

A letter on the Joplin tornado and Wal-Mart

28 May 2011

The following is a letter from a reader in Bentonville, Arkansas in response to “The Joplin, Missouri tornado” on the dominance of Wal-Mart over the region.

This article brings up the Walton family fortune, Wal-Mart Stores and the impact on the surrounding area. Having lived in Bentonville, the headquarters of Wal-Mart, for over 30 years, I’ve seen the effects of having this retail behemoth as a neighbor. I have even worked for the company on two occasions—early on when they had their first “billion dollar year” (in sales) and again when they were over 100 times larger.

Despite having this mega-corporation in town, the town’s infrastructure lagged for decades in basic upkeep and updating. As the company grew, traffic and other infrastructure needs were stressed by the incredible influx of workers into town each working day. The company doesn’t release accurate numbers, but speculation is that between 16,000 and 20,000 people work in the offices of the company here. Traffic congestion, as a result, has ground to a halt in many portions of town during both morning and evening rush hours and also for hours during lunch. The current total population in town is approximately 35,000 people, so it’s easy to see that at least half of the infrastructure demands are for doing business with Wal-Mart. Does anybody want to guess if they pay half the taxes in this town?

As with corporate kickbacks in cities, counties and towns all over this nation, the government bends over backwards to attract and keep corporations in town with tax incentives and kickbacks. Obviously, the working class of the town has not been able to support these needs and much has been left wanting.

With the phenomenal growth of Wal-Mart, an interesting social phenomenon has occurred here in

town—the arrival of vendors to serve the company. Hundreds of vendors who sell goods to Wal-Mart have opened offices here in Bentonville and in surrounding towns in the area. They are often staffed with people who once lived in more expensive cities and were forced to move here to service the largest account that their companies have. Because housing is so much cheaper here than in locations such as Boston, many of these people have found that they were able to buy huge McMansions for homes. Four thousand square feet is typical of many of the “upscale” neighborhoods that were built for them, with some neighborhoods featuring homes of 10,000 square feet.

This gentrification of town had the typical effects seen in other towns where this has taken place. Rents have increased dramatically, taxes have gone up substantially to fund building of schools and services and working class people find fewer and fewer affordable housing opportunities within city limits. Traffic routes to the more affordable bedroom communities of Centerton, Bella Vista and Pea Ridge are nightmares of congestion.

I kept watching to see if either Wal-Mart or the Walton family would step up and accept responsibility for funding some upgrades to our road system, but nothing has been forthcoming. We are subject to the same funding criteria as the rest of the state and see highway widening projects funded in small spurts that can’t keep up with the growth here. (A current widening of the highway out to Centerton is behind schedule and only goes a couple of miles toward widening a stretch at least three times that long.) The recent completion of the widening of Central Avenue—a major traffic corridor—has been a huge and long overdue relief.

My take on it is that the only reason any of these

projects were funded was because the property taxes on the homes of vendors has finally helped to fill the coffers for these local projects. If we'd waited on Wal-Mart to step up to the plate we'd still be waiting. Likewise, sales tax collections are up markedly in large part due to the spending of the vendor community in the new upscale establishments that cater to them. Not surprisingly, the arrival of these newer, posher establishments has been the death knell of family businesses that served the town for years before.

Current plans are to construct a new freeway interchange that will directly serve Wal-Mart offices along the 8th Street corridor of town. I recall that Wal-Mart is actually putting up a portion of the cost of this project, though I can't find the exact figures.

All in all it's quite apparent that this is a company town, but the company really hasn't done as much as one would expect to maintain their home, instead relying on local citizens—whether or not they are affiliated with Wal-Mart—to foot the bill for improvements.

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