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My view: Utah has an export-import problem

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Export-Import Bank exists, your tax dollars will be used to prop up a few lucky businesses, both here and abroad. The bank's future will be decided this summer by Congress.

Thank you, Utah taxpayers, for agreeing to finance billions of dollars in loans to companies in foreign businesses. They need it much more than you do.

No, this isn't a scam. As long as the federal Export-Import Bank (Ex-Im) exists, your tax dollars will be used to prop up a few lucky businesses, both here and abroad. With the bank's future set to be decided this summer by Congress, it's up to your representatives in Washington to let this obvious example of corporate welfare expire.

Congressman Chris Stewart and newly elected congresswoman Mia Love have not yet had a chance to weigh in on this issue. If they knew how harmful Ex-Im was for Utah's economy, it would be an easy decision not to support the bank.

Ex-Im was created with intention of leveling the playing field for U.S. exports. It uses taxpayer money to back guarantees and loans to foreign companies seeking to buy American products. Its supporters — the businesses that benefit from it — claim that our economy couldn't survive without it.

If you have to look at just one statistic, it's this: [98 percent](#) of U.S. export activity occurs without Ex-Im involvement.

That number is important for two reasons. First, it shows that Ex-Im is anything but necessary to the American economy. And second, if Americans knew the real economic cost of the 2 percent of exports that occur with Ex-Im involvement, we would want to end Ex-Im immediately.

The bank exacts a terrible price on the rest of the economy, including in Utah. Because of Ex-Im's preferential financing, many foreign companies have an advantage over our local businesses. Some of Utah's crucial industries are hurt by this disadvantage. Gold was Utah's biggest export last year — [over 30](#) percent of state exports. Because of Ex-Im, Utahns' tax dollars support loans for gold producers in Peru, Mauritania and other, undisclosed countries.

Food production, another major Utah export, is estimated to suffer costs of over [\\$135,000,000](#) per year due to Ex-Im, according to the Cato Institute.

That's just two of hundreds of industries hurt by the economic aftershocks of the bank. No wonder numerous American businesses have criticized the bank for killing jobs in their industries.

The bank's other claims are just as problematic. Does Ex-Im really help small businesses? In 2013, most of Ex-Im loans — [93](#) percent — supported just five major companies. Ex-Im proudly touts its support for small business, but by its own definition, businesses with [1,500 employees](#) are considered “small.”

[Reuters](#) found that some of these supposed small businesses are actually subsidiaries of huge multinational corporations, such as those owned by Warren Buffett. He's no struggling small business owner.

Does the bank make money for the taxpayer? The [Congressional Budget Office](#) found that Ex-Im is only profitable so long as it uses questionable accounting gimmicks. When analyzed using standard accounting methods, Ex-Im actually costs taxpayers over [\\$200](#) million per year.

Worst of all, Ex-Im sends your money to nations with questionable records. The bank has a history of guaranteeing loans for businesses involved with dictators and human rights-violating regimes. Ex-Im gave funding to Iraq while it was run by [Saddam Hussein](#), and entertains requests by Russian oligarchs for funding to buy [private jets](#). Other unstable recipients include Saudi Arabia, China and Venezuela.

Utahns shouldn't be forced to foot the bill for this any longer. When Ex-Im's charter expires this summer, your representatives in Washington should make the right choice and refuse to renew it. By eliminating Ex-Im, they can show that Washington shouldn't be picking the economy's winners and losers.