

Key conservatives oppose Ex-Im Bank

by David Harsanyi

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Conservative organizations are mobilizing to stop reauthorization of the Export-Import Bank of the United States before the institution's authority expires at the end of May.

It's about time. The Ex-Im Bank is the official export credit agency of the U.S. government. Established in 1934 by an executive order, its purpose was to finance foreign purchases of the United States. It became an independent agency in 1945.

The Ex-Im Bank is an organization that rewards private-sector companies based on their political standing rather than their economic merit—dispensing corporate welfare in an attempt to determine winners and losers. Solyndra, for instance, received over \$10 million in loan guarantees via the “Renewable Express” program, created to aid renewable energy industry companies that are unable to compete in the market.

Critics point out that Ex-Im guaranteed \$8.4 billion of loans to Boeing—or nearly the entire Ex-Im loan guarantees for 2009. The next year, Boeing was awarded \$6.4 billion in loan guarantees, or 63 percent of all its loan guarantees for the year.

As Sallie James, a trade policy analyst at the Cato Institute's Center for Trade Policy Studies, put it: “The Ex-Im Bank claims to correct market failure, but it introduces distortions into the economy and inserts politics into what should be purely commercial decisions.”

And Heritage Action for America recommended a “no” vote.

President Barack Obama would like to expand the Bank's \$100 billion finance cap by at least 35 percent. The Ex-Im Bank claims that it doesn't add to the federal deficit. Not yet. But by distorting markets and injecting still more politics into economic decisions, it does more than enough damage already.