March 29, 2019

Support the Export-Import Bank Termination Act, H.R. 1910

On behalf of our activist community, I urge you to contact your representative and urge him or her to cosponsor the Export-Import Bank Termination Act, H.R. 1910. Introduced by Rep. Justin Amash (R-Mich.), the Export-Import Bank Termination Act would abolish the Export-Import Bank, a relic of the New Deal and cesspool of cronyism.

In a 1981 speech to a joint session of Congress, President Ronald Reagan noted that most of the recipients of funding from the Export-Import Bank were “profitable corporations.” Unfortunately, not much has changed in the nearly 40 years since President Reagan gave that speech.

The Export-Import Bank has earned the nickname “Boeing’s Bank.” In FY 2014, for example, 68 percent of Ex-Im’s long-term loan guarantees and 40 percent of its authorizations went to Boeing. General Electric and Caterpillar were also among the top five of Ex-Im’s beneficiaries. While Ex-Im benefits these prominent American corporations, it does so at the expense of other American firms. By subsidizing exported products such as airliners, taxes on American-based airlines are used to subsidize their foreign competitors.

While apologists for the Bank both inside and outside of the halls of Congress claim that it supports small businesses, this claim is wholly misleading.

“By dollar value, in 2014, some 25 percent of the Ex-Im Bank’s activities benefited small businesses,” Mercatus Center economist Veronique de Rugy noted in congressional testimony. “[I]t is worth noting that the Ex-Im Bank has been caught mislabeling its data to make it look as if more lending has gone to benefit small businesses, and it has been touting small business successes of companies that were large or already successful before any involvement with the Ex-Im Bank.”
Although its rent-seeking supporters argue that the Bank turns a profit, a May 2014 report from the Congressional Budget Office (CBO) noted that Ex-Im would actually lose $2 billion between 2015 and 2024 using the fair-value accounting method.

The Export-Import Bank may be good for politically-connected businesses and K Street lobbyists, but it picks winners and losers in the marketplace at the expense of taxpayers. It’s time to send this relic of the New Deal to the grave. For these reasons, I urge you to contact your representative and ask him or her to cosponsor the Export-Import Bank Termination Act, H.R. 1910.

Sincerely,

Adam Brandon
President, FreedomWorks