

# THE NEWS & OBSERVER

## **An easy way to fight corporate welfare: kill Ex-Im Bank**

By Donald Bryson

May 29, 2015

Ending the U.S. Export-Import Bank should be the easiest thing Congress does this year. This little-known federal agency uses our tax dollars to give loans and other financial assistance to foreign corporations that pledge to buy American products. By padding corporate profits at taxpayer expense, Ex-Im is the very definition of the corporate welfare that every politician claims to oppose.

The good news is the bank's charter is set to expire in June. The bad news is corporate lobbyists are hard at work making sure this crony program is reauthorized. Congress – especially our state's freshman and sophomore U.S. representatives who don't yet have a voting record on Ex-Im – should stand with taxpayers and see to it that the bank is finally brought to an end.

While our tax dollars shouldn't go to any corporation, regardless of whether it is based in the United States or abroad, the bank's list of foreign clients raises a number of red flags.

Since 1997 Ex-Im has given billions of dollars in direct loans, guarantees and insurance to countries like China, Russia and Venezuela, among others. Many of the recipient companies are also state-owned, meaning our tax dollars are directly helping foreign governments.

Here at home, the bank's main beneficiaries are a handful of America's largest corporations. In 2013, for example, 93 percent of Ex-Im's loan guarantees benefited just five U.S. companies, all of which already make millions or billions in annual profits.

Unsurprisingly, these same companies are now lobbying our representatives to keep the bank alive. We don't need the federal government to use our hard-earned money to benefit a select few companies that have shaken the right Washington hands.

How much does this corporate welfare cost you and me? The bank has taxpayers on the hook for a total of \$112 billion. Most of that will be repaid – but not all of it. According to the nonpartisan Congressional Budget Office, Ex-Im costs taxpayers roughly \$200 million a year, adding \$2 billion to our national deficits over the next decade.

The federal government is already \$18 trillion in debt. Sending our tax dollars to some of the world's largest corporations is the last thing we need.

For one, Ex-Im supports less than 2 percent of total U.S. exports, making it anything but vital. If the other 98-plus percent of American exporters have figured out how to do business without government handouts paid for by you and me, others should be able to do the same.

Ex-Im supporters' claims of job creation are also more fiction than fact. In providing below-market financing to foreign companies, the bank provides them an unfair advantage when they compete with U.S. businesses overseas. The result is lost American jobs. A study by the Cato Institute found this is especially true with North Carolina's manufacturing industry, which was rated one of Ex-Im's seven largest victims.

Claims of economic growth have also been debunked. If anything, Ex-Im actually hurts the U.S. economy. Economists at the World Trade Organization found that government subsidies like those doled out by Ex-Im have a "decidedly negative" impact on the economy. So much for that.

The Export-Import Bank is nothing more than corporate welfare that pads big businesses' profits at our expense. Our economy and jobs will be just fine without it – in fact, they'll be better off. Now we just need Congress to do the right thing and let Ex-Im expire.