



Export-Import Bank *Another example of Crony Capitalism?*

The original (1930's) idea of the bank was to level the playing field and help good potential foreign customers buy American products, on the condition that it is U.S. goods that they're backing. Like most government programs it has been subverted over the years and is now giving favorite treatment to political friends and has gone outside the law to finance things that are not directly related to export.

Picking of winners and losers

The Export-Import Bank is told to give greater support to green projects, and to deny outright projects that involve fossil fuels, no matter how deserving the project or how compliant with the bank's charter.

Unintended Consequences

Delta Airlines objected and even went to court on the grounds that Export-Import's financing of Air India's purchase of 30 Boeing aircraft subsidized its foreign competition.

Export-Import's \$694 million provides financing of an Australian iron mine's purchases of U.S.-made bulldozers and trucks from Caterpillar, locomotives from General Electric and drilling rigs from Copco -- Iron ore extracted from Australian mines competes with U.S. iron ore for customers in the steel industry.

Out of Control

The bank no longer restricts its lending practices to foreign entities as their charter says. Among its domestic clients are the now famously bankrupt Enron and Solyndra.

The Export-Import Bank has been likened to corporate welfare that works like a Fannie Mae for exporters.

Along with the risk, a recent CBO analysis, using the comprehensive fair-value approach reports that the Export-Import bank will cost taxpayers \$2 billion over the next decade.

The upcoming Export-Import bank reauthorization debate and vote will provide the opportunity to distinguish free-market capitalism from the crony variety that has given capitalism a bad name.

The bank should not be reauthorized!

<http://www.cbo.gov/publication/45383>

<http://heritageaction.com/2014/05/heritage-expert-end-ex-im-bank-remove-wasteful-energy-subsidies/>

<http://heritageaction.com/2012/09/ex-im-bank-makes-record-breaking-5-billion-loan/>

www.cato.org/blog/will-republicans-make-principled-stand-against-ex-im-reauthorization-2014