

He would not say when activists expected to have the document ready. The proposed referendum, known as the Varela Project, appears to be the first signature-gathering effort to get this far under the government of Fidel Castro (news—web sites), in power for 43 years.

The referendum would ask voters whether they think guarantees are needed to assure the rights of free speech and association and whether they support an amnesty for political prisoners. It would also call for new electoral laws and more opportunities for Cubans to run their own private businesses.

Castro's government has not commented publicly on the effort. Previous petition efforts have stalled in part because people were afraid to sign, but in the decade since the collapse of the Soviet Union, the government has shown slightly more tolerance for opposition groups.

The project is named for Father Felix Varela, a Roman Catholic priest who fought for the emancipation of slaves on the Caribbean island. The referendum was first mentioned by the Christian Liberation Movement shortly after Pope John Paul (news—web sites) II's visit here in January 1998.

The Cuban Commission for Human Rights and Reconciliation and the Democratic Solidarity Party later joined the Christian Liberation Movement in helping coordinate the signature-gathering drive. The groups have been gathering signatures across the island since early last year.

All three groups operate here without the approval of the government, which regularly characterizes its opponents as "counter-revolutionaries" and "mercenaries" for the U.S. government and Cuban exiles.

CUBA DISSIDENTS SAY 10,000 SIGN REFERENDUM APPEAL

(By Isabel Garcia-Zarza)

HAVANA (Reuters)—In an apparently unprecedented move during President Fidel Castro's 43-year rule, a group of dissidents says it has gathered 10,000 signatures to ask the Cuban parliament for a referendum on political reforms.

"We are proposing a consultation with the people so they decide about change," a leading moderate dissident, Oswaldo Paya, who is the main promoter of the so-called Varela Project, told Reuters late on Wednesday.

The project, named for pro-independence Catholic priest Felix Varela (1788-1853), is based on article 88 of the Cuban constitution, which says new legislation may be proposed by citizens if more than 10,000 voters support them.

The proposed referendum, Paya said, would be on the need to guarantee the rights of free expression and association; an amnesty for political prisoners; more opportunities for private business; a new electoral law; and a general election.

Havana, which scorns dissidents as "counter-revolutionary" pawns of a hostile U.S. government and anti-Castro Cuban American groups, has publicly ignored the project. But Paya and others behind the campaign accused the government of mounting a strong campaign of "threats and persecution" to impede the gathering of signatures and delivery of letters to authorities.

"Authorities are acting like gangsters," said Paya, who has a long list of alleged verbal and physical abuse against Varela Project activists in the last year.

'GOVERNMENT AFRAID'—PAYA

"The government is afraid of this liberating gesture, where a social vanguard is showing it has no fear. The government is afraid when the people are not afraid," he added. Castro frequently says his one-party communist system is more democratic than

the Western model and denies the existence of political prisoners or repression of freedom of expression.

The signatures, gathered by activists across the Caribbean island of 11 million inhabitants over the last year, will be presented to the National Assembly in a few weeks, once all 10,000 signatures have been checked and ratified, Paya said.

"This has never been done before, it has no precedent," he added. "It shows Cubans not only want changes, but also are ready to face the risks to show they want changes." According to Paya, more than 100 small opposition groups have backed the initiative. However, some prominent dissidents, such as Martha Beatriz Roque, do not support it, arguing it is unrealistic to seek change within a constitution designed by the Castro government.

Paya did not say what Varela Project backers will do if the initiative is rejected by the National Assembly, something analysts and diplomats think is virtually certain. "We are ready to keep demanding our rights," he said.

Over the four decades since the 1959 revolution, Cuba's scattered and marginalized internal dissident movement has made little headway against Castro's grip on power. Castro again scathingly lambasted dissidents this week, in a three-hour TV speech, as non-representative of the Cuban people and intent on helping Washington bring Cuba into the U.S. "empire."

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

STEEL PROTECTIONISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, I am disheartened by the administration's recent decision to impose a 30 percent tariff on steel imports. This measure will hurt far more Americans than it will help, and it takes a step backward toward the protectionist thinking that dominated Washington in decades past. Make no mistake about it, these tariffs represent naked protectionism at its worst, a blatant disregard of any remaining free market principles to gain the short-term favor of certain special interests.

□ 1815

These steel tariffs also make it quite clear that the rhetoric about free trade in Washington is abandoned and replaced with talk of "fair trade" when special interests make demands. What most Washington politicians really believe in is government-managed trade,

not free trade. True free trade, by definition, takes place only in the absence of government interference of any kind, including tariffs. Government-managed trade means government, rather than competence in the marketplace, determines what industries and companies succeed or fail.

We have all heard about how these tariffs are needed to protect the jobs of American steelworkers, but we never hear about the jobs that will be lost or never created when the cost of steel rises 30 percent. We forget that tariffs are taxes and that imposing tariffs means raising taxes. Why is the administration raising taxes on American steel consumers? Apparently no one in the administration has read Henry Hazlitt's classic book "Economics in One Lesson." Professor Hazlitt's fundamental lesson was simple: we must examine economic policy by considering the long-term effects of any proposal on all groups.

The administration, instead, chose to focus on the immediate effects of steel tariffs on one group, the domestic steel industry. In doing so, it chose to ignore basic economics for the sake of political expediency. Now, I grant you that this is hardly anything new in this town, but it is important that we see these tariffs as the political favors that they are. This has nothing to do with fairness. The free market is fair. It alone justly rewards the worthiest competitors. Tariffs reward the strongest Washington lobbies.

We should recognize that the cost of these tariffs will not only be borne by American companies that import steel, such as those in the auto industry and building trades. The cost of these import taxes will be borne by nearly all Americans, because steel is widely used in the cars we drive and in the buildings in which we live and work. We will all pay, but the cost will be spread out and hidden, so no one complains. The domestic steel industry, however, has complained; and it has the corporate and union power that scares politicians in Washington. So the administration moved to protect domestic steel interests, with an eye towards upcoming elections. It moved to help members who represent steel-producing States.

We hear a great deal of criticism of special interests and their stranglehold on Washington, but somehow when we prop up an entire industry that has failed to stay competitive, "we are protecting American workers." What we are really doing is taxing all Americans to keep some politically favored corporations afloat. Some rank-and-file jobs may also be saved, but at what cost? Do steelworkers really have a right to demand Americans pay higher taxes to save an industry that should be required to compete on its own?

If we are going to protect the steel industry with tariffs, why not other industries? Does every industry that competes with imported goods have the same claim for protection? We have propped up the auto industry in the

past; now we are doing it for steel. So who should be next in line? Virtually every American industry competes with at least some imports.

What happened to the wonderful harmony that the WTO was supposed to bring to the global market? The administration has been roundly criticized since the steel decision was announced last week, especially by our WTO "partners." The European Union is preparing to impose retaliatory sanctions to protect its own steel industry. EU Trade Commissioner Pascal Lamy has accused the U.S. of setting the stage for a global trade war; and several other steel producing nations, such as Japan and Russia, also have vowed to fight the tariffs. Even British Prime Minister Tony Blair, who has been a tremendous supporter of the President since September 11, recently stated that the new American steel tariffs were totally unjustified.

The WTO was supposed to prevent all this squabbling, was it not? Those of us who opposed U.S. membership in the WTO were scolded as being out of touch, unwilling to see the promise of a new global prosperity. What we are getting instead is increased hostility from our trading partners and threats of economic sanctions from our WTO masters. This is what happens when we let government-managed trade schemes pick winners and losers in the global trading game. The truly deplorable thing about all this is that the WTO is touted as promoting free trade.

Mr. Speaker, it is always amazing to me that Washington gives so much lip service to free trade while never adhering to true free trade principles. Free trade really means freedom, the freedom to buy and sell goods and services free from government interference. Time and time again, history proves that tariffs do not work. Even some modern Keynesian economists have grudgingly begun to admit that free markets allocate resources better than centralized planning. Yet we cling to the idea that government needs to manage trade when it really needs to get out of the way and let the marketplace determine the cost of goods.

I sincerely hope that the administration's position on steel does not signal a willingness to resort to protectionism whenever special interests make demands in the future.

The SPEAKER pro tempore (Mr. SHUSTER). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) is recognized for 5 minutes.

(Mrs. JO ANN DAVIS of Virginia addressed the House. Her remarks will

appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MEEKS) is recognized for 5 minutes.

(Mr. MEEKS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

(Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia (Ms. MCKINNEY) is recognized for 5 minutes.

(Ms. MCKINNEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE DEBT CEILING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. STENHOLM) is recognized for 60 minutes as the designee of the minority leader.

Mr. STENHOLM. Mr. Speaker, today I want to take this time to continue a discussion that we, the so-called Blue Dog Democrats, the Blue Dog Coalition, have been carrying on for the last 2 or 3 weeks talking about the urgency of this body in dealing with the debt ceiling and dealing with our economic game plan that has now pushed us once again into a position of having to borrow on the Social Security trust fund for the next 10 years.

Just a little bit of a reminder or a refresher on everyone's mind tonight. It was just 1 year ago that we were on this floor advocating a budget, an economic game plan for this country that was different from what the majority and the administration wished. The thing that we said was that this \$5.6 trillion was projected surpluses, and we emphasized projected. These were guesstimates. Most everyone agrees we

cannot predict tomorrow, much less 10 years. But we lost. What we suggested was let us take half of that projected surplus and pay down our national debt. We were told we were in danger of paying it down too fast. That was somewhat laughable to most of us, the idea that you could pay down debt too fast, when you owed \$5.6 trillion.

When we have an unfunded liability in the Social Security trust fund of \$22 trillion, we also proposed in our budget plan that the first thing that we should do as a body is fix Social Security and Medicare; that we should deal with those two problems first before we begin making any other decisions as to how much money we spend. Again, we lost. We have not seriously addressed Social Security as of this moment, and we will not do so until at least next year.

But now we find, again contrary to what we were told a little over 1 year ago, that we were not going to need to increase our debt ceiling for at least 7 more years; that in December, the Secretary of the Treasury, Mr. O'Neill, wrote and said we must increase our debt ceiling and do it immediately by \$750 billion. Now, where are we tonight? As of the close of business Friday, March 8, the debt subject to limit stood at \$5.924 trillion, leaving about \$26 billion of room left in our debt ceiling.

Now, what does this mean to the average layperson? It is kind of like a student going to their parents with a \$6,000 credit card bill. Of course the parents will pay, because they do not want the kids rating to be damaged and probably their own, because they are responsible for their child; but they will work out an arrangement with that child that includes reducing his allowance, getting a part-time job, making promises for less partying, and on and on. That is what concerns us Blue Dogs and why we are here again tonight. We are being asked to increase the debt ceiling by \$750 billion without a plan, without a plan to deal with these deficits that now have, in the President's budget, a projected raiding of the Social Security trust fund for the next 10 years.

We do not believe that is an acceptable game plan. We are prepared to support our President, and we are prepared to work with our friends on the other side of the aisle on a new plan. But so far nothing has come forward. One would think that the budget that we are going to be having on the floor next week would address this. Instead, we are told that we are not even going to have a budget that is in balance anytime in the future.

We are being told now that this budget that is going to be presented to us will be scored by OMB. The last time we had a fight on the debt ceiling, one of the things that we agreed to was that we would use CBO. In fact, 1995, the last time we had this difference of