



Stop the Coup 2025

a public education and mobilization campaign

Chapter 23. Export-Import Bank.

- **The Export-Import Bank Should Be Abolished.** Author *Veronique de Rugy is the George Gibbs Chair in Political Economy and Senior Research Fellow at the Mercatus Center at George Mason University and a nationally syndicated columnist, and blogger for National Review Online's The Corner.*
- **The Case for the Export-Import Bank.** Author *Jennifer Hazelton is a former US Congress communications director, and award-winning Fox News Channel and CNN news journalist. She is a former senior strategic consultant for the DOD in Industrial Base Policy; and had senior positions at USAID, the Export-Import Bank of the US, and the State Department.*

In this chapter, two conservative authors take different views of the value of the Export-Import Bank, or EXIM [*also The Bank*], a federal agency established in 1934. The EXIM was created to provide export subsidies through taxpayer-backed financing to private exporting corporations, as well as to foreign companies buying US exports, for the purpose of promoting American exports, creating jobs, supporting small businesses, improving US competitiveness, and protecting US taxpayers. (In plain language, an export subsidy is direct or indirect government payment or targeted tax cut given to a firm, industry, or business to help its export performance.) The Bank offers loan guarantees, working capital guarantees, direct loans, and export-credit insurance.

Political economist de Rugy takes a dim view of the EXIM, calling for it to be abolished, because, she writes, it is “a protectionist agency that picks winners and losers in the market by providing political privileges to firms that are already well financed. By doing so, it risks taxpayer funds as it stymies economic growth.” In 2015, The Bank became incapacitated and has not recovered, she argues. She calls it an example of “government-granted privilege” that doesn’t create or maintain jobs, or really promote exports -- despite its original mission. In her view, subsidy-boosted exports do not boost economic growth. It doesn’t support small businesses and is not a good deal for taxpayers, she argues.

Most importantly, the EXIM is not preventing China from dominating the global market with its subsidies and she is not convinced it will boost American jobs and manufacturing. “The goal of using EXIM as a weapon against China was a bad idea in the first place,” she adds, concluding, “Economic fights and national security fights are not won with subsidies.”

Hazelton disagrees. “EXIM provides a mechanism that American companies can use to vie for projects that would otherwise be out of reach,” and “the banking industry won’t finance because of risks associated with the host country,” she says, arguing for the Bank’s merit. “The truth is that EXIM provides financing only when the private sector will not or cannot (a concept known as additionality).”

Regarding China, the EXIM is, or could be, a weapon for the US. “Export credit is a strategic weapon in China’s whole-of-government approach to enhance its global power, economic might, and national security,” she states. If the EXIM is eliminated, she worries, this “leaves an unchecked China with a wide-open field to claim jurisdiction over swaths of ocean and shipping lanes, expand its economic influence, and create major changes in the global balance of power.” America would be foolish, she states, to “relinquish EXIM as a powerful tool in America’s asymmetrical warfare toolbox.”

STC 2025 Commentary: Conservatives have long criticized the Export-Import Bank, which enjoyed decades of bipartisan support and strong backing from the US business community. Critics view it as an example of “crony capitalism,” dubbed it “the Bank of Boeing,” for its long support of the airline company. When Congress failed to renew its charter in 2015, the debate intensified -- a victory for the Tea Party, among loud EXIM critics. Its members oppose any role for the federal government and EXIM represents a private-public partnership, while they back unfettered capitalism and free markets.

Those who see value in the Bank, like Hazelton, argue that American manufacturers need financial help to compete in critical markets like trains, aircraft, nuclear reactors, and earth-moving equipment against foreign companies in China and elsewhere who get generous export credit backing from foreign agencies. Losing the bank risks ceding important economic power to China -- something the US must avoid.

Chapter 23 - Key Points:

Anti-Bank position:

- ✓ Eliminate the Bank: it’s a protectionist agency that stymies economic growth
- ✓ Conservatives want to lower the federal government’s role in economic markets

Pro-Bank position:

- ✓ The Bank helps US industries compete in critical markets against foreign companies who are backed by export subsidies -- leveling the playing field and protecting US interests

Failure to support the Bank gives China a “wide open field” to control ocean and shipping lanes, expand its economic influence and global power