

HON. RON PAUL OF TEXAS IN THE HOUSE OF REPRESENTATIVES July 25, 2003

Stop Subsidizing Foreign Shrimpers

The United States domestic shrimping industry is a vital social and economic force in many coastal communities across the United States, including several in my congressional district. A thriving shrimping industry benefits not only those who own and operate shrimp boats, but also food processors, hotels, restaurants, grocery stores, and those who work in and service these industries. Shrimping also serves as a key source of safe domestic food at a time when the nation is engaged in hostilities abroad.

Unfortunately, the federal government is strangling this vital industry with excessive regulations. For example, the federal government mandates catch reduction devices and turtle excluder devices (TEDS) on the industry. Our shrimpers' foreign competitors operate without such regulations, placing them at a distinct advantage. The mandatory use of these devices also results in a significant reduction in the amount of shrimp caught by domestic shrimpers, thus damaging their competitive position and market share.

Seven foreign countries (Thailand, Vietnam, India, China, Ecuador, Indonesia, and Brazil) have taken advantage of the domestic shrimping industry's government-created vulnerabilities. These countries each exported in excess of 20,000,000 pounds of shrimp to the United States in the first 6 months of 2002. These seven countries supplied nearly 70 percent of all shrimp consumed in the United States in the first six months of 2002, and nearly 80 percent of all shrimp imported to this country in the same period!

Adding insult to injury the federal government is forcing American shrimpers to subsidize their competitors! From 1999-2002, the United States government provided approximately \$2,172,220,000 in financing and insurance for these foreign countries through the Overseas Private Investment Corporation (OPIC). Furthermore, the United States' current exposure relative to these countries through the Export-Import Bank totals approximately \$14,800,000,000. Thus, the United States taxpayer is providing a subsidy of at least \$16,972,220,000 to the home countries of the leading foreign competitors of American shrimpers!

Many of the countries in question do not have free-market economies. Thus, the participation of these countries in United States-supported international financial regimes amounts to American shrimpers directly subsidizing their international competitors. In any case, providing aid to any of these countries indirectly benefits foreign shrimpers because of the fungibility of money.

In order to ensure that American shrimpers are not forced to subsidize their competitors, my legislation forbids taxpayer dollars from being used to support Export-Import and OPIC subsidies to the countries that imported more than 20 million pounds of shrimp in the first six months of 2002.

Mr. Speaker, it is time for Congress to stop subsidizing the domestic shrimping industry's leading competitors. Otherwise, the government-manufactured depression in the price of shrimp will decimate the domestic shrimping industry and the communities whose economies depend on this industry. I therefore hope that Congress will soon stand up for American shrimpers by passing my Shrimp Importation Financing Fairness Act.