

Sky Valley Chronicle

BOEING IS SQUEEZING SEATTLE AREA BLUE COLLAR WORKERS TO JUICE UP A LOT MORE CORPORATE WELFARE FOR ITSELF

Says the Godfather of consumer activism

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(MONROE, WA) -- He's being called a "consumer activist" this week by reporters who should know better. Ralph Nader is no more a garden variety consumer activist than Muhammad Ali is simply an amateur boxer from Kentucky who just happened to turn pro and win a few fights.

Nader is the Godfather, the inventor of the modern consumer movement in this country. He is the Heavyweight Champ of teaching consumers (e.g., real people) to stand up for themselves against incredibly large and well healed corporations and fight bare knuckle and bloody until the other guy goes down.

And he knows a bit about that.

He's the guy who took on General Motors and the entire Detroit based car-making cartel in the 1960's almost single handedly with his 1965 book *Unsafe At Any Speed*, a very hard look at the safety record (or lack thereof) of the entire American car making industry, which then tried to take Nader down for the count.

The fight culminated on March 22, 1966 with Nader the winner as General Motors President James Roche was forced to appear before a United States Senate subcommittee, and to apologize to Nader for the company's ugly campaign of harassment and intimidation, all because GM did not like what the guy wrote.

Nader had claimed General Motors, among other things, cast aspersions on his political, social, racial and religious views, his integrity, his "sexual proclivities" and kept him under surveillance in public places for a very long time. He also claimed he was approached by call girls for the purpose of entrapping him into "illicit" relationships, and all of that was just for openers.

Nader later successfully sued GM for excessive invasion of privacy and it was the money from that case that set him up to lobby for consumer rights, which in turn helped spark the creation of the U.S. Environmental Protection Agency and the Clean Air Act, among other things.

So love him or hate him, this guy is "the man" when it comes to showing the little guy how to push back against big corporations.

***** NADER'S HARDBALL LETTER TO BOEING *****

And now Nader has turned his push-back gaze to the dust up/stand off between Boeing and the Puget Sound area's machinist's union over the contract extension to build the new 777X jetliner here in the Seattle-Everett area.

On his Facebook page December 26 Nader posted a blistering open letter to Boeing's CEO Jim McNerney, calling it "*Letter to Boeing's Boss: Squeezing workers for corporate welfare.*"

He starts it out this way:

"The squeeze that you and Boeing are putting on your machinist workers' pensions, pay scales and your stance on other labor issues regarding the assembling of the new 777X airliners is unseemly for several reasons.

First, consider your pay this year of \$21.1 million, a 15 percent increase from the previous year, and much higher than your predecessors.

That sum does not demonstrate a moral authority to require sacrifices from your workers at a time of rising Boeing sales and profits, dividend increases, cash hoard, and another notorious \$10 billion stock buyback.

I say notorious because stock buybacks per se do little for shareholder values and a lot for the enlarged stock options of top executives.

Second, you're holding an auction for your long-time workers jobs in other states, inciting a bidding war whereby states are giving away taxpayer assets to lure your 777X assembly factory with huge tax holidays and other subsidies.

Washington state outdid itself with a new law, signed by Governor Jay Inslee with the largest state business tax break package for Boeing in history. The tax escape law "will give Boeing and its suppliers about \$8.7 billion in tax breaks between now and 2040," according to the Citizens for Tax Justice (CTJ) calculations.

CTJ adds that "Boeing has managed to avoid paying even a dime of state income taxes nationwide on \$35 billion in pretax U.S. profits." Boeing also received tax advantages from the federal government, including \$1.8 billion in federal income tax rebates on its \$35 billion in U.S. profits between 2003 and 2012. "

But the government's gifts to Boeing didn't end there, says Nader. In 1997 the U.S. Justice Department allowed Boeing to merge with McDonnell Douglas, making Boeing "the only manufacturer of commercial jet planes in the United States – a domestic monopoly, justified by the only other foreign competitor – Airbus Industries in Europe. Another valuable gift by Uncle Sam brought about by your company's Washington lobbyists."

He then goes on to mention something most Americans have probably forgotten about, namely Boeing's contract with the Department of Defense for the initial phase of Air Force's KC-46 aerial tanker program -- a contract that made U.S. Senator John McCain almost go ballistic in July 2011 for what Nader calls the

excessive burdens on American taxpayers from cost over-runs in a supposed "fixed price" contract.

McCain wondered out loud in a letter to Department of Defense Undersecretary Ashton B. Carter, "why under a fixed-price, relatively low-risk contract, taxpayers may have to pay 60 percent of any overrun within that band – up to \$600 million?"

Nader says an entire book could be written about Boeing's strategy for externalizing its costs - something most business cannot do - onto the backs of taxpayers and workers in the quest for ever bigger corporate welfare checks that feed directly into the bottom line of Boeing's CEO and other company executives.

He calls Boeing's never ending campaign to obtain more and more corporate welfare "shameful."

"Your company is one of the major corporate welfare kings in America, running a close race with the champion – General Electric. As CTJ wrote: Boeing "employs an army of site location and tax consultants, whose job has been to blackmail states into giving Boeing lavish tax breaks." These include sales and property tax breaks which drain communities' ability to provide for school and other public facilities," writes Nader.

His full letter to Boeing is [here](#).

For more information about what some call the "corporate welfare state" in America and "How the U.S. subsidizes U.S. businesses," check this report from [the Cato Institute](#).