

**Remarks by Chairman Fred P. Hochberg  
New England Council  
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*As prepared for delivery*

Good afternoon. It's a pleasure to be here in Boston.

I want to begin today by giving you a little assignment. If everyone here today who has access to a pen and some paper could take it out—if you don't have anything handy, you can look on with a friend.

I want you all to draw a dollar sign—just two bars, and an 'S' wrapped around them. Now look at it. Does it mean anything to you?

This is a room full of smart people—but I'm willing to bet that not many of you here have given much thought to what that symbol means. I want to tell you what I see when I look at the dollar sign. Not all historians agree on this, but it's my favorite theory.

Long before Columbus and others set sail for the New World, legend held that on each side of the Strait of Gibraltar was a pillar—one in southern Spain; one in northern Morocco. The story went that on each of the pillars was an inscription intended to warn sailors who were thinking of venturing out into the unexplored Atlantic.

The inscription read: *Nec Plus Ultra*. Translated from Latin, it means “nothing further beyond.”

You see, for many centuries, most Europeans believed that there was nothing out there beyond the water's edge. That all changed, of course, when Columbus reached the Americas on what I sometimes call 'Europe's first trade mission.'

When word got back that there *was* in fact something out there, King Charles decreed that the old saying—*Nec Plus Ultra*—would be changed simply to *Plus Ultra*: “further beyond.”

The image of the two pillars—with a ribbon wrapped around them in the shape of the letter 'S,' bearing the words *Plus Ultra*—became the inspiration for the dollar sign.

It's still one of the world's most enduring symbols. And the message of *Plus Ultra* still reminds us that opportunity and prosperity aren't confined within our own borders. They can be found further beyond—if we're willing to remove our self-imposed barriers, and venture out into the world.

At Ex-Im, we equip American exporters with the tools they need to venture out, *plus ultra*, to new frontiers, and to create new American jobs. And, by breaking down barriers to financing, we level the playing field for U.S. businesses as they face off against stiff

foreign competition.

Now, if there's one thing the New England Council knows about, it's looking further beyond.

You've demonstrated time and again that you understand what it takes to grow the American economy and spur job creation. Not surprisingly, you were instrumental in helping to convince all six New England governors to sign a letter in support of Ex-Im. Anyone who's familiar with the ideological spectrum that runs between, say, Governor Patrick and Governor LePage knows that getting this particular group of six to agree on *anything* is a tall order.

Although, when the issue in question is something as commonsense as supporting more American jobs through exports, you really have to contort yourself to come up with a reason to be against it. And we've seen plenty of contortions lately down in Washington.

So the first thing I want to do today is say thank you to Jim and the entire organization on behalf of the millions of Americans who earn a living through export-backed jobs.

To give you an idea of how Ex-Im works with American companies, I thought I'd start by talking about a project we did with Dow Chemical. In Saudi Arabia, we financed a joint venture between Dow and Saudi Aramco called the Sadara Project—which I had the opportunity to visit a few months ago. This is a \$20 billion petrochemical complex made up of 26 plants—the largest of its kind ever built in a single phase.

Some of the financing was from commercial banks, and some was from foreign export credit agencies. But Ex-Im came through with a 12-year, \$5 billion loan with an all-in interest rate of about 2.5 percent.

The U.S. portion of this project didn't start at \$5 billion—it began at about a quarter of that. But we worked with the project partners to move more of Sadara's supply chain to the U.S. And, believe me, Korea was pulling out all the stops to win that sourcing.

The result? More than 18,000 jobs at 70 American companies—and, most importantly, \$600 million is going directly to U.S. small business exports. And some of those businesses are right here in New England.

The butterfly valves used for the project are manufactured not far from here, in Shrewsbury, Mass. The expansion joints are made up in Lewiston, Maine. The truck weight scales come from Seymour, Connecticut.

Up and down the supply chain, small businesses are benefitting from new orders and adding new jobs.

Think about that: this project supports the construction of an enormous chemical complex halfway around the world. But nowhere is its impact being felt more than on the main

streets of American communities that are home to those small business suppliers.

In fact, Sadara is supporting more jobs than any other transaction in our 80-year history. Those are jobs that, without Ex-Im, could very well have ended up about 7,000 miles away from here rather than just down the road.

And when you add up all the jobs Ex-Im has supported over the last five years, you get 1.2 million. That means 1.2 million families are now enjoying a little more security and financial freedom. And it means countless communities have been made stronger thanks to the presence of thriving local businesses.

Now, the Sadara Project isn't just a prime example of the work we do at Ex-Im—it also speaks to America's ability to compete in an increasingly challenging environment.

Last month, we released our annual Competitiveness Report to Congress, which details some of the hard truths that America faces in the global arena.

To begin with, nearly every country has discovered a little secret about global economics in 2014: exports make you stronger. When your exports are flourishing—when you're leading the race to seize opportunities to serve the rising global middle class—that translates to robust job growth back home.

Every country understands that. But not every country wants to play by the rules.

There are about 60 other export credit agencies around the world. Not one of them is held to the same standards of accountability or transparency as Ex-Im.

Of course, we don't mind being held to the highest of standards. That's how we ensure that we're continuing to be good stewards for the taxpayers. But not everyone is quite so principled.

For many decades, global trade support was governed by an international agreement that encouraged fair, responsible financing. But the world changed—something not everyone debating the merits of Ex-Im seems to understand.

As recently as 1999, nearly 100 percent of official trade support worldwide abided by international rules. Five years later, that number was down to two-thirds. And by last year, it had plummeted to just one-third, with no end in sight.

In 15 years, we moved from 100 percent of official financing being rules-based and transparent to about a third. The result: Russia, China, and other countries frequently offer financing that's so aggressive, factors like quality and price—the things you *should* be competing on—are often rendered afterthoughts.

When I was in South Africa earlier this summer meeting with a buyer of both American and Chinese products, he told me something that, unfortunately, has become all too

common. He said that when China comes to the table, there's never any question that financing will be part of the deal. The only question is: "do you want a 10-year subsidized loan, a 15-year subsidized loan, or a 20-year subsidized loan?"

If you listen to some people in Washington, you'll hear the term 'crony capitalism' thrown around a lot. You want to know what real crony capitalism looks like?

It looks like the government of China supporting state-owned enterprises with opaque subsidies and outrageous financing terms.

*That's* crony capitalism. And it has nothing in common with what we do at Ex-Im.

But that's what we're up against. And it's what *you're* up against when you bring your goods and services into the global marketplace.

So if you're one of America's large employers, that means that no matter how innovative your products are, you're not competing against other innovative products. You're competing against liberal long-term guarantees and escalation caps on pricing.

If you're one of America's dynamic small businesses—like Parlee Cycles, a custom bicycle designer out in Beverly I had the chance to visit with this morning—it means that no matter how much quality you pour into your goods, you're not competing against other quality goods. You're competing against aggressive subsidies and low pre-payments promised by foreign governments.

American businesses can compete against any business in the world. But they shouldn't have to compete against 'China, Inc.'

That's exactly why Ex-Im exists. We help create the conditions for an above-board, free market global competition.

You know, I was in China a couple of weeks ago, meeting with business and government leaders. At the U.S.-China Strategic and Economic Dialogue, we discussed issues ranging from the value of the Yuan to cybersecurity. But when the Treasury Secretary spoke, you know what he mentioned first, out of all those issues? Export credit.

One day while I was there, I had the opportunity to tour a tea plantation in Hangzhou. And, as I walked through it, believe it or not, I thought about Boston.

Because, as you may know, it was actually Chinese tea that was thrown into the harbor at the original Boston Tea Party in 1773. Many of our founders were enamored of Chinese industry and culture, and leaders like Jefferson and Franklin sought to learn all they could about how the empire operated.

That was 241 years ago. I think we can say with confidence that the integrated global economy is here to stay.

America can lead that global economy. We have the best products, the best services, and the best ideas.

But the world today requires more than that. It requires us to keep our head out of the sand when it comes to global trends. And frankly, that's why Ex-Im's reauthorization is so important.

As I mentioned, we've supported 1.2 million U.S. jobs over the last five years. And, last year, we ran a surplus of one billion, 57 million dollars for the American taxpayers. I was so proud of that number—one-zero-five-seven—I made it the password to my iPhone. I hope you'll keep that just between us.

We provide irreplaceable support for thousands of businesses here in New England and across the country—and nearly 90 percent of our customers are small businesses.

That's the reality. But reality just isn't good enough for our opponents.

At a time when every other country is gearing up—America alone is having a debate about standing down.

U.S. companies can't afford to lose business and jobs due to uncertainty over Ex-Im's future. That message needs to be heard loud and clear around the country.

And the NEC has been doing a great job of spreading that message. I only wish we had an NEC in the mid-Atlantic, the South, the Midwest...

And I hope you remember that as we get closer and closer to the expiration of our charter on September 30<sup>th</sup>, which is 68 days from now—but who's counting?

We want to continue to work with you to support America in growing even stronger over the next five years—and beyond.

Thank you. And now, I'm happy to answer some questions.