



Written by [Alex Newman](#) on February 20, 2015

Communist Regime-financing Ex-Im Bank Fights for Survival

The U.S. taxpayer-backed Export-Import Bank (Ex-Im), widely criticized for [crony capitalism](#) as well as for financing communist and socialist regimes with American money, is fighting for its very survival amid scandals as a growing coalition of lawmakers in Congress works to finally shut it down. From funneling billions in “loans” to state-owned banks in Russia and Communist China, to offering the corrupt Brazilian state-owned oil giant Petrobras \$2 billion to “develop oil fields,” to hiring politically connected “green energy” cronies, the bank’s activities have come under increasing criticism on Capitol Hill. Now, with its charter set to expire this summer without congressional action, the Ex-Im Bank — originally created to subsidize U.S. exports to the mass-murdering regime ruling the Soviet Union — is sparring with the American people’s elected representatives over its fate.



Unsurprisingly, perhaps, key figures in the establishment wing of the GOP, often dubbed “RINOs” for being alleged “Republicans In Name Only,” are pushing for re-authorizing the Ex-Im Bank’s charter. Corporate welfare-loving Democrats, too, despite being in the minority in both chambers of Congress, are working to keep the controversial bank alive. Even the most extreme self-styled “progressives,” such as Sen. Elizabeth Warren, whose specialty is attacking business and markets in the quest for ever bigger and more oppressive government, want to re-authorize Ex-Im. Meanwhile, Big Business lobbyists with the U.S. Chamber of Commerce and other special-interest outfits are right now twisting arms on Capitol Hill and plotting strategies to keep the taxpayer-backed Ex-Im cash flowing to their members.

Establishment Republicans anxious to please powerful special interests have proposed “reforming” the bank in an effort to make saving it more palatable to the public. Among them is Rep. Stephen Fincher (R-Tenn.), who introduced a bill with more than 50 GOP co-sponsors, so far, to “reform” the bank while re-authorizing its charter until 2019. Last week, a coalition of Big Government-loving Democrats led by ultra-leftist Rep. Maxine Waters (D-Calif.) tried to force the House Financial Services Committee to at least consider renewing Ex-Im’s charter, but conservatives on the panel voted down their amendment. Even Obama, who [accurately described the bank as](#) “little more than a fund for corporate welfare” while on the campaign trail in 2008, is now working hard to browbeat Congress into re-authorizing the Ex-Im Bank.



Written by [Alex Newman](#) on February 20, 2015

“Bipartisan support for corporate welfare and a corporatism state provides compelling evidence that in the end, it is money and power — not ideology — that drives the DC insider establishment,” wrote Tom Borelli, a senior fellow with the pro-market group FreedomWorks. “Instead of drawing a clear policy distinction over corporatism and making the Democrats own the label of ‘the party of big business and special interests,’ Republican backers of the Ex-Im Bank are blurring the lines between the parties and tarnishing the GOP’s brand.” He said that unless conservative activists express strong opposition to re-authorizing the crony-capitalist bank, conservative members of the House of Representatives would likely be “overwhelmed” by Democrats and “ideologically bankrupt Republicans.”

Supporters of the Ex-Im Bank point out that its taxpayer-backed loan programs are contingent on the foreign entities involved purchasing U.S.-sourced goods and services. As such, the controversial bank likes to argue that it helps “support American jobs” and promote exports. Numerous other national governments also have similar institutions that subsidize some companies or government-owned “enterprises,” so the Ex-Im claims that it, too, must subsidize certain U.S. firms and foreign entities. Another argument often cited by the Ex-Im Bank and its supporters — primarily Big Business — is that rather than costing taxpayers money, it sometimes earns some revenue for the Treasury. Even this may be misleading, according to an analysis by the Congressional Budget Office forecasting that U.S. taxpayers will bear some \$2 billion in Ex-Im losses over the next decade. Plus, there is always the prospect that enough bad loans from the bank could end up putting U.S. taxpayers on the hook for many more billions of dollars.

The federal bank also harms a wide array of Americans, experts say. “Ex-Im places the 99.96 percent of U.S. small businesses that it doesn’t subsidize at a competitive disadvantage because the subsidies artificially lower costs for privileged competitors,” explained Veronique de Rugy, a senior research fellow with the market-oriented Mercatus Center at George Mason University. “Sadly, the privileges Ex-Im extends to the few come at the expense of countless American firms and their workers. Unsubsidized firms may see reduced revenues — and their employees may see their hours cut, their salaries stagnate, or their jobs simply vanish because their employers cannot compete on the uneven playing field created by the federal government....It is time for Congress to start cleaning up its house and agree to end programs that need to go away. Enough with the pretense of reform.”

Critics have also rallied against the bank in recent years citing a wide array of other arguments. For one, and perhaps most importantly, there is no authority in the U.S. Constitution for the federal government to create a taxpayer-backed bank that picks winners and losers by loaning money to foreign governments, banks, and companies. Secondly, if participants in the free-market do not consider loans to be wise enough to put private funds behind them, critics of the Ex-Im Bank say the federal government has no business putting taxpayers’ money on the line instead. And while it may be true that some businesses and jobs benefit from Ex-Im schemes, many others suffer as a result. Countless examples have been cited by experts.

Even putting those problems aside, another major concern surrounding Ex-Im Bank is its long history of subsidizing ruthless communist regimes — a sordid pattern that continues to this day. In fact, the bank was originally established in 1934 specifically to finance exports to the *Soviet Union*. Why would a U.S. taxpayer-backed bank be needed to finance exports to Moscow’s regime? Because anyone with any sense in the private sector knew better than to trust the collection of gangsters, mass-murderers, megalomaniacs, and cut-throats in Moscow enslaving the Russian people while trying to mooch off of Americans to pay for it. Numerous other brutal regimes also received Ex-Im financing under a variety of



Written by [Alex Newman](#) on February 20, 2015

pretexts.

Despite the growing uproar, the Ex-Im Bank's financing for brutal regimes that analyst say represent major national security concerns to the United States continues unabated. Between 1997 and 2013, for example, the bank provided almost \$2 billion in loans and long-term guarantees just to banks in Communist China and Russia, CNSNews.com reported, citing Ex-Im's annual reports. Among the recipients: Bank of China, the Russian Agricultural Bank, China's State Development Bank, Gazprombank, and many more. Of course, despite claims to be shifting toward what they call "state capitalism," the banking "industries" in both Russia and Communist China remain entirely dominated and largely owned by the respective regimes.

"I don't think Ex-Im subsidies to Chinese and Russian banks or State-Owned Enterprises constitute good uses of taxpayer resources," Dan Ikenson, the director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies, told CNSNews.com. "But, believe it or not, Ex-Im does partner with foreign export credit agencies to fund export sales and infrastructure projects even though the primary rationalization for having Ex-Im in the first place is to counteract the advantages provided to foreign businesses by those export credit agencies. It's a complete sham." In a report about Ex-Im's victims, Ikenson also noted that the bank causes "substantial" "collateral damage" to many American companies.

More recently, the Ex-Im Bank offered \$2 billion to Petrobras, an oil conglomerate owned primarily by the [corruption-plagued, Marxist-Leninist-dominated Brazilian government](#), currently headed by former communist terrorist and close Castro ally Dilma Rousseff. A series of scandals in recent years surrounding the state-owned giant, which has [also counted billionaire Obama ally George Soros among its investors](#), revealed that Petrobras was being used by Rousseff's extremist "Workers' Party" to bribe politicians and help finance more socialist scheming in Brazil and Latin America. Aside from the national security concerns, U.S. lawmakers lambasted Ex-Im for funding Brazilian government oil exploration even while the Obama administration was working to shut down as much American energy production as possible and destroy Petrobras' U.S. competitors.

A growing chorus of critics from across the political spectrum is calling on Congress to finally let the Ex-Im Bank's charter expire as a first step to reining in cronyism, corruption, market distortions, and the financing of hostile foreign governments with U.S. taxpayer money. However, despite the mass opposition, unless the American people speak out loudly and clearly against Ex-Im and corporate welfare, analysts say the alliance of politicians in the pockets of Big Business and Big Government may yet succeed in re-authorizing the taxpayer-backed boondoggle.

Photo of containers at a deep-water port in Shanghai, China: AP Images

Alex Newman is a correspondent for The New American, covering economics, education, politics, and more. Follow him on Twitter [@ALEXNEWMAN_JOU](#). He can be reached at:

anewman@thenewamerican.com

Related articles:

[Crony Capitalists Rally for ExImBank Subsidies to Mega-Corporations](#)

[Ex-Im Bank Now Hot Issue in Congressional Campaigns](#)

[Obama Commits American Support to Brazilian Oil](#)



Written by [Alex Newman](#) on February 20, 2015

[Resistance to Renewing Ex-Im Bank Charter is Growing](#)

[Obama's About-face on Ex-Im Bank Recalled](#)

[Congress to Grill Ex-Im Bank Chairman Over Corruption Charges](#)

[Does the U.S. Chamber of Commerce Equal Crony Capitalism?](#)

[After Brazil Election, Obama Vows Closer Ties With Radical Ruler](#)

[The Real Green in Fedgov's "Green Energy"](#)

[Obama Fundraiser Is Winner in Solyndra Bankruptcy Ruling](#)



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

Subscribe