to similar products made in America, the administration has chosen to allow the foreign product to undercut the American, and that is causing layoffs in many American industries, and it has reached a crisis level in steel.

There is no question that the U.S. trade deficit is growing at a rapid pace. The goods and services trade deficit grew nearly 54 percent last year over the preceding year, according to figures compiled by the Economic Policy Institute, to a level of \$170 billion.

Cheap foreign steel is flooding the American market. Last year, a record amount of foreign steel came to the United States. In the third quarter, 56 percent more foreign steel was brought to the United States than in the third quarter of the preceding year.

At the same time, American workers in industries affected by the foreign imports are losing their jobs. We are here today because the steel workers have been dramatically affected by the import of foreign steel made cheap by currency devaluations.

Ten thousand American steel workers have already lost their jobs. Steel workers are not losing their jobs because the American steel industry is inefficient. In fact, the American steel industry is the world's most efficient. The reason American steel workers are losing their jobs is that the price of foreign steel, though more inefficient, is so much cheaper due to the devaluation of the currencies of those countries.

Steel workers are not the only ones losing their jobs to cheap imports. According to the Economic Policy Institute, 249,000 workers, that is 249,000 American workers, lost their manufacturing jobs between March and December.

Americans should know there is a direct connection between the inflow of cheap foreign products reflected in a growing trade deficit and American job loss. This is already having and will continue to have a profound negative effect on the United States economy.

The Financial Times wrote in an editorial yesterday that the U.S. trade deficit is "unsustainable." Unsustainable because the record levels of consumer debt, combined with mounting American job loss and resulting loss of wages and benefits, will make it impossible for Americans to continue to spend record amounts on foreign products; unsustainable because the economic policies that the International Monetary Fund have imposed on Thailand, Brazil and others create austerity and depression, not growth that will continue into the future and benefit the citizens of those countries.

The administration is blind to this connection. In the President's recent report on steel, the administration proposes no comprehensive action to stem the inflow of foreign steel made cheap by currency devaluation.