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Op-ed: Ex-Im Bank is corporate welfare for a narrow group

By Christine Harbin-Hanson

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Defenders of Washington's corporate welfare are now working overtime to protect their special favors. One of the biggest purveyors of those favors, the U.S. Export-Import Bank, is set to expire this June. To keep the tax dollars flowing, bank supporters have been on a charm offensive to make sure that Congressional representatives toe the line and reauthorize the bank.

But they're running into a roadblock. Thankfully for hard-working Utah taxpayers, Utah's congressional delegation isn't buying it. As of this week, every Utah representative and senator is on record opposing this little-known federal agency, which actively harms the economy in Salt Lake City and across the state.

Although the Export-Import Bank works with only 2 percent of American exports, taxpayers in Utah and across the country are responsible for providing its financial banking. As a result, you are forced to finance Ex-Im's corporate welfare, which kills jobs, adds to the national deficit and hurts many local businesses.

The Ex-Im Bank is an antiquated New Deal program. It provides financial support for select overseas businesses that purchase goods and services from American exporters. It also provides insurance for the American exporter in these transactions, in case a deal goes bad.

That may seem like a helpful service for these lucky companies, but it doesn't work so well for the businesses that aren't involved. In giving foreign companies preferential financing to purchase American-made equipment, Ex-Im actually harms local businesses. Most Utah manufacturers don't get the benefit of cheap Ex-Im financing when they're looking to purchase capital.

Key Salt Lake City industries such as information technology, food services and mining operations outside the city suffer losses because of Ex-Im's support for their international rivals. As the Cato Institute puts it, "Ex-Im's operations essentially rob Peter to pay Paul." Cato's research shows that for every U.S. company that benefits from having its trade subsidized, another company suffers. This costs the national economy \$2.8 billion per year.

And it hits close to home. One of Salt Lake City's largest employers is Delta Airlines, a major Ex-Im victim. Delta has been particularly vocal about how Ex-Im hurts them, warning that Ex-

Im cost the airline industry at least 7,500 jobs and \$684 million per year because of the bank's help for foreign airlines.

Ex-Im supporters won't address these negative economic side-effects when they talk with Congress or to the public. Instead they'll say they support U.S. jobs and add to the Treasury. But these claims are cherry-picked, at best.

In 2013, 93 percent of Ex-Im loan guarantees benefited only five large corporations. Reuters found that many of the "small businesses" that do get Ex-Im's help are actually subsidiaries of multinational corporations.

And contrary to its claims of turning a profit for taxpayers, the non-partisan Congressional Budget Office reports that Ex-Im will add \$2 billion to the deficit over the next decade.

The bank even deals with state-owned businesses in human rights-violating nations like Saudi Arabia, potentially violating the conscience of the taxpayers who back it.

Utahns can't do anything about how Ex-Im misuses their hard-earned tax dollars, but their representatives in Congress can and will. With Utah's whole Congressional delegation taking a principled position against the bank, it now falls to leaders from other states to follow their example. And it's an example every Utahn can be proud of.

Nobody should be forced by the federal government to harm their local economies for this obvious example of corporate welfare. Despite what the bank's defenders will tell lawmakers in Washington over the next few weeks, Congress should stand with Utah and break the bank.