

exports to Africa, and it imposes new safeguards on transactions that may fall under an existing countervailing duty, antidumping or section 201 ruling.

Finally, the conference report retains an amendment I offered in committee giving the bank explicit authority to turn down an application for Ex-Im Bank support for companies that have a history of engaging in fraudulent business practices. One of the main reasons that I believe the bank is important to the U.S. is that it allows us to compete with foreign export credit agencies such as those in Japan, Germany, France, Canada, and other countries. There are over 70 different ECAs that we must compete with. I believe in this global economy, the U.S. must not fall behind our international competitors. I praise the bipartisan leadership in getting to the point we are today, and I support the conference report and urge a yes vote.

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

Madam Speaker, opposition to the Export-Import Bank is not a progressive idea, it is not a conservative idea, it is an idea that should be supported with today's vote by any Member of Congress who wants to protect our taxpayers and protect American workers.

Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PAUL), who occasionally has different philosophical points of view from me, but I am pleased to have him speak in opposition to the Export-Import Bank.

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

Mr. PAUL. Madam Speaker, I rise in opposition to this bill. This bill is nothing more than subsidies for big corporations. If one were to look at the Constitution and look for authority for legislation of this sort in article I, section 8, it would not be found. That in itself should be reason to stop and think about this, but we do not look at that particular article too often any more.

Also for moral reasons, I object to this. Even if we accepted the idea that we should interfere and be involved in this type of activity, it is unfair because the little guy gets squeezed and the big guy gets all of the money. It is not morally fair because it cannot be.

One thing that annoys me the most is when Members come to the floor and in the name of free trade say we have to support the Export-Import Bank. This is the opposite of free trade. Free trade is good. Low tariffs are good, which lead to lower prices; but subsidies to our competitors is not free trade. We should call it for what it is. We have Members who claim they are free traders, and yet support managed trade through NAFTA and WTO and all these special interest management schemes, as well as competitive devaluation of currencies with the notion that we might increase exports. This has nothing to do with free trade.

I am a strong advocate for free trade, and for that reason I think this bill should not be passed. There are good economic reasons not to support this. Because some who favor this bill argue that some of these companies are doing risky things and they do not qualify in the ordinary banking system for these loans and, therefore, they need a little bit of help. That is precisely when we should not be helping. If there is a risk, it is telling us there is something wrong and we should not do it. It is transferring the liability from the company to the taxpayer. So the risk argument does not hold water at all.

The other reason why economically it is unsound, is that this is a form of credit allocation. If a bank has money and they can get a guarantee from the Export-Import Bank, they will always choose the guarantee over the nonguarantee, so who gets squeezed. The funds are taken out of the investment pool. The little people get squeezed. They do not get the loan, but they are totally unknown. Nobody sees those who did not get a loan. All we see is the loan that benefits somebody on the short run. But really on the long run, it benefits the big corporations. Many times it doesn't even do that.

Take a look at Enron. We have mentioned Enron quite a few times already. If we add up all of the subsidies to Enron, it adds up to \$1.9 billion. That is if we add up the subsidies from OPIC as well. And look at what Enron did. They ran a "few" risks, and then they lost it. Who was left holding the bag? The taxpayers.

Madam Speaker, I strongly urge a no vote on this bill. If Members are for free trade, they will vote against this bill, and will vote for true free trade.

Mr. OXLEY. Madam Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY), a member of the conference committee.

Mr. TOOMEY. Madam Speaker, I thank the gentleman for yielding me this time.

I commend the gentleman from Ohio (Mr. OXLEY) and the gentleman from Nebraska (Mr. BEREUTER) for crafting a good bill, which I believe is going to make the Ex-Im Bank more accountable to the taxpayers. Specifically I thank the gentleman from Nebraska (Mr. BEREUTER) for working closely with me to ensure that the Ex-Im Bank is not in a position to reward foreign countries or industries that are in violation of U.S. trade law, and thank the gentleman for including me as a conferee on this report.

This is an important bill which reauthorizes the bank through 2006. There are several significant changes, one I would like to focus on in particular. To illustrate this provision that I wanted to focus on, I want to review very briefly the crisis that is facing the American steel industry. I think we are aware that the American steel industry has been devastated by a flood of imports. Foreign governments subsidize steel production, which creates a glut

of steel, and prices in turn are depressed. The result has been devastating.

Over 33 American steel companies have been forced into bankruptcy. Bethlehem Steel, headquartered in my district, filed Chapter 11 last year. This is having a devastating impact on steel workers, their families, their communities and retirees who depend on these steel companies for their health care benefits.

In the face of this huge, global overcapacity, shockingly to me in late 2000, the Ex-Im Bank unfortunately provided financing for a project which would actually increase global capacity, specifically financing an \$18 million project to increase by 1.5 metric tons the steel-making capacity at a Chinese steel company. This action was taken despite the recommendations to the contrary by the Treasury, the Secretary of Commerce, the Congressional Steel Caucus and others.

The good news is in this conference report we have a provision for the first time which would prevent a similar situation from ever recurring. There is a provision which prohibits the Ex-Im Bank from extending any loan or guarantee to any foreign company found in violation of U.S. trade law. Specifically, it would prohibit the Ex-Im Bank from providing a transaction to an entity for the resulting production of a product which is already subject to a countervailing duty or antidumping order, and prevent any loan or guarantee for an entity which is subject to an affirmative injury determination by the ITC under section 201. The bottom line is that we would not grant loans to companies that are already proven to be violating U.S. trade laws, and taxpayer funds could not be used to assist foreign corporations in aggravating an existing American economic problem.

While this provision was inspired by this Chinese steel company transaction, it is not specific to any industry or product; rather it would apply to any product or commodity for which there are violations of U.S. trade laws.

Again, I commend the leadership of this committee on both sides of the aisle for the hard work they have done in crafting a good bill. I would also like to thank the American Iron and Steel Institute, the American Steelworkers of America and the Congressional Steel Caucus for their support, and urge my colleagues to vote yes on this conference report.

Mr. LAFALCE. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

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

Mr. BENTSEN. Madam Speaker, I rise in strong support of the conference report, and I commend the chairman and ranking member of the full committee as well as the chairman and ranking member of the subcommittee for putting together what I think is a very well-balanced bill.