

Trudeau courts Amazon CEO to locate its second headquarters in Canada

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27 October 2017

In a missive to “Dear Jeff,” Canadian Prime Minister Justin Trudeau has petitioned Amazon’s mega-billionaire CEO, Jeff Bezos, to establish his company’s second North American headquarters in Canada. In his two-page Oct. 13 letter, Trudeau combined phony “progressive” rhetoric, with boasts about Canada’s business-friendly environment, effectively offering up Canadian workers on a silver platter to the Amazon boss.

More than 230 cities across the US, Canada and Mexico have submitted bids to serve as the site of the second North American headquarters of the Seattle-based electronic commerce and cloud computing company. According to Amazon, its “HQ2” could create as many as 50,000 “high paying jobs” in the chosen city, with the company investing up to \$5 billion.

The selection process is itself revealing of the power Amazon wields over governments. Exercising the 21st century version of the medieval royal prerogative, the world’s largest online retailer launched a form of auction in which city officials competed to make the best offer to Amazon, i.e. the lowest operational and labour costs possible, topped off with tax breaks and government subsidies. Key criteria demanded by the company include a prime location, access to mass transit, proximity to an international airport and, above all, a “business-friendly environment and tax structure”. The bidding contest has now ended, with Amazon slated to announce the winner in 2018.

As CEO and the largest shareholder, Bezos has profited handsomely from Amazon’s vast expansion, which is based on the ruthless exploitation of low-wage labour. On one morning in July, a surge in Amazon’s stock price netted him \$1.4 billion in little more than an hour—a sum the average Amazon worker would take 54,280 years to make—and briefly made Bezos the world’s richest man. Over the past five years, which have witnessed an uninterrupted rise in stock values as millions of people around the world have been plunged into ever greater poverty and precarious working conditions, Bezos has raked in an obscene \$70 billion.

Trudeau made clear in his letter that he wants to help this social parasite amass an even greater fortune. Although Canadian cities are legally barred from offering Amazon company-specific tax breaks as some cities in the United States have done, Trudeau argued that this should not be an obstacle because Canada can offer other advantages. In addition to a “deep pool of highly educated prospective workers” and “stable banking systems,” Canada “enjoys a universal health care system,” which means corporations do not have to worry about funding healthcare provisions, “and a robust public pension plan which help support our excellent quality of life and lower costs for employers,” Trudeau assured him.

On top of this, Canada’s corporate tax rates are far below those in the United States and the lowest in the G-7.

The letter is typical of the Liberals’ efforts at covering up their right-wing, pro-corporate agenda with “progressive” rhetoric. The Prime minister touted Canadian cities as “progressive, confident, and natural homes for forward-thinking global leaders.”

Trudeau made implicit references to Trump’s anti-immigrant policies, contrasting them with Canada’s “multiculturalism” and “inclusion.” “We have,” added Trudeau, “introduced dedicated immigration services, allowing companies to attract highly skilled global talent through an expedited review process to quickly recruit for the skills they need.” In reality Canada has a discriminatory, “merit-based” immigration system, explicitly tailored to the needs of big business. Trump has himself praised it, calling it a model for US immigration “reform.”

The true attitude of the Liberal government towards immigrants is demonstrated by Trudeau’s attempts to discourage Haitian asylum seekers fleeing Trump’s anti-refugee policies from coming to Canada. More recently, Trudeau exploited a knife assault on an Edmonton police officer by a mentally-disturbed Somalian refugee to lay the groundwork for a further clampdown on refugees.

Trudeau’s bluster about “diversity” and “inclusion” echoed the criticisms made by giant US tech companies such

as Microsoft and Facebook of Trump's decision to end DACA, a program protecting almost a million young migrants from deportation. However, the billionaire CEOs' attack on Trump was not made out of concern for the migrants, but because they would lose a large number of low-paid immigrant workers.

Trudeau avoided in his letter favouring one or another Canadian city, writing instead that all the contestants had "the full support of our government."

The competition to woo the tech transnational is fierce. While many US candidate cities and states did not reveal the content of their financial pledges to Amazon, some did. For instance, New Jersey proposed \$7 billion in potential credits against state and city taxes, while California's state assembly introduced legislation that would grant Amazon \$1 billion in tax breaks over the next decade. The mayor of Stonecrest, an Atlanta suburb, went so far as to pledge his city would use 345 acres of industrial land to create a new city called Amazon with Bezos being its mayor for life.

Most of Canada's major cities—including Toronto, Ottawa, Montreal, Vancouver, Calgary and Halifax—have entered the competition and are likewise trying to outdo each other in offering Bezos and other Amazon investors the biggest incentives possible. Toronto boasted of its lower business costs relative to American cities of similar size, expanding infrastructure and low crime rates.

Calgary Economic Development has launched a \$500,000 marketing campaign to attract Amazon. Among other things, it bought a full-page ad in the *Seattle Times* saying they would fight a bear for the company and even wrote chalked messages onto local sidewalks such as "Hey Amazon. We'd change our name for you. Calmazom? Amagary?"

In 2016 Amazon had revenue of US\$ 135.98 billion and currently has market capitalization of around \$470 billion. Jeff Bezos is the second-richest member of the Forbes 400 with a net worth of US\$ 67 billion. From 2005 to 2014, the company received more than \$750 million in local government subsidies to build warehouses and data centers.

Bezos is also highly influential in US politics through his ownership of the Democratic Party-aligned *Washington Post*, which is playing a central role in the neo-McCarthyite anti-Russia campaign. This campaign, based on unsubstantiated and sensationalist allegations that Moscow hijacked the 2016 presidential election, is being spearheaded by sections of the military-intelligence and political establishments to shift politics even further to the right, including by agitating for confrontation with Russia and censorship of the internet and social media.

Bezos's wealth mainly comes from the super-exploitation of tens of thousands of warehouse workers across the globe, who work in sweatshop conditions and for poverty wages.

Even the professionals employed by Amazon—engineers, software developers, etc.—are pressured into working grueling hours so as to meet quotas and subject to intense performance evaluations.

In 2016, an employee placed on a Performance Improvement Plan (PIP), a status that means likely termination, attempted suicide at the Seattle headquarters, an event that shed light on the realities of the "new economy" in the US and the working conditions at Amazon.

While municipal officials are gaga over the economic "dividends" that will come to the city selected as the site of Amazon's second headquarters, the mega construction project and the influx of higher paid professionals will have a socially disruptive impact, driving up housing prices and the overall cost of living. The *Seattle Times* recently reported that the median price for a house in August in Seattle was \$730,000, up almost 17 percent in a year.

Trudeau concluded his letter by telling Bezos that the US and Canada "enjoy the longest, most peaceful and mutually beneficial relationship of any two countries in the world." With this, Trudeau made clear that the establishment of HQ2 in Canada—in addition to boosting Amazon's bottom-line—would contribute to strengthening the economically and military-strategic partnership between Canadian and US imperialism.

One final aspect of Trudeau's groveling appeal to Amazon that cannot be passed over is the devastating exposure it provides of the trade unions, which in the years prior and since his 2015 election victory have endeavored to paint the Liberal Prime Minister as a "progressive" and "labour friendly" politician. As prime minister, Trudeau has routinely been feted at union conventions and top union bureaucrats like Unifor President Jerry Dias and Canadian Labour Congress head Hassan Yussuff boast of their unprecedented access to Trudeau and his ministers.



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