

But the fact of the matter is, we do not live in a theoretical world, we live in a very real world, a very real global economy, in which other governments assist companies in their countries to export. How much do they do this? Well, in the United Kingdom, 2.7 percent of national exports are subsidized. In Italy, 3.1 percent. In Germany, 5.2 percent. In Canada, 7.9 percent. In Spain, 8.3 percent. In France, 19.6 percent. In Japan, 47.9 percent. I repeat, in Japan, 47.9 percent. In the United States, 1.58 percent.

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Our subsidy is infinitesimally small in comparison to the subsidies of some of our principal competitors, such as Japan, France, et cetera.

Until the real world conforms to this theoretical world that we would like to exist, we must not unilaterally disarm. We must reauthorize our export agency, the Export-Import Bank.

There are a number of amendments that have been allowed by the Committee on Rules, seven. As we consider these amendments, let us realize that this bank is not a foreign policy instrument. This bank does not give subsidies to foreign countries. This bank gives business exclusively to United States companies for U.S. exports, regardless of the country involved. We ought not to try to make this an instrument of foreign policy micromanaged by the U.S. Congress.

Let us also keep in mind that there is a significant small business impact. I reiterate the comments of the gentleman from New York [Mr. FLAKE]. In fiscal year 1996 there were almost 2,000 small business transactions, a 60-percent increase since 1992. Of these, about 25 percent were first-time transactions for small businesses. Of all the transactions of the Eximbank, 81 percent of all transactions, accounting for about 21 percent of the dollar amount handled, were for the small business community. Of all the transactions, 81 percent were for small businesses in the United States.

For all of these reasons, I hope this body will overwhelmingly endorse and reauthorize this Bank. I hope we will look at these amendments that will be offered, these seven, one of which is mine, which would be to simply rename the Bank, and be selective in our acceptance or rejection of them, not trying to make it a foreign policy judgment, but a trade judgment, a jobs judgment that we make.

Mr. CASTLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas [Mr. PAUL], with whom I disagree on this bill, but I totally agree with his right to present his points of view.

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. I thank the gentleman for yielding time to me, Mr. Chairman, and for the disclaimer.

Mr. Chairman, it is correct, I am going to vote no on this bill, for var-

ious reasons. I stated some of those earlier on. One is constitutional. There is a strong moral argument against a bill like this. But I am going to talk a little bit about the economics. Also, one other reason why I am going to vote against this bill has to do with campaign finance reform. If we vote no against this, I think we would be working in the direction of campaign finance reform.

I myself get essentially no business PAC money. I do not have any philosophic reasons not to take it. I would take the money on my conditions, but that sort of excludes me. But not infrequently when I would visit with large corporations they would ask me, what is my position on the Export-Import Bank. And when they would find out, of course they would not give me any money.

So I would say that the incentive to get people to do certain things for subsidies gives this incentive for big corporations to subsidize and to donate money to certain politicians. If we did not have so much economic power here, there would not be the incentive for big business to come and buy our influence.

Mr. Chairman, I do not happen to believe that campaign finance reform will ever be accomplished by merely taking away the right of an individual or company to spend money the way they see fit. Regulating finances of a company, once a company can come in here and put pressure on us to pass the Export-Import Bank, I think is an impossible task.

There have been certain economic arguments, so-called, in favor of this bill, but I think there are some shortcomings on the economics. One thing for sure, I think even the supporters of this bill admit that this is not free trade, this is an infraction that we have to go through because the other countries do this.

But we might compare this. It is true, we subsidize our companies less than Japan, but would Members like to have Japan's economy right now? Japan has been in the doldrums for 8 years. They subsidize it 30, 40, 50 percent of the time. Maybe it is not a good idea. Yes, ours are small in number, but why should we expand it and be like Japan? So I would suggest that the benefits, the apparent benefits, are not nearly as great as one might think.

The other thing that is not very often mentioned is that when we allocate credit, whether we expand credit, which was mentioned earlier, that we do expand credit, we extend credit, we allocate it, we subsidize it, so we direct certain funds in a certain direction, but we never talk about at the expense of what and whom.

When a giant corporation or even a small business gets a government-guaranteed loan, it excludes somebody else. That is the person we never can hear from, so it is the unseen that is bothersome to me. Those who get the loans, sure, they will say yes, we benefited by

it. Therefore, it was an advantage to us. But we should always consider those individuals who are being punished and penalized, that they do not have the clout nor the PAC to come up here and promote a certain piece of legislation.

Another good reason to vote against this piece of legislation, it is through this legislation that we do support countries like China and Russia. This is not supporting free markets. They are having a terrible time privatizing their markets. Yet, our taxpayers are being required to insure and subsidize loans to state-owned corporations.

China receives the largest amount of money under Eximbank. I do believe in free trade. I voted for low tariffs for China. I support that. But this is not free trade. This is subsidized trade. It is the vehicle that we subsidize so much of what we criticize around here. Some people voted against low tariffs for China because they said, we do not endorse some of the policies of China. They certainly should not vote for the subsidies to China nor the subsidies to the corporations that are still owned by the state in Russia, because it is at the expense of the American taxpayer.

It is said that the companies that benefit will increase their jobs, and that is not true. There are good statistics to show that the jobs are actually going down over the last 5 or 6 years. Jobs leave this country from those companies that benefit the most.

It is also said quite frequently here on the floor that this is a tremendous benefit to the small companies. Eighty-some percent, 81 percent of all the loans made go to small companies. There is some truth to that. That is true, but what they do not tell us is only 15 percent of the money. Eighty-five percent of the money goes to a few giant corporations, the ones who lobby the heaviest, the ones who come here because they want to support high union wages and corporate profits for sales to socialist nations and socialist-owned companies.

For these reasons, I urge a no vote on this bill.

Mr. FLAKE. Mr. Chairman, I yield myself 20 seconds.

Mr. Chairman, I just want the gentleman from Texas [Mr. PAUL] to understand that when the gentleman from Delaware [Mr. CASTLE] and I started putting the bill together, campaign finance reform was not such a hot issue. I think it is a bit of a stretch to include it in the bill.

Mr. Chairman, I yield 2½ minutes to the gentleman from Minnesota [Mr. VENTO], a senior member of the Committee on Banking and Financial Services.

Mr. VENTO. Mr. Chairman, I rise in support of this 4-year reauthorization and the tied aid program that is also being reauthorized in this measure.

Mr. Chairman, this measure is necessary because so often in the markets in which we are exporting in an increasingly global marketplace, the nature of the risks and the structure of