

Zinke wrong to support Export-Import Bank revival

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Should taxpayers be on the hook for billions of dollars every year in handouts to well-connected corporations in Saudi Arabia, China, and Russia? Apparently Congressman Ryan Zinke of Montana thinks so.

Recently, Congressman Zinke joined a congressional push to bring back the U.S. Export-Import Bank, a little-known government agency which gives major businesses and their foreign trade partners billion of dollars in taxpayer loans each and every year.

Congress gave taxpayers a victory by shuttering the Export-Import Bank this summer. But if you listened to the lobbyists, reporters, and academics leading up to the Export-Import Bank's closure, you'd have expected the bottom to fall out of our economy the second its doors were shuttered.

But then, the Export-Import Banks charter expired and well ... nothing happened. The sky never fell. The economy didn't collapse. And frankly no one but Washington, D.C., insiders even noticed the bank had closed up shop.

But this should come as a surprise to no one. Montana taxpayers pay a huge price to support the Export-Import Bank, but in total receive almost zero benefit — in fact, the program only supported 0.1 percent of Montana's exports last year.

The Export-Import Bank is corporate welfare at its finest. Ex-Im's purpose was to offer financing that encouraged the sale of American exports. In practice, Ex-Im's support for American companies extends to a small group of well-connected, highly profitable companies. For example, 87 percent percent of Ex-Im loan guarantees went to just three companies in 2013.

And guess where much of Ex-Im's overseas subsidies went? Between 2007 and 2014, 18 of the major foreign business partners Ex-Im subsidized were state-owned corporations in places like Saudi Arabia, China and Russia.

It's hard to disagree with President Barack Obama when he once called it "little more than a fund for corporate welfare."

It's bad enough that taxpayers are on the hook for all this, but it gets worse — these sweetheart deals guarantee profits for some “lucky” American exporters and their foreign partners, but they weaken our economy in the process and impose real costs nationwide.

Because the Export-Import Bank picks winners and losers that the market wouldn't otherwise support, it puts some exporters at a disadvantage to others — and it's hurting Montana's major sources of export growth.

Montana's chemical, semiconductor, metals and food export industry make up the bulk of our exports — yet studies from the nonpartisan Cato Institute show those industries are precisely the ones most hurt by the Export-Import Bank, losing tens of millions of dollars to its competitors every year.

So why is our own Rep. Zinke supporting this? He should be on our side, not the side of our foreign competitors.

That's especially true when you consider that Ex-Im is losing money for the taxpayer. The Congressional Budget Office pegged the bank's losses at \$2 billion over the next decade. And that's assuming nothing goes wrong with the bank's \$112 billion portfolio.

It's exactly the type of politics America, and Montana, has gotten tired of: policies where the few at the well-connected top benefit at the expense of everyone else at the bottom.

Not only is the Ex-Im bank unfairly picking winners and losers, but it is doing so at the expense of hardworking Montanans. We deserve better.