



Export-Import Bank: Let it Die!

Congressman Jeb Hensarling (R-Texas) is leading the campaign to let the Export-Import Bank expire. If Congress doesn't formally reauthorize its existence by June 30, it will no longer be providing loans to foreign firms and governments who buy products from Boeing, General Electric, John Deere, and numerous other establishment-favored U.S. firms. Hensarling chairs the House Financial Services Committee, where he has become a determined foe of the Bank.

The Ex-Im Bank began courtesy of an executive order signed by President Roosevelt in 1934. (Unconstitutionally making law with the stroke of a pen isn't something new!) Originally, its chief beneficiary was the murderous cabal running the Soviet Union. During the emergence of Communist China as an economic powerhouse in the 1980s, the Bank provided millions to the Beijing regime. Example: In September 1982, the Reagan administration approved a loan of \$68.4 million to finance the building of a steel mill in the People's Republic. Reagan approved the deal by signing a document stating that the transaction was "in the national interest of the United States."

Similar deals had already been approved by the Nixon administration for Communist Russia, by the Ford administration for Communist Yugoslavia, Romania, and Poland, and by the Reagan administration for these same Communist tyrannies. Simply put, the Ex-Im Bank has been one of communism's best friends.

Supporters of the Bank claim that it actually earns money for the U.S. Treasury when loans are repaid with interest. If these deals are profitable, why is a government-run bank needed? Wouldn't private megabanks be willing to provide the cash if a profit were available?

Three years ago, Congressman Tom McClintock (R-Calif.) made good sense when he opposed reauthorization of the Bank: "The Export-Import Bank dragoons American taxpayers into subsidizing loans to foreign companies making it cheaper for them to buy products from politically favored American companies." He noted that past beneficiaries included "such upstanding enterprises as Solyndra and Enron," both of which turned out to be expensive failures paid for by U.S. taxpayers.



Written by [John F. McManus](#) on June 24, 2015

Beyond the benefits reaped by U.S. mega corporations, Ex-Im has helped to fuel the transfer of numerous industrial enterprises from the United States to foreign nations. The jobs of many Americans have been lost and American manufacturing leadership has continued to fade away, partly due to the work of the Ex-Im Bank.

Hardly anyone wants to ask where in the U.S. Constitution an entity such as the Ex-Im Bank derives its authorization. As is the case with so many other federal agencies and departments, there is none. This year may see the end of Ex-Im making new loans as it winds down existing outstanding business and soon closes its doors. No congressional action is needed. It should be allowed to die.

John F. McManus is president of [The John Birch Society](#) and publisher of The New American. This column appeared originally at the [insideJBS](#) blog and is reprinted here with permission.



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.



[Subscribe](#)

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.