



No. 2 Republican hates Export-Import bank

Things aren't looking good for a federal agency that helps big business export overseas, now that the incoming no. 2 Republican in the House has said it needs to go.

By Jennifer Liberto

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Rep. Kevin McCarthy told Fox News on Sunday that the private sector can do "what the Ex-Im Bank does."

The Export-Import Bank is an 80-year-old federal agency, which provides loans and guarantees to foreign countries so they can buy U.S. products.

In essence, the federal government subsidizes exports to give U.S. corporations a leg up against foreign companies, especially if they receive their own government subsidies, like those in China.

These guarantees have helped finance sales of Boeing (BA)'s 787 Dreamliners to India, Poland and Ethiopia and General Electric (GE) trains to Pakistan.

In 2012, Congress reauthorized the Ex-Im Bank for four years, and raised its loan limits to \$140 billion from \$100 billion, largely thanks to support from House Majority Leader Eric Cantor.

However, Cantor will soon be out of office after losing a primary in Virginia.

The Ex-Im bank's ability to make new loans runs out this year. Congress will vote to decide whether the bank will continue making new loans or let its borrowing authority to expire.

McCarthy's criticism of the Ex-Im Bank came in his first national television interview since his election to the job as the next House majority leader.

Conservative Republican groups like the Heritage Foundation and the libertarian Cato Institute have said the Ex-Im Bank is corporate welfare, because giant companies like Boeing, General Electric, Caterpillar (CAT) and Bechtel account for most of the dollars loaned by the bank.

Fixing education would create jobs

Big Business groups, like the U.S. Chamber of Commerce and National Association of Manufacturers, say the bank supports higher paying manufacturing jobs and helps the U.S. compete globally.

"Allowing the Ex-Im Bank to close would be a gift to our competitors and would result in the loss of manufacturing in the United States," said Linda Dempsey, vice president of international economic affairs at the National Association of Manufacturers.

The White House and the Senate have been supportive of renewing the bank's ability to make loans.