



Rep. Bachmann: Ex-Im Bank is ‘Cronyism Financed by Tax Dollars’

By [Joseph Perticone](#)

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In one of her final speeches as a congresswoman, retiring Rep. Michele Bachmann (R-MN) voiced her disdain for the [Export-Import Bank](#), calling it “cronyism that’s financed by tax dollars.”

The Ex-Im Bank “puts American small businesses at a competitive disadvantage,” Bachmann said during a speech Wednesday at the Heritage Foundation, “enabling the rich at the expense of the poor.”

However, she explained that this was not a new or even partisan issue.

“To be fair, the love affair with big government did occur under the Bush administration. It occurred long before that, harkening back to the days of FDR and LBJ...

“Today, too many of our policies and institutions are on the opposite end of the free market spectrum. One example was in the news recently, coming from the financial services sector is this: the Export-Import Bank.

“it doesn't sound terribly sexy, but it overwhelmingly subsidizes the most politically-connected corporations in the world. Last year, a handful of Fortune 500 companies received more than half of the bank's financing.

“Nobody would care if this was a private bank, but this is a government subsidy,” she said. “It amounts to cronyism that's financed by tax dollars, and puts American small businesses at a competitive disadvantage.”

The Export-Import Bank is the official export credit agency of the United States, known for doling out large sums of money to large corporations such as General Electric, which is the beneficiary of a \$94.3 million [credit agreement](#) to export 50 locomotives to Indonesia on Wednesday.

The bank claims that the agreement will support approximately 700 jobs in the U.S. Indonesia is Ex-Im’s third-largest single-country market, with authorizations nearing \$1.2 billion.

In 2013, the bank authorized \$27.3 billion worth of loans, enabling \$37.4 billion in exports. The bank claims those loans supported nearly 250,000 American jobs.

However, between 1997 and 2013, 65.4 percent (\$93,468,763,440) of the loan guarantees Ex-Im Bank [provided](#) were to foreign organizations so that they could buy Boeing products.

Last month, CNSNews.com [reported](#) that the Cato Institute analyzed 21 industries and found that the bank imposed \$40 billion in costs on U.S.manufacturers. "Ex-Im helps some companies in some industries, but at great cost to industries across the manufacturing spectrum," the report stated.

And the Congressional Budget Office (CBO) reported in May that if the bank would be considered a \$2 billion per decade [liability](#) if it used proper accounting methods.

There have also been [reports](#) that the bank's inspector general is currently investigating at least "40 allegations of fraud by the institution's employees or its customers."

Conservative action groups had been gearing up for a fight over the bank. House Majority Leader Kevin McCarthy (R-CA) [received](#) a letter in July from Heritage Action and the Club for Growth urging him to allow the bank's charter to expire.

The letter argued for the need to "tackle the big challenges our nation faces after six years of President Obama," starting with zeroing out the Ex-Im Bank.

However, fearing another potential government shutdown prior to an election, some Republicans preferred to avoid a confrontation. "Many of us who are critical of the bank feel that the wisest course is to carry this fight into next year," House Budget Committee Chairman Paul Ryan [said](#).

In September, Congress [passed](#) a continuing resolution to keep the government funded and tacked on an extension of the bank's charter that will last until June 30, 2015.