

## Cantor's Defeat Has Republicans, Big Business Worried About A Tea Party Takeover

By: Kathleen Caulderwood  
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Just minutes after he defeated House Majority Leader Eric Cantor in Virginia's Republican primary, Tea Party-backed David Brat thanked God for the "unbelievable miracle" of his victory. More importantly, he explained what makes him different from his opponent -- and what's worrying big business.

"The issue is the Republican Party has been paying way too much attention to Wall Street and not enough attention to Main Street," Tea Party-backed insurgent Dave Brat said just minutes after he defeated House Majority Leader Eric Cantor in Virginia's Republican primary on Tuesday.

Then, he thanked God for the "unbelievable miracle" of his victory, emphasizing what he wants to change how the GOP does things. Earlier this month, he [promised](#) to "fight to end crony capitalist programs that benefit the rich and powerful."

Brat's statements highlight a growing divide in the Republican Party that is making the American business community very nervous, signaling an ever-growing disquiet among Republican voters on everything from the federal budget to public spending, which could be a destabilizing force for markets and the economy.

"Cantor has been a key connection between big business and House Republicans, while his opponent campaigned against 'crony capitalism,'" said David Boaz, vice president of libertarian think tank Cato Institute.

"David Brat's election strengthens the libertarian-populist push against business subsidies and 'too big to fail.' Unfortunately, Cantor's defeat probably also dooms any prospect for immigration reform in this Congress, and all businesses will have reason to regret that," he added.

The Export-Import Bank, an independent federal agency that aims to boost American exports through credit and loans to foreign companies, was another favorite of Cantor's. While many Republicans like him favor the bank's policies, the more conservative partisans see it as unnecessary corporate welfare. That debate has only grown more tense ahead of a vote for its reauthorization scheduled for Sept. 30.

Possible Cantor successor Jeb Hensarling falls into the latter group. The Texas congressman voted against reauthorizing the bank in 2012, saying that "many taxpayers feel that it is indeed time to [exit the Ex-Im](#)."

"I believe it is a defining issue for our party and our movement," said Hensarling during [a speech](#) at the Heritage Foundation in May. "There is probably no better poster child of the Washington insider economy and corporate welfare than the Export-Import Bank. Its demise would clearly be one of the few achievable victories for the Main Street competitive economy left in this Congress."

Meanwhile, Speaker John A. Boehner, R-Ohio, has made its reauthorization a top priority.

"There are some Republicans that don't support Ex-Im, but there are a lot of Republicans that do," Christopher Wenk, the U.S. Chamber of Commerce's senior director of international policy, [told Roll Call](#). "The chamber, for our members, Ex-Im is a critical tool in helping our exporters."

It's important enough that Cantor's loss has already affected some big companies. Analysts [told Bloomberg](#) that Boeing was the "biggest loser" besides Cantor himself in the surprise loss.

Shares of Boeing Co. (NYSE:BA) fell the most in two months Wednesday, following the results. The company has said that the Ex-Im Bank would support \$10 billion of 2014 sales.

But it's not just companies that are worried. Many fear what the growing instability within the GOP will do to markets and the U.S. economy, with memories of the 2013 government shutdown still fresh.

"An ugly, market-rattling debt ceiling fight now looms in March 2015," wrote Greg Valliere, chief political strategist at Potomac Research Group, [in a note Wednesday](#), adding that it could undermine the positive growth the stock market has experienced in recent months.

"The grassroots is in revolt and marching," veteran conservative Brent Bozell, head of ForAmerica, a limited-government group, [said in a public statement](#). "Eric Cantor's loss tonight is an apocalyptic moment for the GOP establishment."

Brat, who teaches economics at Randolph-Macon College in Ashland, Virginia, will face Democrat Jack Trammell, a psychology professor at the same college, in the November election in Virginia's 7th Congressional District.