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# Intel, the Iliad, and the Hubris of State Capitalism

 By Joshua Barone | Aug 28, 2025

When Homer opens the *Iliad*, he invokes the “rage of Achilles”—a personal quarrel between two leaders that cascades into years of bloodshed and loss. What begins as a narrow dispute unleashes consequences far larger than intended.

The U.S. government’s decision to acquire an ownership stake in Intel may look narrow—just one company, justified as “strategic.” But like Agamemnon’s fateful decision to seize Achilles’ prize, it risks setting in motion forces that will reshape American capitalism in ways Washington cannot control: distorted markets, politicized labor, blurred accountability, and the slow decline into stagnation.

## Markets as the Battlefield—Disrupted by Hubris

In Homer’s world, honor and discipline hold the army together. When Agamemnon undermines that order, chaos spreads.

Capital markets play a similar role in the modern economy. They reward discipline, punish missteps, and channel resources to the most capable firms. Intel, valued at more than **\$150 billion**, has no shortage of capital access. It raised **\$11 billion in long-term debt in 2024** with investment-grade ratings. The market stood ready to finance its expansion.

Yet Washington intervened, seizing a stake of **9.9% equity at \$20.47 per share, with a warrant for another 5%** (NY Post, Aug. 19, 2025). Intel itself warned in an August 25 filing that government ownership “could hurt international sales, investor confidence, employee morale, and relations with foreign governments and partners.”<sup>1</sup>

Like Agamemnon, Washington asserts control for short-term pride—but in doing so, it undermines the very cohesion of the system it seeks to protect.

## Boeing and the Division of Command

In the *Iliad*, divided command weakens the Greeks. Leaders quarrel, authority is blurred, and the army suffers.

Boeing shows a modern version. Long cushioned by Washington through defense contracts and Export-Import Bank subsidies, Boeing prioritized lobbying and financial engineering over product excellence. As CEO David Calhoun admitted in 2020, Boeing had become “too focused on shareholder returns and not enough on engineering excellence” (New York Times).

The 737 Max disasters exposed what happens when accountability fractures. Under the FAA’s **Organization Designation Authorization (ODA)** system, as much as **87% of certification tasks** were delegated to Boeing’s own engineers (DOT Inspector General, 2021). Surveys found that **35% of those employees felt pressure not to raise safety concerns**, while union rules and management pressure further complicated oversight. An expert panel later described Boeing’s safety processes as “inadequate and confusing” (Financial Times, Feb. 2024).

Like Homer’s Greeks, Boeing’s governance was pulled apart by divided loyalties: government, unions, and management each wielded influence, but none bore full responsibility. If Intel becomes a quasi-public enterprise, the same diffusion of accountability looms.

## Favoritism and the Loss of Fair Combat

The great battles of the *Iliad* are contests of equals—until favoritism from the gods tilts the field. When Zeus intervenes, one side fights not against men but against divine power itself.

Government equity in Intel produces the same distortion. As Reuters reported, Intel warned the stake “could reduce its chances of securing future foreign government grants.”<sup>1</sup> At home, rivals like AMD and Nvidia face not just a competitor but one implicitly backed by the U.S. Treasury.

Private investors may retreat, sensing Washington has already chosen its champion. Innovation slows. Competition narrows. Like warriors demoralized by divine interference, challengers ask: why enter a battle the gods have already decided?

## Europe’s Stalemate and the Iliad’s Endless War

The *Iliad* is not just about glory—it is about a war that drags on, year after year, sustained more by inertia than by strategy.

Europe’s “national champion” model mirrors this. Governments own stakes in airlines, energy utilities, and telecom firms. These incumbents, politically untouchable, rarely lead globally. Between 2010 and 2023, eurozone productivity grew at just **0.7% annually**, less than half the U.S. rate (Eurostat).

Like the Greeks before Troy, Europe remains stuck in a conflict it cannot end: propping up inefficient champions while watching dynamism slip away. If America follows, Intel may be our Trojan wall—strong in appearance, but a trap for long-term vitality.

## Labor Politics: Soldiers as Pawns

In Homer’s epic, ordinary soldiers suffer while leaders pursue their quarrels.

Government ownership politicizes labor in the same way. Unions become electoral actors, concessions and contracts bargaining chips in campaigns. As Penn State scholar Paul Clark noted in 2024, “Unions endorse candidates... and are very effective at mobilizing their members to vote in crucial swing states.”

The volatility is evident. In March 2025, President Trump stripped collective bargaining rights from **700,000 federal workers**, which the AFL-CIO denounced as “the very definition of union-busting.” An appeals court allowed the move to take effect days later (AP News).

Intel risks becoming a battlefield where labor is tossed between political camps, much as Homer’s soldiers were pawns in contests between Agamemnon and Achilles.

## The Next Recession: From Rage to Ruin

The *Iliad* shows how a single quarrel sets the stage for disaster. Once unleashed, events spiral beyond control.

So too in the next recession. Corporate bankruptcies surged nearly **50% during 2007–2009** (American Bankruptcy Institute). In normal times, this “creative destruction” clears space for stronger firms. But if government ownership is normalized, pressure will mount to intervene—buying stakes in failing airlines, automakers, or retailers.

The 2008 crisis set precedent. Under TARP, Treasury injected **\$245 billion** into banks and took an **80% stake in AIG**. What was meant as temporary has lingered: **Fannie Mae and Freddie Mac remain under federal conservatorship 17 years later** (Washington Post, 2023).

Japan provides the longer warning. After its 1990s bubble burst, banks and government kept failing firms alive. By the early 2000s, the **Bank of Japan estimated more than 30% of companies were “zombies.”** The result was three decades of stagnation—Japan’s “lost decades.”

Like the endless Trojan War, America risks fighting its own protracted economic siege: propping up “too strategic” firms, draining resources, and delaying renewal.

## Fiscal Recklessness: Achilles’ Blind Rage

Homer portrays Achilles’ rage as blinding, consuming, destructive even to his own cause.

America’s fiscal position today risks a similar blindness. With deficits exceeding **6% of GDP** and interest costs rivaling defense spending, the Congressional Budget Office warns federal debt is “on an unsustainable path.”<sup>2</sup> To divert scarce taxpayer dollars into corporate equity stakes is not strategy—it is hubris.

## The Iliad’s Lesson for Intel

The *Iliad* is a story of hubris, pride, and unintended consequences. What begins with one rash decision ends in devastation.

So too with Intel. Today it is one company, justified as “strategic.” Tomorrow, in a downturn, it could be airlines, automakers, or energy producers. Before long, America could find itself running a de facto sovereign wealth fund—managed not for innovation, but for politics, unions, and electoral cycles.

History offers warnings. TARP and AIG showed how “temporary” ownership lingers. Fannie and Freddie remain state wards nearly two decades later. Japan shows how propping up “zombie firms” condemns an economy to stagnation.

If America persists, it risks creating its own *Iliad*: a long, grinding struggle sustained by pride and inertia, draining strength while dynamism withers. That is not capitalism. That is corporatism. And once begun, the war is far harder to end than to start.

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Reference:  
  
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