

can be produced at the price that it's been sold in the United States in recent months, over the last year, by Japan and Russia and, to a lesser extent, by Korea and others.

The Secretary—the first thing we're doing is that the Secretary of Commerce, Bill Daley, under the law, is responding to the American steel companies who have asked for an anti-dumping determination against Japan, Russia, and Brazil. And he is looking into that, and he will make findings. And if he finds that the legal definition is triggered, then he will be able to impose offsetting duties.

The second thing is what I said in my speech. I went to Tokyo not very long ago, you may remember, after—I went to Korea and to Japan, along toward the end of last year. And I have made it very clear that while I am very sympathetic with Japan's economic problems and I want to do everything I can to support the Government there in getting out of them, bankrupting the American steel industry—that went through so much to become competitive through the 1980's and has already given up a huge percentage of its employee base in modernizing—is not my idea of the way to achieve it. And quite simply, we expect those exports from Japan in the hot-rolled steel area to return to pre-crisis levels. And if they don't and don't do it soon, then we are prepared to go forward with this antisurge section 201 action I mentioned, as well as to look at antidumping action and other steel products. I should tell you that the preliminary indications are that the exports have dropped quite a lot in the last month since that message was made clear and unambiguous. But I think that's important.

I offered yesterday a tax change in the law, on a 5-year basis only, to increase the loss carry-forward capacity of our steel companies, because this is unprecedented. At least in the 6 years I've been President, I've never seen anything like this happen to one sector of our economy so quickly with such obvious consequences.

We are also negotiating with the Russians to return to pre-crisis levels there and deal with the problem. Again, I'm very sympathetic; the Russians need to earn all the money they can. They've had all kinds of people taking money out of their economy. And we want a democratic Russia to stay democratic and free and open. But we took last year roughly 20 times the hot-rolled steel from Japan, Russia, and other countries that Europe did, and their market is 30

percent bigger than ours. So I hope none of you will think that I've gone stark-raving protectionist by simply trying to enforce our laws and keep a fair system here.

#### *Defense Spending*

*Q.* Mr. President, you recently proposed boosting the defense by about \$100 billion over the next 6 fiscal years. What is it that you hope to accomplish? And another question was asked, among several—what is the policy that you have implemented to attempt to keep so many key military men and women from leaving their positions?

*The President.* From leaving their positions?

*Q.* Aging out or—

*The President.* Well, first of all, the military budget peaked in the late eighties and has been going down either in absolute terms or relative to inflation ever since, until a couple of years ago when we stabilized it. We have dramatically reduced the size of our Armed Forces. We have dramatically reduced the civilian work force supporting those Armed Forces.

But we now have downsized our force almost to, I think, the point where we shouldn't go lower. We can't go any lower and maintain our present military strategy, which among other things, calls upon us to be able to fight in two separate regional conflicts at roughly the same time and enables us to fulfill our responsibilities from Bosnia, where we're keeping the peace and have saved Lord knows how many lives, to Central America, where today and for the last several weeks—ever since Hurricane Mitch, the worst hurricane in well over a century, devastated Central America—you've had several thousand of your fellow Americans in uniform who have been down there working every day to help rebuild it.

And we have people on the seas, people in foreign countries, all over the world, on every continent. I visited in Africa, when Hillary and I went to Africa this year, I visited the young Americans that are part of the Africa Crisis Response Initiative, training African soldiers to deal with civil wars and other problems there. We are everywhere.

And what's happening is, as we've downsized the military, the following problems have arisen, and you should all be aware of them. Number one, the deployments overseas are lasting longer, and the breaks between them are shorter. Number two, we haven't had the money to replace