



## Trump may be ditching conservatives on one of the issues they care about most

Max Ehrenfreund

February 9, 2017

President Trump has committed to supporting a government program that has been major target of conservative criticism for years, according to two Democrats who met with him Thursday.

Trump signaled support for the Export-Import Bank, a small but controversial government agency that subsidizes American exporters, the Democrats say. For years, Republicans in Congress and their allies have taken aim at the agency, which they say represents the epitome of government intervention in the free market. Opposition to Ex-Im was a rallying cry for tea party activists and a litmus test for conservatives in Congress. Trump himself called the bank unnecessary.

But on Thursday, the president told lawmakers he wants the Ex-Im Bank to continue subsidizing exports, said two Democrats who met with him, Sens. Heidi Heitkamp (N.D.) and Joseph Manchin III (W.Va.).

"I favor it. I want to get it done, get it working," Manchin recalled Trump saying Thursday. "He said, 'I had not been in that position. I changed that position once I understood the disadvantage we were at in competing globally and what it means to the jobs here in America.' "

Heitkamp offered a similar account of the meeting.

Later Thursday, a White House spokeswoman declined to confirm that account. "There are multiple options on the table, but I don't have any more specific details," said White House deputy press secretary Lindsay Walters.

The Export-Import bank helps U.S. exporters sell their products abroad but has been unable to act for over a year due to opposition from GOP lawmakers. The bank's significance for the federal government's bottom line and for the U.S. economy overall is relatively small in terms of dollars, but conservative lawmakers have made the bank into a symbol of what they say is Washington's cozy — and wasteful — relationship with big business.

"This is a profound debate we are having," House Speaker Paul D. Ryan (R-Wis.) said in 2015, arguing that the bank's operations should be suspended. "It is about what kind of economy we are going to have," he added.

Supporting the bank would be consistent with Trump's general view that Washington must act to help American manufacturing compete internationally, a governing philosophy that has set him at odds with Republican free-market orthodoxy.

Conservative lawmakers shut down the bank for five months in 2015. Congress eventually reopened the bank, but for months, it has been unable to offer guarantees worth more than \$10 million because there are only two people on the bank's board. Sen. Richard Shelby (R-Ala.) has prevented Congress from confirming new members.

Trump pledged to nominate another member to the board, according to Heitkamp. A third member would establish a quorum, allowing regular lending to resume.

"It's great news he agreed and said he would nominate someone to serve on the Ex-Im Bank Board very soon so the agency — which has been stalled for a year — can fully function and keep supporting American workers and small businesses," the senator said in a statement.

If Trump does follow through on what the Democrats say is his position on the Ex-Im Bank, it would represent a change of mind for the president that will put him at odds with Republicans in Congress. Many of them have denounced the bank's lending as undue interference in the free market and called for its termination.

Early in the presidential campaign, Trump suggested he was against the bank.

"I don't like it because I don't think it's necessary," Trump told Bloomberg in 2015. He called the bank "feather bedding" for "a few companies — and these are companies that can do very well without it."

Last year, however, Trump was ambivalent, saying that corporate leaders were persuading him of the bank's importance.

"The standard conservative thought is to reject it," Trump said in that interview.

The bank subsidizes exports by offering direct loans as well as credit guarantees to foreign companies buying American products. The bulk of the loans subsidize a few major companies. Fifty-seven percent of the bank's lending went to five corporations in 2013, according to an analysis by economist Veronique de Rugy.

Boeing alone received \$8.3 billion in guarantees and other support, de Rugy found — about a third of the total.

"It's just the principle," said Simon Lester, an attorney at the libertarian Cato Institute.

"It's such a pure example of the problem that we see, even though the amounts are not as high as other programs out there," he added. "You don't need the government to fund Boeing on its export sales."

Proponents argue that foreign countries have similar public lenders of their own, and that as long as the Export-Import Bank is crippled, U.S. firms will be at a disadvantage.

"If international customers of tractors, turbines, airplanes or satellites can't get financing from the United States, they'll simply take their business elsewhere to one of the dozens of other countries with similar export-credit assistance," Boeing chief executive Dennis Muilenburg said last year.