

States of America, because they could not sign that pledge in good honesty, in a straightforward way, because they do not believe in creating new jobs in America. They believe in going abroad in many instances and paying people sub-standard wages.

So I think we have to use every opportunity we can, whether it is the Export-Import Bank, whether it is OPIC, to start addressing this issue, and force these very large companies who have been throwing American workers out on the street to reinvest in this country and put our people to work. American workers who lose their jobs from companies who go to China should not be asked with their tax dollars to help these very same companies throw other American workers out on the street.

Mr. Speaker, I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I conclude our debate here today, I want to thank my colleagues on the committee and subcommittee for their support in attempting to craft important reauthorization legislation that makes some reforms that I think are necessary. These reforms, and many others, are always resisted by the executive branch; but it is our responsibility as Congress, as authorizers, to in fact do what is appropriate to make sure the programs work, that they serve their original purposes or such new purposes as the Congress assigns.

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I want to particularly thank the gentlewoman from New York (Mrs. MALONEY) for her very constructive approach to the committee's deliberations and her continued support for the Export-Import Bank.

I would say to the ranking members of the committee and the subcommittee, I have confidence we can work together to put together a structured rule that will provide an opportunity to debate the crucial amendments that were offered, but not successfully, at the subcommittee or committee level, and still avoid some of the things that would be very much contrary to the national interest.

Mr. Speaker, I ask my colleagues to support the legislation.

Mr. PAUL. Mr. Speaker, reauthorizing taxpayer support for the Export-Import Reauthorization Act for every 1 day, much less for a month violates basic economic, constitutional, and moral principles. Therefore, Congress should reject S. 2019.

The Export-Import Bank (Eximbank) takes money from American taxpayers to subsidize exports by American companies. Of course, it is not just any company that receives Eximbank support—rather, the majority of Eximbank funding benefits large, politically powerful corporations.

Proponents of continued American support for the Eximbank claim that the bank “creates jobs” and promotes economic growth. However, this claim rests on a version of what the great economist Henry Hazlitt called “the bro-

ken window” fallacy. When a hoodlum throws a rock through a store window, it can be said he has contributed to the economy, as the store owner will have to spend money having the window fixed. The benefits to those who repaired the window are visible for all to see, therefore it is easy to see the broken window as economically beneficial. However, the “benefits” of the broken window are revealed as an illusion when one takes into account what is not seen; the businesses and workers who would have benefited had the store owner not spent money repairing a window, but rather had been free to spend his money as he chose.

Similarly, the beneficiaries of Eximbank are visible to all; what is not seen is the products that would have been built, the businesses that would have been started, and the jobs that would have been created had the funds used for the Eximbank been left in the hands of consumers.

Some supporters of this bill equate supporting Eximbank with supporting “free trade,” and claim that opponents are “projectionists” and “isolationists.” Mr. Speaker, this is nonsense, Eximbank has nothing to do with free trade. True free trade involves the peaceful, voluntary exchange of goods across borders, not forcing taxpayers to subsidize the exports of politically powerful companies. Eximbank is not free trade, but rather managed trade, where winners and losers are determined by how well they please government bureaucrats instead of how well they please consumers.

Expenditures on the Eximbank distort the market by diverting resources from the private sector, where they could be put to the use most highly valued by individual consumers, into the public sector, where their use will be determined by bureaucrats and politically powerful special interests. By distorting the market and preventing resources from achieving their highest valued use, Eximbank actually costs Americans jobs and reduces America's standard of living!

The case for Eximbank is further weakened considering that small businesses receive only 12–15 percent of Eximbank funds; the vast majority of Eximbank funds benefit large corporations. These corporations can certainly afford to support their own exports without relying on the American taxpayer. It is not only bad economics to force working Americans, small business, and entrepreneurs to subsidize the exports of the large corporations; it is also immoral. In fact, this redistribution from the poor and middle class to the wealthy is the most indefensible aspect of the welfare state, yet it is the most accepted form of welfare. Mr. Speaker, it never ceases to amaze me how members who criticize welfare for the poor on moral and constitutional grounds see no problem with the even more objectionable programs that provide welfare for the rich.

The moral case against Eximbank is strengthened when one considers that the government which benefits most from Eximbank funds is communist China. In fact, Eximbank actually underwrites joint ventures with firms owned by the Chinese government! Whatever one's position on trading with China, I would hope all of us would agree that it is wrong to force taxpayers to subsidize in any way this brutal regime. Unfortunately, China is not an isolated case: Colombia, Yemen, and even the Sudan benefit from taxpayer-subsidized trade courtesy of the Eximbank!

There is simply no constitutional justification for the expenditure of funds on programs such as Eximbank. In fact, the drafters of the Constitution would be horrified to think the federal government was taking hard-earned money from the American people in order to benefit the politically powerful.

In conclusion, Mr. Speaker, Eximbank distorts the market by allowing government bureaucrats to make economic decisions in place of individual consumers. Eximbank also violates basic principles of morality, by forcing working Americans to subsidize the trade of wealthy companies that could easily afford to subsidize their own trade, as well as subsidizing brutal governments like Red China and the Sudan. Eximbank also violates the limitations on congressional power to take the property of individual citizens and use them to benefit powerful special interests. It is for these reasons that I urge my colleagues to reject S. 2019.

Mr. OXLEY. Mr. Speaker, I rise in strong support of this measure and encourage my colleagues to join me in voting in favor of extending the authorization of the Export-Import for an additional thirty days while the details of the full authorization are finalized. The Financial Service Committee has been working diligently to bring this authorization to completion, however; the events of September 11 and the anthrax contamination on Capitol Hill have delayed the process considerably. The full reauthorization makes several strong improvements to the Ex-Im charter, which will enable it to deliver more U.S. goods to foreign customers. We are currently in negotiations with the Department of the Treasury to finalize some technical concerns with the full reauthorization and expect to have resolution of these issues soon.

This thirty day extension of Ex-Im's authorization will enable the Bank to continue its important work of encouraging U.S. exports overseas and promoting U.S. jobs. Ex-Im plays a key role in leveling the playing field between U.S. and foreign based exporters. Without the activities of Ex-Im, U.S. exporters would be at a distinct disadvantage against foreign exporters who receive subsidies from their foreign export credit agencies. With the help of Ex-Im loans, insurance and guarantees, U.S. exporters can counter export credits offered to foreign competitors and reach critical overseas markets. Ex-Im helps increase the number of U.S. exports, it encourages trade and it helps sustain U.S. jobs.

Without this extension, Ex-Im will have to wind up its current outstanding business and will not be able to make any new commitments for the export of U.S. manufactured goods. This will have a negative effect on jobs and will inhibit our economic recovery at a time when we are working to emerge from a period of high unemployment and low growth. Passage of this measure is critical to the U.S. economy, to U.S. workers and to U.S. manufacturers.

In a perfect marketplace there would be no need for export credit agencies, however; the realities of today's international trading system demand that Ex-Im operate aggressively to support the sale of U.S. products abroad. Every major actor in international trade utilizes an export credit agency similar to the Ex-Im Bank to promote its trade initiatives. Ex-Im keeps U.S. exporters competitive, without it foreign manufacturers would be able to enter