

Mr. ROHRBACHER. Yes, I do, Mr. Chairman, have a different view. I rise in strong opposition to reauthorizing the Export-Import Bank.

We in Congress have had little hesitation to get ordinary American citizens off of welfare after 5 years, but we cannot seem to get our biggest corporations off of welfare after 5 years. We authorize the Export-Import Bank.

We just heard an example a moment ago of how our tax dollars were going to destroy American jobs. The last time we reauthorized the Export-Import Bank, we were told that was impossible, that is not what is going on; we are actually subsidizing exports of American goods, and we were not putting people out of work.

Surprise, surprise. After all these years, we find out right here in the debate an example of how Export-Import money has eliminated U.S. jobs. Let me contend that that will still go on and go on.

We keep hearing that the money is going to be going to small businesses, and that never changes. Apparently only 18 percent of the Export-Import Bank loans go to small businesses, or their funds go to small businesses.

Time Magazine suggests that the top five recipients of the Export-Import Bank subsidies receive 60 percent of all funds. Just to let Members know, of those five major recipients, they, in total, have reduced their workforce by 38 percent over the last decade.

Now, why is that? That is because much of the money that we are being told is creating jobs here, that is not creating jobs here. What we are doing is subsidizing and guaranteeing loans for American businesses to set up factories in other countries. That is what is going on.

Many of these loans about so-called selling our own products end up with little clauses in them. They say, yes, we will buy your product, and the Export-Import Bank will actually subsidize it or guarantee the loan, but you are going to have to, in order to sell us the product, build a factory in our country. This is common practice.

So what do we have here? We have a situation where, in the name of selling vacuum cleaners or whatever it is to a country like China, we end up subsidizing the creation of a vacuum factory in China.

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And then what do they do? They do not sell those vacuums, by the way, just in China. They end up exporting them to the United States and putting our people out of work. And we just heard an example of how that was happening just a few moments ago by a proponent of this legislation. But that has all been cleared up now. That has not been cleared up. You can mark my words that has not been cleared up. Five years from now we will find lots of other examples of just that very same thing, maybe not the steel industry but other industries.

Come on. It is time to realize that when the government starts giving away money in terms of subsidies and loan guarantees, you are going to have very wealthy and powerful interests manipulating that for their own benefit. And that is what is happening with the Export-Import Bank. Yes, there are a few little guys who get help but the vast majority of funds, not the vast majority of loans, goes to the very wealthiest corporations to create jobs overseas. I am against the Export-Import Bank. Let us not reauthorize it.

Mr. LAFALCE. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) has 13½ minutes remaining.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this bill.

Mr. Chairman, I take modest exception with my colleague from California. Over time the majority of the loans have gone to small business, but at issue for me is not small business, large business, it is whether or not we are going to be able to help American companies penetrate difficult markets around the world. I have had an example in my own community.

We have a company, a freight liner, that is the largest manufacturer of heavy trucks in the country. It employs all union employees, primarily machinists. They are paid family wages in order to do their work. But they are undergoing tough times in Oregon. They have been involved with significant layoffs. They have benefitted from a loan from the Ex-Im Bank to be able to transact a shipment of 10 trucks to Chile, it would not have happened without that loan. It would have gone to somebody else. It kept people in my community working and it helped us penetrate the market.

There are lots of subsidies that we know around the world. In fact, that is one of the problems that American companies face as they attempt to compete internationally, that other countries have subtle ways of subsidizing activities for other companies. This is a way for us to be able to give access to capital for American companies going into tough markets to be able to secure their place in the market place. I would rather, frankly, have the Chinese dealing with Boeing than Airbus. I understand that there is some difficult issues that are going on there.

I listen to some of my friends from the other side of this issue, but it is pretty stark. We are going to be a lot worse off if we are not able to penetrate those markets around the world. I strongly urge that we reauthorize the Ex-Im Bank.

I hope that each year as we come up with issues here that raise questions, there are areas of refinements. I think we ought to increase their sensitivity

in terms of the application of those loans to the environment, to worker rights, to be able to make sure that we are targeting where we want it the most. But the Ex-Im Bank, OPIC, these are tools that have made a difference in my community. I have seen it for small and medium size businesses, I have seen it for large businesses that are struggling, when we are trying to compete around the world when we are facing some difficult economic times at home. This is not the time to turn our back on it. I strongly urge support for the legislation.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. PAUL), a member of the committee.

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

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

Mr. Chairman, we are here today to reauthorize the Export-Import Bank, but it has nothing to do with a bank, do not mislead anybody. This has to do with an agency of the government that allocates credit to special interests and to the benefit of foreign entities. So it is not a bank in that sense. To me it is immoral in the fact that it takes from some who cannot defend themselves to give to the rich who get the benefits. And I just do not see that as being a very good function and a very good program for the U.S. Congress. Besides, I would like to see where somebody gives me the constitutional authority for doing what we do here and we have been doing, of course, for a long time.

But I do not want to talk about the immorality of this so-called bank or the unconstitutionality of it. I want to talk just a second or two about the economics of it. It is really bad economics. It is pointed that it helps a company here or there, but what it has never talked about what you do not see. This is credit allocation.

In order to take billions of dollars and give it to one single company, it is taken out of the pool of funds available. And nobody talks about that. There is an expense. Why would not a bank loan when it is guaranteed by the government? Because it is guaranteed. So if you are a smaller investor or a marginal investor, there is no way that you are going to get the loan. For that investor to get the loan, the interest rates have to be higher.

So it is a form of credit allocation, and it is also a form of protectionism. We do a lot of talk around here about free trade. Of course, there is a lot of tariff activity going on as well, but this is a form of protectionism. Because some argue, well, this company has to compete and another government subsidizes their company so, therefore, we have to compete. So it is competitive subsidization of special interest corporations in order to do this.

Now, it seems strange that we here in the Congress are willing to give the beneficiary China the most number of

dollars. They qualify for nearly \$6 billion worth of credits. And that just does not seem like the reasonable thing for us to do. So I strongly urge a no vote on this bill.

Mr. Chairman, Congress should reject H.R. 2871, the Export-Import Reauthorization Act, for economic, constitutional, and moral reasons. 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; the majority of Eximbank funding benefit large, politically powerful corporations.

Enron provides a perfect example of how Eximbank provides politically-powerful corporations competitive advantages they could not obtain in the free market. According to journalist Robert Novak, Enron has received over \$640 million in taxpayer-funded "assistance" from Eximbank. This taxpayer-provided largesse no doubt helped postpone Enron's inevitable day of reckoning.

Eximbank's use of taxpayer funds to support Enron is outrageous, but hardly surprising. The vast majority of Eximbank funds benefit Enron-like outfits that must rely on political connections and government subsidies to survive and/or multinational corporations who can 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 export 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 and Sudan benefit from taxpayer-subsidized trade, courtesy of the Eximbank!

At a time when the Federal budget is going back into deficit and Congress is once again preparing to raid the Social Security and Medicare trust funds, does it really make sense to use taxpayer funds to benefit future Enrons, Fortune 500 companies, and communist China?

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 "broken 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 "protectionists" and "isolationists." Mr. Chairman, 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!

Finally, Mr. Chairman, I would like to remind my colleagues that 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. Chairman, 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 it to benefit powerful special interests. It is for these reasons that I urge my colleagues to reject H.R. 2871, the Export-Import Bank Reauthorization Act.

Mr. LAFALCE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the ranking member from the great State of New York for giving me the time and for his leadership on this important bill.

Mr. Chairman, after a successfully passing two 30-day reauthorizations of the Ex-Im Bank in the last month, I am pleased to rise today to support the reauthorization of the Ex-Im Bank through 2005.

As my colleagues have stated, the Export-Import Bank is a successful

government entity that facilitates and supports American business and worker interest by making exports possible to areas of the world that would otherwise be closed to U.S. companies. Through its loan guarantee, insurance and direct lending programs, the Ex-Im Bank supported over \$15.5 billion in U.S. exports on a subsidy of \$759 million in fiscal year 2000.

While a small fraction of U.S. exports, the bank acts very much as a lender of last resort supporting U.S. exports and U.S. jobs that otherwise would fail to, would go to foreign competitors. The Ex-Im allows U.S. exporters to match competition from foreign export credit agencies. Japan, Germany, France, Canada, and other countries. This support is especially critical in today's global economy which is increasingly dependent on trade.

While the bank is a proven success, the changes in the reauthorization will make a positive impacts on its future. The reauthorization contains new provisions ensuring that Ex-Im complies with U.S. anti-dumping and countervailing duty laws. It includes an amendment I offered in the Committee on Financial Services giving the bank explicit authority to turn down an application for Ex-Im bank support for companies that have a history of engaging and fraudulent business practices. The reauthorization also continues the banks commitment to small business and to working with African countries.

Across the country, Ex-Im Bank support goes to businesses both large and small. In my district, the bank has supported over 70 different businesses with exports valued at over \$1 billion since 1995. The work of the Ex-Im Bank is highly complex, and shepherding this reauthorization to the House floor has proven very challenging. I want to compliment the leaders of the Committee on Financial Services for moving the bill to this point today.

The ranking member, the gentleman from New York (Mr. LAFALCE) has been an extremely thoughtful and effective leader on the Democratic side. My good friend and subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER) and his staff likewise have worked tremendously hard to produce this bill today.

In the hearings we heard testimony from the bank, the business community, labor and environmental organizations. The final product that we are considering today benefitted from all of this input and puts the bank on solid footing for the next 4 years. I further appreciate the work in making sure is that we have a fair rule today, that the Republican party did allow important amendments from the ranking member, the gentleman from Vermont (Mr. SANDERS) and the gentleman from Ohio (Mr. KUCINICH). I believe that that is fair and I support the rule and I support the bill.

The CHAIRMAN. The Chair would announced that the gentleman from