



Written by [Michael Tennant](#) on May 19, 2011

Boeing's Flight to South Carolina Under Federal Assault

According to the Boeing Company, the state of South Carolina, and more than a few Republican officeholders, the answer is no. The outcome of this imbroglio, accurately [described](#) by South Carolina Gov. Nikki Haley (R) as an attempt at “government-dictated economic larceny,” will have significant consequences for what remains of the free enterprise system in America.

The trouble began when, in 2009, Boeing decided to open a new assembly plant in North Charleston, South Carolina, to build its second line of 787 Dreamliners. The IAM filed a complaint with the NLRB alleging that locating the plant in the Palmetto State, which just happens to be a right-to-work state, rather than expanding the existing Everett, Washington, facility, which employs union workers, amounted to illegal retaliation against union members. NLRB Acting General Counsel Lafe Solomon agreed, turning IAM’s complaint into a [federal complaint](#) on the [basis](#) that Boeing “executives cited the unionized employees’ past strike activity and the possibility of strikes occurring sometime in the future as the overriding factors in deciding to locate the second line in the non-union facility.”



There is, in fact, much truth in that assertion. Both Boeing chairman and CEO Jim McNerney and Boeing Commercial Airplanes CEO Jim Albaugh have publicly stated that moving some 787 production to South Carolina was to avoid the threat of strikes and other union demands. The IAM conducted four strikes against Boeing between 1989 and 2008, causing significant and repeated disruptions to the company’s ability to fulfill its orders. [Albaugh told the Seattle Times](#) in March 2010: “The overriding factor [in opening the South Carolina plant] was not the business climate. And it was not the wages we are paying today. It was that we can’t afford to have a work stoppage every three years. And we can’t afford to continue the rate of escalation of wages.” As [Carl Horowitz wrote at TownHall.com](#), “Albaugh would seem to be guilty of nothing more than exercising sound business judgment.”

In today’s regulatory climate, however, that is enough to convict him. Doing the sensible thing to keep one’s company up and running in the face of escalating union demands and strike threats is considered retaliation against the union, which is illegal. Unions, on the other hand, are permitted to retaliate against businesses and non-union employees in countless ways with no consequences whatsoever.



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Boeing now finds itself in the unenviable position of having to defend itself against an opponent with virtually unlimited resources and an obvious animus against capitalism. Craig Becker, who was appointed to the NLRB by President Barack Obama during a congressional recess despite the fact that the Senate had previously rejected his nomination to the board, [wrote](#) in the January 1987 *Harvard Law Review*:

The right to engage in concerted activity that is enshrined in the Wagner Act — even when construed in strictly contractual terms — implicitly entails legal restraint of the freedom of capital. What threatens to eviscerate labor’s collective legal rights, therefore, is less the common law principle of individual liberty than the mobility of capital, which courts have held immune from popular control.

In other words, businesses should not be able to pick up and move from states where unions have a stranglehold on them to states that offer a more business-friendly climate. Becker has also served as attorney for the Service Employees International Union and the AFL-CIO. Knowing his written opinion and his employment history, you don’t have to be The Amazing Kreskin to figure out whose side he will take in the Boeing case.

The good news for the aerospace giant is that it will not be fighting the NLRB alone. Numerous political figures have come to the company’s defense.

In Washington, Republicans in Congress have spoken out against the NLRB’s complaint against Boeing, as [The New American reported](#) previously. Nineteen GOP Senators wrote an [open letter](#) to Obama asking him to rescind the nominations of Solomon and Becker to positions on the NLRB.

In South Carolina, meanwhile, “Attorney General Alan Wilson recently noted that the complaint against Boeing will hurt the ability of his and other states to create jobs, a statement seconded by eight other state attorneys general,” according to Horowitz.

Gov. Haley isn’t taking this lying down either. She has gone on the attack, writing an op-ed for the *Wall Street Journal* and making appearances on national news shows. In her *Journal* piece she maintained:

South Carolina is a right-to-work state, and we’re proud that within our borders workers cannot be required to join a labor union as a condition of employment. We don’t need unions playing middlemen between our companies and our employees. We don’t want them forcefully inserted into our promising business climate. And we will not stand for them intimidating South Carolinians.

That is apparently too much for President Obama and his union-beholden appointees at the National Labor Relations Board, who have asked the courts to intervene and force Boeing to stop production in South Carolina. The NLRB wants Boeing to produce the planes only in Washington state, where its workers must belong to the International Association of Machinists and Aerospace Workers....

The actions by the NLRB are nothing less than a direct assault on the 22 right-to-work states across America. They are also an unprecedented attack on an iconic American company that is being told by the federal government — which seems to regard its authority as endless — where and how to build airplanes.

Haley has repeatedly called on Obama to break his silence on the Boeing case and to put a stop to it. [Appearing on the May 13 Fox & Friends](#), she linked Obama’s overreach on healthcare to the NLRB’s complaint against Boeing, saying: “[Obama’s] tried to mandate healthcare on our citizens. Now he’s



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actually going to mandate where a company can create jobs? It's the worst thing that could happen to our economy." "The President," she averred, "needs to step up. He needs to say how wrong this is.... What the President needs to do is ask the NLRB to step down."

Obama's silence on the issue may be calculated. Horowitz notes that "[Boeing] CEO Jim McNerney is tight with the Obama White House." Given the conflict between Obama's personal connections to Boeing and his anti-capitalist convictions, the President may well figure he is better off keeping mum and letting his appointees do the union's dirty work.

Friends of liberty must surely hope that Boeing prevails in this matter. If not, Becker's dream of quashing "mobility of capital" will have come true, and there will be no escaping union power in America. Instead, as Haley and other officials have pointed out, jobs will end up getting shipped overseas, where (at least for now) the NLRB can't reach. As Haley put it, the NLRB's action is "is very offensive, it's an assault on everything that we know to be American, and they have to stop this."

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