The facts show that current accusations leveled against Exim by its opponents are unfounded. Exim creates jobs. One-fourth of the new net jobs created since 1992 came from export growth. During the last 5 years, Exim financing supported jobs for nearly 1 million Americans. Exim helps United States companies compete against subsidized foreign competition.

Japan and France currently finance 32.4 and 18.4 percent of their exports respectively. By comparison, the United States finances 3 percent of its exports. Eliminating Exim would result in lost jobs to American workers and lost market share to American companies.

Exim has a great return for the taxpayer. For every dollar appropriated to Exim the bank returned approximately $20 to $25 worth of exports. Exim programs do not just favor big business; Exim plays an important role in reaching small businesses interested in exporting. Last year 81 percent of Exim's transactions were with small business.

□ 1315

Exim programs do not create an unhealthy risk for the taxpayer. Since its creation, Exim has maintained a strong and healthy portfolio with a loan-loss ratio of 1.9 percent. The loss ratios of commercial banks average around 6 percent to foreign governments.

In addition, Exim has more than an adequate reserve of $6.7 billion to protect the taxpayer in the event of any unforeseeable loss. We should reauthorize Exim today to preserve American jobs.

Mr. MOAKLEY. Mr. Speaker, I have no requests for further speakers, and I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I would simply close by saying that I urge strong support of this rule and the bill.

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

The SPEAKER pro tempore (Mr. PEASE). Without objection, the previous question is ordered on the resolution.

The question is on the resolution.

Mr. MILLER of California. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from California [Mr. MILLER] objects to ordering the previous question.

The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that ayes appeared to have it.

Mr. MILLER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 423, nays 3, not voting 7, as follows:

[Roll No. 469]

YEAS—423

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—3

DeFazio
McKinney
Taylor (MS)

NOT VOTING—7

Gonzalez
Hansen
Moran (VA)
Nadler
Pallone
Saxton
Schiff

□ 1333

Mr. OWENS changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SAXTON. Mr. Speaker, due to a memorial service in New Jersey for the airmen from McGuire Air Force Base who were killed off the coast of Namibia, I was unable to make rollcall votes 465, 466, 467, 468, and 469. Had I been present I would have voted ''nay'' on vote No. 465, ''yea'' on vote No. 466, and ''yea'' on votes Nos. 467, 468, 469.

The SPEAKER pro tempore. Pursuant to House Resolution 255 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1370.

The Chair designates the gentleman from California [Mr. CALVERT] as the Chairman of the Committee of the Whole and requests the gentleman from Indiana [Mr. PEASE] to assume the chair temporarily.

□ 1336

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1370) to reauthorize the Export-Import Bank of the United States, with Mr. Pease (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Delaware [Mr. CASTLE] and the gentleman from New York [Mr. FLAKE] each will control 30 minutes.

The Chair recognizes the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, the Committee meets today to consider the bill, H.R. 1370, legislation to reauthorize the Export-Import Bank of the United States, Eximbank, as it is known, for an additional 4 years. The bill, as amended, was favorably reported by the Committee on Banking and Financial Services by voice vote to the House of Representatives on July 9 with a report on this bill, Report No. 105–224, being filed on July 31, 1997. Without timely reauthorization, Eximbank will have to shut down its operations at the end of this fiscal year, literally less than a day away.

Briefly, H.R. 1370 provides for the following:

First, a 4-year renewal of Eximbank's charter through September 30, 2001;

Second, an extension of the tied aid credit fund authority;

Third, an extension of the authority for providing financing for the export of nonlethal defense articles;

Fourth, a clarification of the President's authority to prevent bank financing based on national interest concerns;

Fifth, the creation of an Assistant General Counsel for Administration position;

Sixth, authorization for the establishment of an advisory committee to assist the bank in facilitating United States exports to sub-Saharan Africa;

Seventh, a requirement that two labor representatives be appointed to the Bank's existing advisory committee;

Eighth, a requirement that the Bank's chairman design an outreach program for companies that have never used its services;

Ninth, the establishment of regulations and procedures as appropriate to ensure that when the Bank is making a determination as among firms that receive assistance, that preference be given to those firms that have shown a commitment to reinvestment and job creation in the United States.

Not every Member may be familiar with the work of Eximbank, so let me clarify what the Bank is and what it is not. Eximbank is an independent Federal agency established in 1934 to provide export financing for U.S. businesses. It has the twofold purpose of neutralizing an aggressive financing by foreign export credit agencies and to furnish export credit financing when private financing is unavailable and only when the Bank has a reasonable assurance of repayment.

Eximbank is not a foreign policy agency. Eximbank is not a development agency. The Bank's narrow purpose is to create jobs in the United States by promoting exports abroad.

Why do we need Eximbank?

Largely because many foreign governments provide official financing to their countries' exporters.

Although many of us would like to reduce or eliminate export credit subsidies, it is clear that without Eximbank the United States would have no leverage to help bring more market discipline to the rules governing international trade finance.

Likewise, American exporters would be hindered in their efforts to establish market presence in developing countries lacking full and easy access to private sources of finance.

While American workers and companies have made enormous strides to compete in the global economy, they cannot compete and win against Government-supported foreign competition. We need Eximbank to deter the distorting tied aid and other forms of economic pressure used by some of our trading partners. We also need Eximbank to help secure the necessary financing that will enable our dynamic small businesses to export their goods and services to the broader global market.

American firms will simply not thrive at home unless they take full advantage of the tremendous opportunities abroad. Today, 96 percent of U.S. firms' potential customers are outside U.S. borders, and key developing markets alone will account for almost half of the world's market by the year 2010. These markets are already our country's best economic opportunity, with developing countries already accounting for 67 percent of world import growth.

This body and the American people should have no illusions about the intensity of commercial competition for export contracts in emerging markets, competition that frequently hinges on the terms of export financing. The simple fact of the matter is that without Eximbank, U.S. exporters would lose contracts in important developing countries to companies in Japan, France, and Germany that receive trade finance from their Government-supported export credit agencies. Moreover, in critical technology, such as aerospace, power generation, and telecommunications, the loss of markets is long-term as the initial choice of a supplier determines services, parts, and follow-on sales.

In closing, Mr. Chairman, the committee has reported out a solid bipartisan bill reauthorizing this vitally important agency. I would urge Members to give it their enthusiastic support.

Mr. Chairman, I reserve the balance of my time.

□ 1345

Mr. FLAKE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in support of this bill and urge that my colleagues would support the Committee on Banking and Financial Services's report on the reauthorization of the Export-Import Bank of America.

Let me first thank the gentleman from Iowa [Mr. LEACH], the chairman of the committee, for his consistent efforts to reach an agreement on each and every one of the difficult issues that we have had to face. I would be remiss if I did not thank the gentleman from Delaware [Mr. CASTLE] for his efforts at the subcommittee level. We worked well together on the bill that is before this House this afternoon. I also wish to thank the gentleman for continually including my staff in bipartisan deliberations throughout this past 2 years as we have moved forward on this bill.

We have accomplished a great deal in the Committee on Banking and Financial Services's markup of the Export-Import Bank reauthorization, H.R. 1370. We reached three major goals. First, we instruct the State Department to expressly use the Chafee amendment process when it has national interest concerns with potential Ex-Im deals. Last year, the bank was requested to more or less take a role in deciding foreign policy. That is not the bank's mission. With guidance from the gentleman from Nebraska [Mr. BEREUTER], we have adopted a policy in this bill which would make Congress's intent clear with respect to the Chafee amendment.

We also create an advisory panel to counsel the bank on efforts to increase United States imports to sub-Saharan Africa. Congress has witnessed, over the past 5 months, the bipartisan commitment to increase trade with Africa. This commitment seems to resonate from the administration, the Congressional Black Caucus, the Speaker, and the rank and file Members of this Congress. I believe this is the right thing to do, and in fact, we should have done it years ago. Nevertheless, I am happy to have created this panel now, and even as we move forward, my hope is that it will do what we have created it to do.

Finally, we create mandated ethics counseling within the Ex-Im. Consequently, we assure that employees have the best possible ethical advice when major financing decisions are made.

Mr. Chairman, let me expand my remarks by stating that we need the Export-Import Bank. We need the institution because the global market for U.S.

products shrinks when foreign companies consume lucrative opportunities. Furthermore, this market contraction is most often due to the fact that the companies have the complete support of their export credit agencies when they come to the table from other countries. While these companies have this explicit support from their governments, our companies face financial reluctance from private capital markets, and tend to find it extremely difficult to finance their exports and thus maintain a viable employment base of economically empowered U.S. citizens. Their lender of last resort policy has thus become a problem for the Export-Import Bank.

Ex-Im also is the financier of companies willing to export to risky markets. As we all know, taking risks is in the great American tradition of creating opportunities throughout entrepreneurship. Export-oriented entrepreneurs are the enterprises which government should assist, and supporting new opportunities and emerging markets will continue job growth where we need it the most, here in our own labor markets. As many should come to realize, Ex-Im operates under the adage, ''jobs through exports.''

My last remarks will again focus attention on Africa. We have a tremendous opportunity to foster trade with this last untapped market in the world. The export markets in Europe, Latin America and Asia are saturated, and new opportunities will come far and few between in the years to come. Africa, on the other hand, is still ripe for business. Countries like South Africa, Zimbabwe, Botswana, and Namibia have growing economies with sophisticated indigenous business cultures and represent viable markets for United States exports. French, English, German, and Malaysian businesses are moving aggressively into these marketplaces, and they are doing so with tremendous support from foreign credit agencies. U.S. businesses also need that same kind of support which only the Ex-Im Bank can give.

Toward that end, I am pleased to note that Ex-Im has recently sent a delegation to sub-Saharan Africa to explore opportunities for United States exports, and I am equally delighted to see efforts by the administration and colleagues of ours like the gentleman from New York [Mr. RANGEL] and the gentleman from Illinois [Mr. CRANE] who promote trade between the United States and Africa. I will encourage Ex-Im to work within these discussions, and signal my intent to encourage and craft a working system within Ex-Im to explore the very new opportunities that have been made available to us in sub-Saharan Africa.

Mr. Chairman, I close by noting that there are detractors of the agency, and we certainly are cognizant of corporate welfare arguments. This line of reasoning, however, ignores the fact that 81 percent of Ex-Im's financing deals go to small businesses. It also ignores the reality that for the 29 percent of deals that Ex-Im does with large enterprises, it inherently still maintains the operations of small business subcontractors and suppliers. These enterprises operate throughout the Nation and employ thousands of American citizens.

Thus, if we examine the institution's impact on American employment, we cannot come to the conclusion that Ex-Im is an exclusive concessional window of credit to corporate America. Rather, it is a lender of last resort, and it is successful in financing billions of dollars in U.S. exports for a rather small budget. In short, we need Ex-Im, and I intend to support its reauthorization and hope that my colleagues in the House will join me.

Mr. Chairman, I reserve the balance of my time.

Mr. CASTLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. MANZULLO], a member of the Committee on Banking and Financial Services.

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

Mr. MANZULLO. Mr. Chairman, every bill and subsequent law that we pass in the House of Representatives has a face to it, and I would like to tell my colleagues about a couple thousand faces, people who get up at the crack of dawn, pack their lunch, get their kids off to school, go off to work, come back home, and oftentimes their spouses are also working. These are the 2,000 faces of the highly skilled union members of Beloit Corp. in Beloit, WI, and South Beloit, IL. They are the ones on behalf of whom I speak this afternoon in urging this body to reauthorize the Export-Import Bank.

Mr. Chairman, there are only three manufacturers of papermaking machines in the world: one in Finland, one in Germany, and one in the United States. These are obviously very sophisticated and huge machines. Some run as long as an entire football field. In doing battle with countries overseas that have subsidies of a sort to the manufacturers, these men and women who work very hard at the Beloit Corp. do not quite understand the intricacies of international banking, but they do understand when their company is put in a position where it is being hammered by overseas export agencies that prefer Finland and Germany. So the Export-Import Bank was started on behalf of these working men and women so that the corporation for which they work could be on an equal footing with the Finns and the Germans.

An opportunity came up for these men and women to build some huge machines to go to Indonesia. We helped Beloit Corp., and we helped those 2,000 people, and by helping those 2,000 people get that type of loan, the loan of last resort, the loan that would not exist otherwise, the loan were it not for the existence of Ex-Im Bank would have meant that they would have lost their jobs for a considerable period of time, that that loan not only made possible the work for these 2,000 people, but also 2,940 suppliers all over the United States. In fact, over 640 in the State of Massachusetts alone; several hundred in the State of Illinois, and likewise throughout the country. Because these types of loans that are given to companies doing royal battle in the international market really are not about corporate subsidies, end of quote; they are about the 2,000 people I represent at Beloit Corp. and about the nearly 3,000 suppliers, many of whom are little bitty guys that are battling it out, and Ex-Im is really for them.

Now, most of these people do not even know what the Ex-Im Bank is. All they know is whether or not they have an order to ship parts and to do some labor for Beloit Corp. So I am here today to speak on behalf of these 3,000 suppliers and the 2,000 people directly involved at Beloit Corp., and to the tens of thousands of workers across the land whose very livelihood depends upon the ability of the United States to engage competitively for overseas markets.

That is really what Ex-Im Bank is all about; it is about people. It is not about big companies, it is not about corporate welfare; it is about people, people who get up at the crack of dawn, pack their lunch, go off to work and thank God that they have a job so that they can raise their children.

Mr. Chairman, I would urge the Members of this body to reauthorize Ex-Im Bank because it does one thing that the private sector simply cannot do. It provides the tough, last-chance financing that companies need in order to be competitive globally. Ex-Im, in fact, in 1995 helped generate $13.5 billion in exports for the U.S. economy, which directly exported 200,000 high-wage U.S. jobs.

Mr. FLAKE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LAFALCE], the outstanding senior member of the Committee on Banking and Financial Services.

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

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

First of all, I want to commend both the chairman of the subcommittee, the gentleman from Delaware [Mr. CASTLE], and the ranking Democrat on the subcommittee, the gentleman from New York [Mr. FLAKE], especially Mr. FLAKE because he will be retiring from Congress on October 15, for the outstanding job they did, both in subcommittee and full committee, in developing this bill and having it reported out in a bipartisan and enthusiastic fashion.

Some individuals ask the question: Should governments be involved in the subsidy of exports? And the theoretical answer to that is well, no, they should not be. So if we lived in this theoretical world that we would like to, governments would not subsidize.

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.

□ 1400

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 various 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

the economies in these nations does not permit our companies, our entities that want to sell a product, a quality American product, to in fact be purchased; often there is not the financial structure.

As an example of that, look at the newly independent nations, the newly emerging nations that formerly comprised the Soviet Union. It is a very good point in fact that the committee report outlines. Here the banking and finance structure in these nations does not facilitate the extension of credit. So in order to facilitate the sale, many nations, our competition, in fact, provide for a more integrated type of credit structure to provide the sale of those products at the end of the day.

This credit that we extend here in fact attempts to do that. Usually it is a blended credit, a credit that we provide in conjunction with other U.S. financial institutions and other international financial institutions. So we are simply taking some of the risks, but an essential part. In doing so, the Ex-Im Bank, by taking that position, actually builds a foundation upon which credit in turn is built in these newly independent nations, as I pointed out, or states, newly independent states in the former Soviet Union.

Of course, it facilitates then a new marketplace for our products and facilitates an economic growth. For I think most of us, it is in our interests obviously in terms of jobs, in terms of making our global economy and marketplace work, to have this program in place. While a large number of the loans, 81 percent, are to small business, they make up only about 20 percent of the export credit.

So I want to credit the subcommittee ranking member and chairman for their work, and especially the ranking member, for whom it will probably be his last bill on the floor that he manages. He has been a good and dedicated Member. He shall be missed. We appreciate very much the gentleman's work, and I thank him.

Mr. CASTLE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRADY].

Mr. BRADY. Mr. Chairman, American companies and American workers can compete against anyone in the world if they are given a fair chance. With 95 percent of the world's consumers residing outside of America, we have economic battles going on around the globe.

Just as a strong national defense has ensured American military superiority, the Eximbank allows our companies to have a level playing field, and allows our companies to have an opportunity to compete against workers and companies anywhere throughout the world.

Right now the Government Accounting Office has said the most compelling reason for reauthorizing the Export-Import Bank is to level the international playing field for U.S. exporters, and to provide leverage, very much needed leverage, in trade policy negotiations to induce foreign governments to reduce and ultimately eliminate subsidies. Without the Bank, we do not have that opportunity, that leverage, and that strength, and our companies need that.

My goal is to have throughout the world a playing field where decisions of purchasing are made on the basis of price and quality and product and service. But that is the world we live in today. We need a strong economic tool, the Eximbank, to guard against unfair foreign subsidies and to give our companies and our workers a fair chance.

Mr. FLAKE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WATERS], a ranking member of the subcommittee.

Ms. WATERS. Mr. Chairman, I rise today in support of H.R. 1317 to reauthorize the Eximbank. As a member of the Committee on Banking and Financial Services, I want to congratulate the gentleman from Delaware [Mr. CASTLE], the chairman of the Subcommittee on Domestic and International Monetary Policy, and the gentleman from New York [Mr. FLAKE] for their work on this important bill.

The Eximbank provides low-interest rate direct loans, export credit insurance, and loan guarantees to finance the purchase of U.S. goods internationally. There have been some criticisms today of the Bank. I share in some of those criticisms.

There are those who would believe that somehow I want to do away with the Bank. If we ask a lot of people, their first thought is the gentlewoman from California [Ms. MAXINE WATERS] is not going to support it, because too many big businesses receive the benefit from it. Not true.

Yes; I am concerned that too much of this goes to big businesses, but I am also concerned that we have the kind of dollars to support American firms that will make them competitive in the international market. Therefore, I want to expand this to more small businesses. I want to pay some attention to Africa, I want to make sure we make it what it should be. I do not want to get rid of this money. I do not want to do away with this opportunity.

There have been some important reforms that have been put into the legislation by the gentleman from Vermont [Mr. SANDERS] and others to make sure that labor is represented on the advisory board, to make sure that we have recommendations about how we can increase projects in Africa. I think we have some opportunities here.

I do not think we should just sit back and say, well, it is all right. It has not done everything we would like it to do. I think we should say, let us take this opportunity to provide subsidies, to provide credit, to provide loan guarantees, to be more competitive in the international market, to create jobs, to do all of those things. But let us not just sit back and criticize it and say the big firms are getting it all. I want some of the firms in my district to be involved, and I am going to make sure they are. I am going to make sure I pay attention to it.

Mr. CASTLE. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida [Mr. MICA].

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

□ 1415

Mr. MICA. Mr. Chairman, before coming to Congress, I was involved in international trade and saw firsthand what is happening in the trade arena. In fact, if all things were equal, we would not need Eximbank, but I am here to tell my colleagues that in fact we need Exim. In fact, it is one of the most valuable programs of this Government. In fact, the United States is in an economic fight for its life. In fact, the United States is now running a trade deficit that exceeds the national annual deficit. The fact is that we are competing against Japan, the United Kingdom, France, and a host of other countries that do a much better job backing up their business and creating an unlevel playing field for our business people.

Exim creates thousands, tens of thousands of jobs. Exim allows U.S. companies to compete in this international marketplace. Exim is not corporate welfare. Exim is not any type of subsidy. Exim in fact gives our American companies and our men and women that are seeking jobs and opportunity in this country that opportunity and the ability to compete in a growing world marketplace.

Mr. Chairman, I strongly recommend the passage of this legislation and request support from every Member of this Congress that is interested in jobs and opportunity for every American.

Mr. FLAKE. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

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

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

I rise in support of this legislation because it contains some amendments which I think make the reauthorization palatable. But I should be very clear that if the amendments are taken out in conference, I will do everything that I can to defeat this reauthorization.

Mr. Chairman, one of the great economic crises of our time is the decline in real wages of American workers and the loss of millions of good manufacturing jobs. In my view, we are not going to rebuild the middle class and create good paying jobs unless we rebuild our manufacturing sector. Given that reality, Mr. Chairman, it is unacceptable that the taxpayers of this country continue to provide financial support for large multinational corporations who are laying off hundreds of thousands of American workers,

they are taking our jobs to China, to Mexico, to countries where workers are paid 20 or 30 cents an hour. But then they come into this building and they say, help us, we need some money to participate in the export-import program.

Mr. Chairman, I have introduced an amendment which was accepted by the Committee on Banking and Financial Services which has a very simple goal. It demands that the Export-Import Bank implement procedures to ensure that in selecting among firms to which to provide financial assistance, preference is given to a firm which has shown commitment to reinvest in America and create jobs in America.

I do not think that is too much to ask. If the American taxpayers are going to help out in this process, they have a right to know that the companies who receive that help have a commitment to reinvest in America and create jobs in America and not to run to Mexico, not to run to China.

Mr. CASTLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. HOUGHTON].

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

Mr. HOUGHTON. Mr. Chairman, I am not going to spend a lot of time because most of the arguments that I would use have already been used and they have been gone over and over and Members understand the merits and the demerits.

I think the only thing I can say is, I have been there. I understand what the Eximbank can do. It is a little bit like the Olympics. It used to always be amateur, and then all of a sudden it changed, and then people said, gee, maybe we ought to change, too.

Commercial banks used to be able to do what they are no longer able to do, and you find corporations, little companies, competing against countries. That is wrong. We can see it in the marketplace. Many times you have a good product, good service, good reputation, terrific quality, cannot sell your equipment because the financing terms are wrong. That is what the Eximbank does. I strongly support this amendment.

Mr. FLAKE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. MALONEY].

(Mrs. MALONEY of New York asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY of New York. Mr. Chairman, first I would like to commend the gentleman from Delaware [Mr. CASTLE], the chairman, and the ranking member, the gentleman from New York [Mr. FLAKE], for their hard work on this legislation and particularly to add my words of appreciation to the gentleman from New York [Mr. FLAKE] for his many years of service. We regret that he has chosen to retire from this body, and we will miss him.

If we want to compete in the world economic arena, we must stand with the people who make the products which are exported. American companies need to enter the trade battle well armed, and the best way we can arm them is by allowing the Export-Import Bank to continue its work. Since 1990, one-third of the total growth in U.S. output has been in exports. In other words, if we want the tremendous growth we are seeing at this point to continue, we need to be aggressive in promoting exports.

The Export-Import Bank helps to level the playing field with U.S. exporters by using specific tools to make sure our industries are able to do business overseas. These tools include export credit insurance, guarantees on commercial loans for purchases of U.S. exports, and working capital guarantees to encourage banks to lend money to small exporters.

The bank only provides these tools when the private sector does not or cannot. The bank does not prevent anyone else from providing these services. It only provides them at or above market rate when no one else can or will.

I know from the experience of my own State of New York just how great an impact the Export-Import Bank has had on our economy. Between 1992 and 1996, the bank supported 345 companies and financed $3.8 billion in exports. This has translated into an estimated 56,000 jobs. During this 5-year period, the bank has returned about $20 worth of exports for each dollar it has spent. I support this.

Mr. CASTLE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Iowa [Mr. LEACH], chairman of the Committee on Banking and Financial Services.

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

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding me the time. I would like to also express my great appreciation for his leadership on this issue and also that of the gentleman from New York [Mr. FLAKE].

In that the gentleman from New York [Mr. FLAKE] is retiring from this body, I would think it very appropriate to point out that the gentleman from New York [Mr. FLAKE] is not only one of the most decent Members I have ever served with, he has a streak of pragmatic practicality that is as large as any Member in this body. I think that is something that is much appreciated by everyone who has ever worked with him.

As for the Export-Import Bank, I know of no institution in the U.S. Government that has been more successful and is more supported on a bipartisan basis. Republicans, Democrats, business, labor, all have come to appreciate this particular small institution that helps the American worker and American business to compete in a very sophisticated global environment. Reauthorization of this institution is, thus, highly critical for America's competitive position in the world.

Just to give one example, because sometimes in vignettes there is great truth, I spoke at an event in East Moline, IL, this spring at the John Deere Co., where business and labor came together to celebrate an Export-Import Bank supported production assembly of hundreds of tractors and combines that were sent to the Ukraine. At this event, a train actually took off with a group of combines on it. A series of people talked abstractly about the Export-Import Bank, but real meaning was brought by an 18-year-old woman who had been hired by Deere and Company, their first literally youthful hiree in the last decade. Her job was made possible simply because of this export-supported program. I think that is a very telling circumstance.

The issue of corporate welfare has properly been raised. On the other hand, the Export-Import Bank over its long history has about broken even, slightly made a little bit of money, but approximately broken even. But if one adds to the U.S. Government revenue all the funds that are derived from those that pay taxes because of jobs they had that they would not otherwise have had, the Export-Import Bank is enormously in the black. So I think one can say that this is a very pragmatic institution of government.

If there is a corporate welfare argument, which properly arrises any time there is government intervention, it should be noted that the real corporate welfare would be to Japanese and French and German companies if we do not reauthorize Export-Import Bank.

In conclusion, let me just suggest that if we look at our own economy, that is doing rather well the last few years, it is impressive to point out that fully one-third of the economic growth in this country is related directly to exports. That export-driven growth is singularly important to the well-being of all Americans.

Finally, because this is a fairly partisan era, let me say to the Clinton administration that they have appointed decent people to work at the Export-Import Bank, decent people to lead it, and they have led in a very pragmatic direction that has emphasized small business support, and as chairman of the authorizing committee, I want to tip my hat to the administration for its attention to this institution.

Let me also express my gratitude to our distinguished retiring former chairman, Representative GONZALEZ, Representative LAFALCE, the chairman of the Asia Subcommittee, Mr. BEREUTER, and one of this body's strongest supporters of small business, Representative MANZULLO, among many others.

Mr. Chairman, as Members are aware, Eximbank is an independent Federal agency established to provide export financing for

U.S. businesses. The Bank has a dual purpose: to neutralize aggressive financing by foreign export credit agencies, and to furnish prudent export credit financing when private financing is unavailable or insufficient to complete the deal. It does this through a variety of loan, guarantee, and insurance programs. Since its founding, Eximbank has supported more than $300 billion in U.S. exports, almost $100 billion in this decade alone. The Bank currently supports about $15 billion in U.S. exports annually. More than 80 percent of Eximbank's transactions are for exports from small businesses, a dramatic increase from just a few years ago.

Most of Eximbank's activities are directed at supporting U.S. exports to emerging market economies. As we all understand, developing markets offer tremendous opportunities for American businesses. More than 40 percent of U.S. exports, worth about $180 billion, go to developing countries, and the amount is rising. The World Bank estimates that by the year 2010, these countries will consume 40 percent of all goods and services produced worldwide. From a midwestern agribusiness perspective, exports not only of crops, but value-added products from processed pork to refined steel, tractors and combines are increasingly in demand.

In many respects, the heightened importance of exports to my home State of Iowa parallels the growing importance of exports to the overall national economy and the Nation's standard of living. In 1970, for example, the overall value of trade to the U.S. economy equals about 11 percent of GDP. Over the past 3 years, exports have accounted for about one-third of total U.S. economic growth. In 1995, some 11 million jobs depended on exports, and by the year 2000 that number will have risen substantially.

But commercial competition for sales in the global economy is formidable, particularly in emerging markets. Evidence of competitive financing is often a requirement just to bid on a contract. To sweeten the financing terms for potential buyers, many foreign export credit agencies eagerly offer officially backed loans or guarantees as a way to cinch the deal for their own country's exporters. At other times, the requirement of official financing for the import of goods and services is simply written into the terms of the foreign contract.

If the United States is to remain the world's preeminent exporter, which I am sure is the goal of every Member in this body, then American companies and American workers need the support of Eximbank to defend themselves against foreign government-supported competition. And that competition is substantial.

According to the General Accounting Office [GAO], no less than 73 export credit agencies now exist worldwide. Yet the United States devotes fewer resources to trade finance than our competitors. For example, in terms of the percentage of national exports financed by the G–7 industrialized countries, Eximbank is tied for last. In 1995, Eximbank supported 2 percent of total U.S. exports. By contrast, Japan supported 32 percent of its countries exports that year, with France second at 18 percent.

That lower level of spending is also consistent with a U.S. preference for fair competition in free markets. Again according to GAO, unlike Eximbank, other export credit agencies ''appear to compete to varying degrees with private sources of export financing. They do not aim to function exclusively as 'lenders of last resort,' as Eximbank strives to do.''

Eximbank is the last line of defense for American businesses that are competitive in terms of price, quality, and service but which are facing officially financed foreign competition. As one witness testified before the Banking Committee earlier this year, ''This is the crux of the matter. No U.S. company, no matter how big, can compete against a foreign government in international finance. Neither can U.S. commercial lenders.''

In this context, Eximbank estimates that in 1995 almost three-quarters of its activity was directed at leveling the playing field for American exporters, while the rest went toward making up gaps in private financing. Eximbank also helps give our negotiators leverage to bring greater discipline to the rules governing official export-credit-agency financing. And this trade policy leverage has been used effectively to negotiate subsidy reductions. For example, tied aid export promotion offers by foreign governments have declined by 75 percent since 1991.

Interest rates on Eximbank's direct loans are priced at the cost of borrowing plus 1 percent. Guaranteed loans are priced by commercial banks at market levels. Eximbank also charges U.S. exporters exposure fees to cover the risk of loans. The Bank's annual program budget reflects the difference between these fees and losses which may be incurred on new business committed that year. This appropriation acts as a loan loss reserve. As a result of the Bank's requirement of a reasonable assurance of repayment for each transaction, losses on the approximately $125 billion of loans financed since 1980 are less than $2.5 billion—a loan loss ratio of 1.9 percent. This figure is superior to that of commercial banks lending to foreign governments. It should also be noted that the Bank is fully reserved against potential losses in its guarantee and insurance portfolio.

In closing, I would stress that Eximbank's role in U.S. trade finance reflects the almost instinctive American philosophical preference for open markets and open trade. As GAO testified before the Banking Committee, Eximbank functions as a lender of last resort to American exporters. But while Congress has mandated that Eximbank complement the market and not compete with the private sector, other well-supported export credit agencies have historically demonstrated less fidelity to the precepts or free markets of fair trade.

Without Eximbank, American exporters would be left defenseless in the face of aggressive officially financed foreign competition. The ability of American firms to win contracts, market-share, and follow on deals in important emerging market economies—and the high paying jobs that support those exports—would be placed in jeopardy. Congress needs to reauthorize Eximbank to help continue to reduce export credit subsidies and make international trade more market-oriented. I urge support for this important legislation.

Mr. FLAKE. Mr. Chairman, 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. Mr. Chairman, let me thank my colleague, the gentleman from New York [Mr. FLAKE], and congratulate him on his service in this House, working with the chairman of the subcommittee, the gentleman from Delaware [Mr. CASTLE], on getting this bill through.

As an original cosponsor of H.R. 1370, I strongly support its passage. I am going to bypass getting into the issue of the amount of exports it has done for my State and talk about a couple of issues that my colleague from Texas raised earlier.

I think we need to get at the real issues about this. This is not a question of living in a perfect world. We do not live in a perfect world. We cannot go back to mercantilism, and, as a matter of fact, mercantilism did not work. I am afraid my colleague from Texas is advocating just that.

The fact is, it is not an issue of free trade. If it were free trade, the Japanese would not subsidize their export market up to 32 percent, the French would not subsidize their export market up to 18 percent. This is a question of leveling the playing field.

What Exim does is to extend credit where the private market will not go or at the price that will not allow U.S. companies to participate in the deals. The fact is, only 3 percent of the U.S. export market is involved in this. The loss rate is 1.9 percent, which is less than the commercial lending loss ratios.

The classical view offers no empirical evidence of any misallocation of credit. That would assume both an extremely finite capital market, which I think is unlikely, and the nonexpansive U.S. business strategy that, if you go one place, you are not going to try and get business somewhere else. Those of us who came from the private sector realize you try and get business where you can.

The fact is, U.S. companies which cannot obtain financing without Exim would either lose the business or would partner with foreign companies who had more favorable financing terms from their home countries. That would be at the expense of both the United States economy and U.S. workers at home.

I would encourage my colleagues not listen to these cries of corporate welfare but to look at the facts, look at what really has been laid on the table, because the opponents of this in the hearings before the committee brought no evidence whatsoever to the contrary that Exim does, in fact, create U.S. jobs and protect U.S. jobs.

Mr. CASTLE. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SMITH], in a sense of fairness and comity, because he is on the other side of this.

□ 1430

Mr. SMITH of Michigan. Mr. Chairman, I rise to address the issue of corporate welfare.

The Export-Import Bank subsidizes loans and loan guarantees to American exporters and it has cost hundreds of

millions of dollars. The experts agree Ex-Im Bank should be abolished.

The Congressional Budget Office makes the following observation: Ex-Im Bank has lost $8 billion on its operation, practically all in the last 15 years. ''Little evidence exists that the bank's credit assistance creates jobs.'' ''Providing subsidies to promote exports is contrary to the free market. It subsidizes big companies at the loss of small companies.''

The Heritage Foundation recommends that Congress close down the Export-Import Bank. Heritage further states, ''Subsidized exports promote the business interests of certain American businesses at the expense of other Americans.''

Mr. Chairman, I think it needs to be closed down. I do not think we can close it down all at once. It needs to be phased out, but let us alert ourselves to what is happening. We are subsidizing huge corporations at the expense of small business.

Mr. Chairman, I rise to address the issue of corporate welfare. As we eliminate the fat from the Federal budget, we should recommit ourselves to making sure all projects and programs are closely examined—not just the politically easy ones.

The Export-Import Bank [Eximbank] subsidizes loans and loan guarantees to American exporters. These corporate welfare subsidies have been appropriated $787 million for 1996.

The experts agree; Eximbank should be abolished.

The Congressional Budget Office makes the following observations:

Eximbank ''has lost $8 billion on its operations, practically all in the last 15 years'';

Little evidence exists that the bank's credit assistance creates jobs;

Providing subsidies to promote exports is contrary to the free-market policies the United States advocates.

The Congressional Research Service writes that:

Most economists doubt that a nation can improve its welfare over the long run by subsidizing exports;

At the national level, subsidized exports financing merely shifts production among sectors within the economy, rather than adding to the overall level of economic activity;

Export financing ''subsidizes foreign consumption at the expense of the domestic economy'';

Subsidizing financing ''will not raise permanently the level of employment in the economy . . .

The Heritage Foundation recommends Congress close down the Export-Import Bank.

Heritage further states:

Subsidized exports promote the business interests of certain American businesses at the expense of other Americans;

Little evidence exists to demonstrate that subsidized export promotion creates jobs—at least net of the jobs lost due to taxpayer financing and the diversion of U.S. resources in to government-favored export activities at the expense of non-subsidized business.

According to Heritage, phasing out subsidies will save 2.3 billion over 5 years.

The director of regulatory studies at the Cato Institute calls the subsidy activity of Eximbank "corporate pork." He stated, "Even in the face of unfair international competition, the U.S. government doesn't have a right to use tax dollars to match equally stupid subsidies."

Eximbank's financial statements show that the Bank has paid $3.8 billion in claims from 1980–94. These dollars paid off commercial banks who couldn't collect from foreign borrowers. American taxpayers took the hit.

Exports financed by Eximbank actually hurt competitive U.S. exporters not selected for subsidies. The Bank chooses winners and losers in the economy. The only winners are selected foreign consumers and selected U.S. corporations.

The Eximbank is a prime example of corporate welfare. The majority of Eximbank subsidies go to Fortune 500 companies that could easily afford financing from commercial banks: Boeing—over $2 billion worth of loan guarantees; McDonnell Douglas—$647 million; Westinghouse Electric—$492 million; General Electric—$381 million; and At&T—$371 million.

To raise funds for its lending and guarantee programs, Eximbank puts additional pressure on Treasury borrowing, driving up interest rates for private borrowers. That's all of us. From a corner barbershop wanting to expand to a young family trying to finance their first home. We all pay the price.

Sadly, there's more.

Eximbank appears to have wasted money on frivolous items as well. After 50 years with the same agency logo, Eximbank decided it needed a new one. Designing a new logo—including creation, copyright search, and the redesign of Bank brochures and literature—cost nearly $100,000 last year.

And in 1993, Eximbank spent $30,000 to train 20 employees how to speak in public—including chairman Kenneth Brody. An outside consultant was paid $3,000 a day for this task.

Mr. Chairman, I believe Government shouldn't choose winners in the economy. With Eximbank, the big winners are foreign consumers, large corporations, and professional speech coaches. The losers are American taxpayers.

Mr. Chairman, it's time to derail this gravy train.

Mr. FLAKE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Connecticut, Mrs. KENNELLY.

Mrs. KENNELLY of Connecticut. Mr. Chairman, I urge my colleagues today to reauthorize the Export-Import Bank for one very, very important reason, and that is because it will create jobs.

In my home State of Connecticut the bank has already supported $251 million in exports from almost 100 local companies. Not big companies, small companies. In short, these exports mean jobs.

Connecticut is far from alone in benefitting from the Export-Import Bank. Over the last 5 years, the Bank has supported over $76 billion in foreign sales of American products which supported almost 200,000 jobs. The Bank produces these results by providing loans and insurance to help American companies export products, and this point is very, very important.

We do, in fact, live in an international world. If we are to keep our standard of living in the United States as we want it to be, we are going to have to export more and more. Small companies can begin if they have help, if they can get that insurance, if they have that initial financing. Then, once they become exporters and become savvy in the way of exporting, they can be on their own. But right now the export-import financing is so important, especially in developing countries.

The Bank has a very good record of using taxpayer resources. Its loan loss ratio of 1.9 percent compares favorably to commercial loans that are made by banks. The mission of the Export-Import Bank is simple: Create jobs by increasing exports.

I urge my colleagues to vote for this reauthorization.

Mr. CASTLE. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. FLAKE. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I rise in strong support of the reauthorization of the Exim Bank, and I do so for the following reason:

Certainly the economy is doing well. Nobody can argue that. But we are not doing well enough in terms of manufacturing products in the United States, in terms of the $114 billion trade deficit projected for this year, and in terms of too big a trade deficit with the Japanese and the Chinese.

So some might come to the floor and say, well, we need to eliminate the Exim Bank. That is exactly the wrong thing to do. The accusations here on the floor about corporate welfare, about exporting jobs, about foreign aid are absolutely wrong.

The Exim Bank, while not a perfect tool yet, is moving in absolutely the right direction to manufacture more products in this country. There is a requirement in the charter, that the product must be manufactured in the good old United States of America.

Second, Mr. Chairman, we are seeing more and more of the business, in terms of transactions, move to small businesses. Eighty-one percent of Exim's transactions went to small businesses. Almost 2,000 small business transactions took place. The number of first-time small businesses in the Exim financing, 411, and many of those in my great State of Indiana.

So if my colleagues are concerned, Republicans and Democrats, about a $115, $114 billion projected trade deficit, if we are concerned about corporate welfare, if we are concerned about more small businesses getting in on these transactions, if we are concerned about making products in the good old USA, let us work together to make the Exim Bank be a product, a tool, an instrument more of our trade policy in addressing these things. While not perfect, it is moving in this direction.

Mr. FLAKE. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. MENENDEZ].

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

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

In the years to come, our domestic fortunes will be directly tied to our place in the global marketplace, and those countries that get a foothold today in the major markets of tomorrow will be the ones that thrive.

If Japan becomes the major supplier of telecommunications technology to South American countries, for example, whose technology will become their standard? Whose spare parts will they buy in the years to come? And who will they call to upgrade their systems in the next century? Japan. But with the support of the Export-Import Bank, they will be calling us in the 21st century, and our kids and grandkids will be making the technology. That is America's future.

The mission of the Export-Import Bank in this process is simple but critical: finance U.S. exports where commercial banks cannot or will not because of unfair foreign subsidies. If and when our trading partners throughout the world reduce their export programs, then we might begin looking at modifying ours. But in today's world, a show of anything less than the strongest support for our Export-Import Bank would be a sign of unilateral economic disarmament.

This is about jobs. It is why Republicans and Democrats alike are getting up to support it. It is about American jobs that will feed American families, that will pay American mortgages, that will send the kids to school. So I urge my colleagues to send a strong signal that America is not going to stand down in this competition for new export markets; that we are going to be able to stand up on behalf of American jobs and get this bill reauthorized.

Mr. FLAKE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

This is not a selfish stance I take, Mr. Chairman. This is one that really comports with what we should be doing in the U.S. Congress. I support the work of the gentleman from Delaware [Mr. CASTLE] and the ranking member, the gentleman from New York [Mr. FLAKE] to avoid a shutdown of the Export-Import Bank, and offer that we should reauthorize it. We should extend it for another 4 years. I wish we could do it for more. But $76 billion is not something to sneeze at. This is what has been generated by this bank in economic opportunity for American companies.

Additionally, in Texas it has helped textile manufacturing and petrochemical and energy companies in my district. I am delighted to emphasize that small businesses are, in fact, also targeted; that 81 percent of the bank's total transactions are with small businesses, 60 percent since 1992.

In sub-Saharan Africa we have made a decided difference in helping to enhance economic development with our own community of businesses there in Africa. And, yes, this is about jobs, 200,000 jobs. Jobs in the West, jobs in Houston, jobs in the Midwest, in South Dakota, in Michigan, in New York, in Atlanta, and all over this country people are benefiting with jobs because of the Export-Import Bank reauthorization act.

I would simply say to those who would argue corporate welfare, the fact is that Americans who work look to us to keep working to provide jobs. This bill will do this, Mr. Chairman. This is the right action to reauthorize this bill.

Mr. Chairman, I am gratified to have had just a small time to work with the gentleman from New York [Mr. FLAKE]. He is someone that is not only practical but is compassionate. I pay tribute to him, because of the great leadership that he has shown in this Congress.

And might I say that I have his wonderful family in Acres Home, TX, in the 18th Congressional District, which I represent. He is a friend, but he is a friend of all Americans. And I thank the gentleman from Delaware [Mr. CASTLE] for working as well with him on this very, very important legislation.

Mr. Chairman, I rise today in support of H.R. 1370, the Export-Import Bank Reauthorization Act. My colleagues, in today's highly competitive global marketplace the reauthorization of the Export-Import Bank will ensure that U.S. companies have the ability to compete globally and compete against other countries which subsidize their exports.

The Export-Import Bank has proven to be a productive tool in selling American-made products overseas. Over the past 5 years the Export-Import Bank has helped to sell more than $76 billion in U.S. exports in the world. In our global economy, opportunities for American trade with fast growing emerging economies around the globe have never been greater, and the stakes for U.S. business and labor in competing effectively for those markets have never been higher. The United States major trading competitors, with strong and abundant support from their governments are working to win these markets for their own. The Export-Import Bank is a key tool in our economic arsenal, and ensures that U.S. companies have a competitive edge.

In Texas, the impact of these exports on our economy is significant. In my district, Export-Import Bank financing has helped small textile manufacturing companies, to the large petrochemical and energy companies, as it exports abroad. Texas companies sell the second highest level of exports in our Nation. The Export-Import Bank helps to ensure that our State will continue to prosper and sell more Texas-made products.

I strongly believe that the Export-Import Bank is a good investment by our taxpayers. The Export-Import Bank works to level the playing field for U.S. companies and only targets those investments where our private capital markets have failed to serve.

Further, I was pleased to learn that H.R. 1370 is targeting small businesses. It is very important that small businesses do not feel left our of this economic boom because they have become an important engine of the economy which account for half of our gross domestic product while employing 54 percent of the private work force. In fact, a recent study by the Export-Import Bank shows that 81 percent of the Banks total transactions were with small businesses. This is an increase of 60 percent since 1992.

Being a adamant supporter of increasing trade with Africa, I am pleased to see the provision for promoting the Bank's financial commitments in sub-Saharan Africa under the Bank's program. Africa has been neglected by this Congress in terms of trade and economic development for far to long. I think this is a step in the right direction by the Export-Import Bank.

Some have labeled this program to be corporate welfare, others have argued that it is inefficient. In fact, Export-Import Banks' role cannot be dismissed. Over the last 5 years, the Bank has supported over 76.3 billion in exports, which in turn supported almost 200,000 jobs directly and over 1 million indirectly each year. This is a good deal for the U.S. Taxpayers.

My colleagues, all the evidence highlights the continued need for the Export-Import Bank. If the reauthorization of the Export-Import Bank is denied it would put U.S. companies at a disadvantage in that every other developed country has an export credit agency. If the Export-Import Bank is disbanded, it will put U.S. exporters at an unacceptable disadvantage. It would be foolhardy and dangerous to unilaterally disarm U.S. exporters. I urge my colleagues to support H.R. 1370 to ensure the reauthorization of the Export-Import Bank. Thank you.

Mr. FLAKE. Mr. Chairman, I yield myself such time as I may consume to comment that the gentlewoman does much to squeeze much out of a minute.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to also add my personal tributes to the gentleman from New York [Mr. FLAKE] who will be leaving us; and I also want to commend both the chair of the subcommittee, along with him, in bringing this reauthorization bill here.

We create jobs through promoting trade. By maintaining an effective marketing promotion program, we can more effectively compete globally.

Export promotion programs are producing unprecedented gain. The balance of trade deficit compels us to take a close look at American trade policy and at the institution responsible for carrying out those policies. But we should not ignore the fact that the best opportunity for growth in America lies beyond the borders of the United States.

There are some who question the wisdom of investing in global competition;

whether we should continue the Export-Import Bank. I think that questioning is really shortsighted. There is much to be had.

Look at the Pacific Rim, where two-thirds of the world's commerce flows. How can we ignore that? Look at China. One and a half billion citizens, potential consumers of American products, producing American jobs. Look at India, where people buy products and services, with a middle class larger than the United States. We cannot ignore that. America must be involved in that.

How must we be involved in that? The Export-Import Bank of the United States provides fertile ground and opportunity for those companies having that vision and who will take the time to venture out in those foreign markets. Their emphasis should be, indeed, on exports, because jobs are created as a result of that.

Yes, I say we should vote to reauthorize the Export-Import Bank and vote also ''yes'' on the LaFalce amendment.

Mr. FLAKE. Mr. Chairman, I yield myself such time as I may consume to close the debate by urging all my colleagues to understand the valuable resource that that Export-Import Bank is; to understand that we, as a nation, cannot afford to not be in a position to be globally competitive, and that our small businesses are in great need of the resources that are provided by this Bank.

This is not an entity where we are giving money away; therefore, any argument for corporate welfare is not consistent with what the Eximbank is. As a matter of fact, this Bank actually brings resources back to the Nation. Dollars that are invested actually bring money back to this country. It creates jobs in this country. It is a major economic development vehicle.

So it is my hope that all my colleagues will understand that it is important for us to put this Nation in a competitive situation, put our small businesses in the best possible posture so that they are not competing against governments of other nations.

I am pleased to have served in this last term of Congress with the gentleman from Delaware [Mr. CASTLE] as my chairman; with the gentleman from Iowa [Mr. LEACH] as chairman of the Committee on Banking and Financial Services; with the gentleman from Texas [Mr. GONZALEZ] preceding him; with the gentleman from New York [Mr. LAFALCE], and others who I have had an opportunity to work with.

This probably is my last bill on the floor, but my calling to ministry supersedes my election here, so I leave by saying I am grateful for the opportunity to have served.

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

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume.

I would like to start by standing in praise of our distinguished colleague, the ranking member of our subcommittee, the gentleman from New York [Mr. FLAKE]. We said goodbye to him on the floor about a week ago and here he is back again. But that shows us something about just how good he is.

Mr. FLAKE. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from New York.

Mr. FLAKE. Mr. Chairman, I would just say to the gentleman, that is politics.

Mr. CASTLE. Mr. Chairman, reclaiming my time, the gentleman is a tremendous asset to this House and, unfortunately, it is the good people who we tend to lose in circumstances like this, and he will be missed tremendously. I have enjoyed working with him in every way possible.

I will not add too much more to what has already been stated on this legislation. I think there is some confusion about what we are dealing with. We are not dealing with OPIC. We are not dealing with foreign policy. I think the gentleman from New York [Mr. LAFALCE] made that comment. This is not a foreign policy instrument.

We are going to see amendments here in a little while which would make one think it is a foreign policy instrument in which we will try to impose our different standards on various countries, some of which we will oppose, some of which we will swallow on a little bit, but all of which, I think, are a little bit dubious in terms of what this policy should be. This truly is what it may be renamed to, which is an export bank for the United States to help our businesses, large and small.

I think it is important to understand there has been a change in the mindset at the Eximbank, and that is that small businesses need to be served. There has been a mindset change already, and we have also put it into this legislation as well, as well as some of the other amendments that were put on at the committee level which were discussed today, to make sure that we are encouraging this Bank to help American businesses, dealing with Americans, giving jobs in America, and giving jobs particularly to the small businesses in our country.

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While in the past some of our large companies have dominated and to some degree still do dominate the loan scene with the Eximbank, that is changing very, very rapidly. I think if we can chart that pace of change, we will see that the small businesses are now sharing dramatically.

Plus, I think, from comments of the gentleman from Illinois [Mr. MANZULLO], we saw what it means to the various suppliers to one company where the suppliers are all over the United States of America producing jobs in various parts of the country, and I think that is every bit equally as important.

Would taxpayers save money if we closed Eximbank? That issue has been raised by my colleagues here. The taxpayers would save no money by closing the Eximbank. A very credible study by the Economic Strategy Institute suggested, after 10 years, closing the bank would actually cost the Federal Government $24 billion annually due to the loss of Federal tax revenues that are generated by bank-approved exports and their indirect effect on the Nation's economy. And that is very, very important.

We need to understand all the economic ramifications of this, and I think that has been well studied and well demonstrated.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, just according to the Heritage Foundation, phasing out subsidies will save $2.3 billion over 5 years.

Mr. CASTLE. Mr. Chairman, reclaiming my time, I thank the gentleman from Michigan [Mr. SMITH].

Obviously, that kind of discussion is money that would be foregone, not spent. But it does not use the offset of the revenue that comes in from the jobs which are created, which produces the $24 billion net surplus to the Federal coffers as a result of the tax payments which are made.

We have dealt with the issues of the distorting of free trade, does it do that. No, it does not. It is actually making trade more market driven than it otherwise would be. The so-called tied aid export promotion offered by foreign governments worldwide has declined 75 percent by 1991, a dramatic U.S. policy success. We have heard some mention of that. The gentleman from California [Mr. DREIER] is very concerned about that issue, and I am too.

I think we have had some modicum of success in trying to deal with that issue and drive it down as well as some of the other things that we have done, and I think that is the way that we should go.

We deal with Eximbank's policy on domestic content. The bank currently only finances products at no more than 15 percent foreign content. The bank will only finance the U.S. portion of the export. So we have paid attention to what happens in the United States of America.

We are paying more attention to the environmental guidelines. Quite frankly, I think a lot of this is because of the pressure which has been applied by the Congress of the United States. We are concerned about labor laws. We are concerned about jobs. So we are concerned about environmental laws and regulations in this country. We are raising these issues. And this is one agency which has responded to it and which has come forward and said that we are going to make the changes, and they have started to make the changes and, in my judgment, is worthy of the support of each and every one of us in Congress.

We do have, I believe, 7 amendments which will be coming up here shortly. I hope the Members will listen to the discussion of those 7 amendments, keeping in mind the mannerisms in which this bank has already worked and whether or not we should make substantial changes which could be harmful to it. And then at the end of it all, I hope we can have votes where we need to on the amendments and vote for full support of the reauthorization of the Eximbank for the next 4 years.

Mr. SANDERS. Mr. Chairman, I rise in support of H.R. 1370, the Export-Import Bank reauthorization bill, because I believe that the Export-Import Bank will have been made better as a result of amendments which were added to its authorization bill during its consideration of the Banking Committee.

I am very pleased that the committee approved an amendment that directs the Export-Import Bank [Exim] to establish procedures to ensure that, when selecting firms to provide financial assistance, preference is given to any firm which has shown a commitment to reinvestment and job creation in the United States. Because the purpose of Exim is to support U.S. jobs through exports, the Bank should give preference to U.S. corporations which reinvest and support jobs in the United States, as opposed to corporations which are laying off American workers only to locate production and other facilities in countries which have less expensive, unprotected workforces.

This preference provision gets at, I believe, the heart of the issue of the relationship between the U.S. Government, the taxpayers of this country and corporate America. A number of Federal programs are being criticized, inside and outside Congress, as corporate welfare and these programs are being targeted for spending cuts by people with widely different political philosophies. The Export-Import Bank is one of those programs.

The Journal of Commerce reported on June 12, 1997, that Exim, like the rest of the country, is presently facing a money crunch. The journal reports that Exim: ''faced with strong exporter demand, may run out of money this fiscal year as early as July, officials indicate. Next year, the money squeeze could be worse.'' It seems clear that it is time for the Export-Import Bank to prioritize; this money squeeze should indicate to us that there is actually a need for a system of priorities, such as that in this amendment, to ensure that companies which are the most committed to jobs in the U.S. are given preference over companies that are not.

It is becoming too common for U.S. corporations, including corporations which are supported by Exim, to downsize their U.S. workforce and move their production facilities to take advantage of cheap labor in other countries. According to information from Exim, among the top 25 companies which receive assistance from Exim are Boeing, General Electric, and AT&T. A brief look at the employment practices of these corporations underscores the need for an amendment which gives preference to corporations that show a commitment to employment in the United States.

Boeing is the top recipient of Exim loans and guarantees. Reports indicate that in 1990 Boeing had 155,900 employees. In 1996, it had 103,600 employees—a decline of 52,300 jobs during that period. In other words, it laid off ⅓ of its workforce, despite being the top recipient of Exim aid.

General Electric [GE] is listed as the No. 2 recipient of Exim aid. In 1975 GE had 667,000 American workers. Twenty years later, it had 398,000, a decline of 269,000 jobs. General Electric is well known for its politics of moving GE jobs to anyplace in the world where it can get cheap labor—Mexico, China, and other poor Third World countries.

As for AT&T, in 1995 AT&T laid off 40,000 workers. Interestingly enough, reports show that in that same year, AT&T provided its CEO, Robert Allen, with $15 million in options plus a $11 million grant.

The point here is that the entire approach of Exim in terms of job creation is too narrow. They approach the idea of jobs through exports on a project-by-project basis, and ignore the totality of what the company is doing. This amendment, on the other hand, expands Exim's focus when making the determination as to how many jobs a transaction will support. This amendment directs the Export-Import Bank's to look at the totality of the situation regarding a company's commitment to job creation in the United States, and not just a particular project. In other words, if there is a company that is showing a commitment to job creation and reinvestment in the United States, then that company should receive preference for assistance.

At a time when the Congress is working very hard to balance the budget, it seems only right that if U.S. taxpayer funds are to be used to support U.S. corporations' exports, then incentive and priority must be given to those corporations to reinvest and support jobs in the United States. A preference system, as provided by this amendment, would provide such an incentive to corporations, while at the same time, allowing the Bank some discretion in implementation, to ensure that both the purpose of the Bank and this amendment are fulfilled.

TWO REPRESENTATIVES FROM THE LABOR COMMUNITY ON THE ADVISORY BOARD OF THE EXPORT-IMPORT BANK

The committee also approved an amendment which directs the Export-Import Bank to include upon its advisory committee no less than two representatives from the labor community.

Because the purpose of the Export-Import Bank is to support U.S. jobs through exports, it is important to have two members representing the American workforce on the advisory committee to ensure that the influence of the advisory committee is more evenly balanced for the sake of U.S. workers.

Mr. ARCHER. Mr. Chairman, I rise today in support of reauthorization of the Export-Import Bank of the United States. This institution is absolutely vital for our Nation in order to keep American companies and workers competitive in the world marketplace.

My philosophy on trade has always been that we should take every step possible to make it free and fair for all countries, and that purchases should be made based on quality, price and service. I firmly believe that, under such circumstances, American companies will excel. Unfortunately, as my colleagues know, this is not always the case today. In a perfect world, France, Germany, Japan, England, and our other competitors would not provide unfair advantages to their exporters. If that were the case, we would be having a different debate today. We would not need the Eximbank to level the playing field.

However, the fact remains that the Eximbank finances American exports where commercial financing is simply not available or competitive and where, without Government action, the sale would be lost. The Eximbank does this at a low cost to the taxpayers and with a tremendous positive impact on the American economy. Last year alone, Eximbank supported over 200,000 high quality American jobs.

It is also important to note that the Eximbank is not a giveaway program. The Bank must be repaid every dollar it lends, and has had a default rate of only 1 percent over the last 15 years. This is significantly better than our own commercial banks have performed over the same period of time.

Last week I met with Mr. James Harmon, the new president of Eximbank. Frankly, I was impressed with his determination to institute management and policy changes at the Bank that will make it an even better value for the taxpayers. He has some great innovative ideas that will help make American companies even more competitive in the 21st century. I look forward to working with him and I urge my colleagues to vote against unilateral economic disarmament and vote in favor of reauthorizing the Export-Import Bank.

Mr. CASTLE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AUTHORITY.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking ''1997'' and inserting ''2001''.

SEC. 2. TIED AID CREDIT FUND AUTHORITY.

(a) Section 10(c)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3(c)(2)) is amended by striking ''through September 30, 1997''.

(b) Section 10(e) of such Act (12 U.S.C. 635i–3(e)) is amended by striking the first sentence and inserting the following: ''There are authorized to be appropriated to the Fund such sums as may be necessary to carry out the purposes of this section.''.

SEC. 3. EXTENSION OF AUTHORITY TO PROVIDE FINANCING FOR THE EXPORT OF NONLETHAL DEFENSE ARTICLES OR SERVICES THE PRIMARY END USE OF WHICH WILL BE FOR CIVILIAN PURPOSES.

Section 1(c) of Public Law 103–428 (12 U.S.C. 635 note; 108 Stat. 4376) is amended by striking ''1997'' and inserting ''2001''.

SEC. 4. CLARIFICATION OF PROCEDURES FOR DENYING CREDIT BASED ON THE NATIONAL INTEREST.

Section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) is amended—

(1) in the last sentence, by inserting '', after consultation with the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate,'' after ''President''; and

(2) by adding at the end the following: ''Each such determination shall be delivered in writing to the President of the Bank, shall state that the determination is made pursuant to this section, and shall specify the applications or categories of applications for credit which should be denied by the Bank in furtherance of the national interest.''.

SEC. 5. ADMINISTRATIVE COUNSEL.

Section 3(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(e)) is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) The General Counsel of the Bank shall ensure that the directors, officers, and employees of the Bank have available appropriate legal counsel for advice on, and oversight of, issues relating to ethics, conflicts of interest, personnel matters, and other administrative law matters by designating an attorney to serve as Assistant General Counsel for Administration, whose duties, under the supervision of the General Counsel, shall be concerned solely or primarily with such issues.''.

SEC. 6. ADVISORY COMMITTEE FOR SUB-SAHARAN AFRICA.

(a) IN GENERAL.—Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by inserting after paragraph (8) the following:

''(9)(A) The Board of Directors of the Bank shall take prompt measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in sub-Saharan Africa under the loan, guarantee, and insurance programs of the Bank.

(''(B)(i) The Board of Directors shall establish and use an advisory committee to advise the Board of Directors on the development and implementation of policies and programs designed to support the expansion described in subparagraph (A).

''(ii) The advisory committee shall make recommendations to the Board of Directors on how the Bank can facilitate greater support by United States commercial banks for trade with sub-Saharan Africa.

''(iii) The advisory committee shall terminate 4 years after the date of the enactment of this subparagraph.''.

(b) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Export-Import Bank of the United States submit to the Congress a report on the steps that the Board has taken to implement section 2(b)(9)(B) of the Export-Import Bank Act of 1945 and any recommendations of the advisory committee established pursuant to such section.

SEC. 7. INCREASE IN LABOR REPRESENTATION ON THE ADVISORY COMMITTEE OF THE EXPORT-IMPORT BANK.

Section 3(d)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)(2)) is amended—

(1) by inserting ''(A)'' ''(2)''; and

(2) by adding after and below the end the following:

''(B) Not less than 2 members appointed to the Advisory Committee shall be representative of the labor community.''.

SEC. 8. OUTREACH TO COMPANIES.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

''(I) The Chairman of the Bank shall design and implement a program to provide information about Bank programs to companies which have not participated in Bank programs. Not later than 1 year after the date of the enactment of this subparagraph, the Chairman of the Bank shall submit to the Congress a report on the activities undertaken pursuant to this subparagraph.''.

SEC. 9. FIRMS THAT HAVE SHOWN A COMMITMENT TO REINVESTMENT AND JOB CREATION IN THE UNITED STATES TO BE GIVEN PREFERENCE IN FINANCIAL ASSISTANCE DETERMINATIONS

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)), as amended by section 8 of this Act, is amended by adding at the end the following:

''(J) The Board of Directors of the Bank shall prescribe such regulations and the Bank shall implement such procedures as may be appropriate to ensure that, in selecting from among firms to which to provide financial assistance, preference be given to any firm that has shown a commitment to reinvestment and job creation in the United States.''.

The CHAIRMAN. No amendment shall be in order except those printed in House Report 105–282, which may be considered only in the order specified, may be offered only by a Member designated in the report, shall be considered read, shall be debated for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

PREFERENTIAL MOTION OFFERED BY MR. MCDERMOTT

Mr. MCDERMOTT. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Washington [Mr. MCDERMOTT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MCDERMOTT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 128, noes 291, not voting 14, as follows:

[Roll No. 470]

AYES—128

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barrett (WI)
Becerra
Berry
Bishop
Blagojevich
Bonior
Borski
Boyd
Brown (OH)
Capps
Cardin
Carson
Clayton
Clyburn
Coyne
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Ensign
Eshoo
Etheridge
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Green
Harman
Hastings (FL)
Hefner
Hilleary
Hilliard
Hinchey
Hinojosa
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Kaptur
Kennedy (RI)
Kennelly
Kilpatrick
Kind (WI)
Levin
Lewis (GA)
Lowey
Maloney (CT)
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Millender-McDonald
Miller (CA)
Mink
Moakley
Neal
Oberstar
Obey
Olver
Owens
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Poshard
Rangel
Reyes
Rothman
Roybal-Allard
Sanchez
Sawyer
Schumer
Serrano
Shadegg
Sherman
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Waters
Watt (NC)
Waxman
Weygand
Woolsey
Wynn

NOES—291

Aderholt
Armey
Bachus
Baesler
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Brady
Brown (CA)
Brown (FL)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clement
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Dellums
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Evans
Everett
Ewing
Fawell
Flake
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kildee
Kim
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lucas
Luther
Manton
Manzullo
Mascara
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Minge
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Rush
Ryun
Sabo
Salmon

Sanders	Smith (NJ)	Thune
Sandlin	Smith (OR)	Traficant
Sanford	Smith (TX)	Upton
Saxton	Smith, Linda	Visclosky
Scarborough	Snowbarger	Walsh
Schaefer, Dan	Solomon	Wamp
Schaffer, Bob	Souder	Watkins
Scott	Spence	Watts (OK)
Sensenbrenner	Stearns	Weldon (FL)
Sessions	Stokes	Weldon (PA)
Shaw	Stump	Weller
Shays	Sununu	Wexler
Shimkus	Talent	White
Shuster	Tanner	Whitfield
Sisisky	Tauzin	Wicker
Skaggs	Taylor (MS)	Wise
Skeen	Taylor (NC)	Wolf
Skelton	Thomas	Young (AK)
Smith (MI)	Thornberry	Young (FL)

NOT VOTING—14

Archer	Meek	Roukema
DeGette	Nadler	Schiff
Foglietta	Norwood	Tiahrt
Gonzalez	Pallone	Yates
Gutierrez	Price (NC)	

□ 1509

Messrs. LEWIS of Kentucky, WHITE, SANFORD, KINGSTON, and BAESLER changed their vote from ''aye'' to ''no.''

Mr. JOHN, Ms. DELAURO, Mr. PAYNE, Mr. GREEN, Ms. MILLENDER-MCDONALD, Ms. DANNER, and Mr. SERRANO changed their vote from ''no'' to ''aye.''

So the motion was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

The SPEAKER pro tempore (Mr. COOKSEY) assumed the chair.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 94. Joint Resolution making continuing appropriations for the fiscal year 1998, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

REAUTHORIZATION OF THE EXPORT-IMPORT BANK

The Committee resumed its sitting.

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 105–282.

AMENDMENT NO. 1 OFFERED BY MR. EVANS

Mr. EVANS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. EVANS:

At the end of the bill, add the following:

SEC. 10. PREFERENCE IN EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO CHINA TO BE PROVIDED TO COMPANIES ADHERING TO CODE OF CONDUCT.

(a) IN GENERAL.—Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end the following:

''(f) PREFERENCE IN ASSISTANCE FOR EXPORTS TO CHINA TO BE PROVIDED TO ENTITIES ADHERING TO CODE OF CONDUCT.—

''(1) PROHIBITIONS.—

''(A) IN GENERAL.—In determining, whether to guarantee, insure, extend credit, or participate in the extension of credit with respect to the export of goods or services destined for the People's Republic of China, the Board of Directors shall give preference to entities that the Board of Directors determines have established and are adhering to the code of conduct set forth in paragraph (2).

''(B) PENALTY FOR VIOLATION.—The Bank shall withdraw any guarantee, insurance, or credit that the Bank has provided, and shall withdraw from any participation in an extension of credit, to an entity with respect to the export of any good or service destined for the People's Republic of China if the Board of Directors determines that the entity is not adhering to the code of conduct set forth in paragraph (2).

''(2) CODE OF CONDUCT.—An entity shall do all of the following in all of its operations:

''(A) Provide a safe and healthy workplace.

''(B) Ensure fair employment, including by—

''(i) avoiding child and forced labor, and discrimination based upon race, gender, national origin, or religious beliefs;

''(ii) respecting freedom of association and the right to organize and bargain collectively;

''(iii) paying not less than the minimum wage required by law or the prevailing industry wage, whichever is higher; and

''(iv) providing all legally mandated benefits.

''(C) Obey all applicable environmental laws.

''(D) Comply with United States and local laws promoting good business practices, including laws prohibiting illicit payments and ensuring fair competition.

''(E) Maintain, through leadership at all levels, a corporate culture—

''(i) which respects free expression consistent with legitimate business concerns, and does not condone political coercion in the workplace;

''(ii) which encourages good corporate citizenship and makes a positive contribution to the communities in which the entity operates; and

''(iii) in which ethical conduct is recognized, valued, and exemplified by all employees.

''(F) Require similar behavior by partners, suppliers, and subcontractors under terms of contracts.

''(G) Implement and monitor compliance with the subparagraphs (A) through (F) through a program that is designed to prevent and detect noncompliance by any employee or supplier of the entity and that includes—

''(i) standards for ethical conduct of employees of the entity and of suppliers which refer to the subparagraphs;

''(ii) procedures for assignment of appropriately qualified personnel at the management level to monitor and enforce compliance;

''(iii) procedures for reporting noncompliance by employees and suppliers;

''(iv) procedures for selecting qualified individuals who are not employees of the entity or of suppliers to monitor compliance, and for assessing the effectiveness of such compliance monitoring;

''(v) procedures for disciplinary action in response to noncompliance;

''(vi) procedures designed to ensure that, in cases in which noncompliance is detected, reasonable steps are taken to correct the noncompliance and prevent similar noncompliance from occurring; and

''(vii) communication of all standards and procedures with respect to the code of conduct to every employee and supplier—

''(I) by requiring all management level employees and suppliers to participate in a training program; or

''(II) by disseminating information orally and in writing, through posting of an explanation of the standards and procedures in prominent places sufficient to inform all employees and suppliers, in the local languages spoken by employees and managers.

''(3) SMALL BUSINESS EXCEPTION.—This subsection shall not apply to an entity that is a small business (within the meaning of the Small Business Act.''.

(b) ANNUAL REPORT.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A) is amended by adding at the end the following: ''The Bank shall include in the annual report a description of the actions the Bank has taken to comply with subsection (f) during the period covered by the report.''.

(c) RECEIPTS OF ASSISTANCE FROM THE EXPORT-IMPORT BANK TO BE PROVIDED WITH RESOURCES AND INFORMATION TO FURTHER ADHERENCE TO GLOBAL CODES OF CORPORATE CONDUCT.—The Export-Import Bank of the United States shall work with the Clearinghouse on Corporate Responsibility that is being developed by the Department of Commerce to ensure that recipients of assistance from the Export-Import Bank are made aware of, and have access to, resources and organizations that can assist the recipients in developing, implementing, and monitoring global codes of corporate conduct.

The CHAIRMAN. Pursuant to House Resolution 255, the gentleman from Illinois [Mr. EVANS] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment to the Export-Import Bank reauthorization bill directs the Bank to provide a financial carrot for firms to adopt, adhere, and comply with their own business standards while operating in China. Under this proposal, priority for Export-Import Bank financing would be granted to firms who have pledged to avoid the use of child or prison labor, avoid discrimination based on religion, race, gender, and national origin, respect freedom of association and the right to organize, provide a safe and healthy workplace, obey applicable environmental laws, comply with U.S. and local laws in promoting good business practices, including laws prohibiting illicit payments, and assure that their business partners in China adhere to those same principles.

□ 1515

In order to qualify for this preference, firms must demonstrate that they are making a good faith effort to comply with these principles. The board of directors would evaluate a firm's qualifications based on guidelines outlined in this amendment.

Most companies are aware of these procedures because they are modeled after chapter 8 of the U.S. Federal Sentencing Guidelines relating to organizational defendants. Those guidelines were implemented in 1991 as an incentive for U.S. corporations to prevent and detect violations of U.S. laws within their organization. If a firm implements a compliance system to prevent