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## *Banking on Boeing*

*By Phil Mattera, Mon, 05/21/2012*

Recent passage of a piece of federal legislation on a broadly bipartisan basis was considered unusual enough for the *Washington Post* to treat it as [front-page news](#). Yet what was most significant about the measure to extend the life of the U.S. Export-Import Bank was not its bipartisanship but rather the way it revealed a profound confusion on the part of both major political parties about how the federal government should relate to big business.

The fate of the Ex-Im Bank, which for decades has served mainly as a tool to promote exports by large U.S. manufacturers, had come into question after it was targeted by tea party types in Congress. While conservatives are usually inclined to do everything possible (short of bailouts) to assist corporations, many had come to accept the view that the Ex-Im Bank was an unjustified form of government intervention. Utah Senator Mike Lee [denounced](#) the bank's operations as "corporate welfare that distorts the market and feeds crony capitalism."

Supposedly anti-corporate Congressional Democrats joined with the likes of the U.S. Chamber of Commerce and the National Association of Manufacturers to defend the Ex-Im Bank. House Democratic Leader Nancy Pelosi [said](#) that Congress had to send "a strong signal to American businesses: we will help them get their products into markets abroad, and in doing so, we will create jobs here at home." Independent Vermont Senator Bernie Sanders, on the other hand, maintained his long-time opposition to the bank.

In the end, the corporatist wings of the two major parties prevailed, but not before the Ex-Im Bank had been pummeled by conservatives who had begun denouncing the institution as "Boeing's Bank." They have a valid point. A huge portion of the agency's resources have long been devoted to that one company. If you look at the list of loans and long-term guarantees in the bank's [annual report](#), Boeing's name shows up repeatedly -- more than 40 times last year, far more than any other company. The company got assistance in its deals to sell planes to airlines in more than 20 countries such as Angola, Indonesia and Tajikistan.

The right has assumed the role of Ex-Im Bank critic once occupied by the left. Back in 1974 the anti-imperialist magazine *NACLA's Latin America & Empire Report* published a

[critique](#) of the bank that concluded with the following statement: "Confronted by a world increasingly hostile to U.S. imperialism, strategists will employ the credit levers of the Eximbank in the coming years to punish countries that nationalize American corporations, and to reward those nations that cater to U.S. commercial interests."

Eliminating Ex-Im Bank's credit assistance was high on the list of programs proposed for elimination in the *Aid for Dependent Corporations* [reports](#) issued by the Ralph Nader group Essential Information in the 1990s. By that point libertarian groups such as the Cato Institute were also speaking out against the bank and other forms of corporate welfare. Also lining up against the bank were environmental groups concerned about its role -- along with that of the Overseas Private Investment Corporation -- in enabling [hazardous projects](#) such as the Three Gorges Dam in China.

The contemporary right's misgivings about the Ex-Im Bank have nothing to do, of course, with anti-imperialism or environmental protection -- and everything to do with absolutist ideas about the role of government. The problem these conservatives face is that the actual behavior of large corporations frequently bears little resemblance to pure free-market principles.

Boeing, for instance, is not only perfectly willing to accept federal export assistance but has also sought and obtained billions of dollars in state and local economic development subsidies for its U.S. plants. Its decision to locate a Dreamliner production facility in South Carolina garnered a subsidy package [estimated](#) to be worth more than \$900 million. The company's hold over the Palmetto State is so strong that it drove a [wedge](#) between South Carolina's two paleo-conservative U.S. Senators during the Ex-Im debate, with Jim DeMint holding to laissez-faire principles while Lindsey Graham warned that eliminating the bank would jeopardize aerospace jobs.

When it comes to labor relations issues, Boeing suddenly turns into an ardent opponent of government. When the National Labor Relations Board took seriously an allegation by the Machinists that the company's investment in South Carolina was a form of anti-union retaliation, Boeing screamed bloody murder and got support from all of the state's leading politicians -- and most of the corporate world.

It will be interesting to see how conservatives handle this tension between lionizing large corporations and demonizing them. The outcome of the Ex-Im debate suggests that, for now, corporatists retain the upper hand across the mainstream political spectrum.