

The oligarchy rules: Amazon and corporations veto Seattle homelessness tax

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13 June 2018

It took just four weeks for the Democratic Party-controlled Seattle City Council to completely capitulate to a campaign by Amazon and other corporate giants demanding the city overturn a minuscule business tax law passed last month. The council voted to abolish the tax yesterday, after having voted unanimously to introduce it on May 14.

The measure would have taxed large corporations with an annual revenue of more than \$20 million beginning in 2019 at a rate of \$0.14 for every hour worked by each employee in the city, or roughly \$275 annually per full-time worker. Had it ever been implemented, the measure would have raised approximately \$47 million per year, revenue that was to be allocated to building low-income housing and other critical services for a small fraction of the more than 6,000 people who are homeless every night in the city.

On Monday, Democratic mayor Jenny Durkan released a statement signed by seven Democratic members of the council, responding to a coordinated campaign against the tax waged by Amazon and other corporations. The statement declared that “it is clear that the ordinance will lead to a prolonged, expensive political fight over the next five months that will do nothing to tackle our urgent housing and homelessness crisis.” Pleading to the giant corporations which are the real constituency of both the Democrats and Republicans, the letter states, “We heard you.”

Democratic councilmember Mike O’Brien told the KUOW radio station, “There’s no doubt that business pressure has shifted my view.” O’Brien claimed he was concerned that the tax would become an issue for Democrats’ re-election campaigns.

This pathetic and degraded spectacle is another demonstration of the real state of economic and political relations in the United States and

internationally. A tiny financial oligarchy controls both political parties at every level of government, from city councils to the president of the US, and accepts no impingement upon its profit and wealth, no matter how small, to meet even the most essential needs of society.

Amazon, which has its headquarters based in Seattle and employs approximately 45,000 workers there, stood to pay approximately \$10 million per year towards the tax. This is approximately 0.007 percent of Amazon CEO Jeff Bezos’ personal wealth of \$138 billion. It equals what Bezos makes in about an hour. This wealth has been obtained through the brutal exploitation of Amazon workers in the US and internationally. Bezos could write a personal check for the \$20 billion to end homelessness in the United States and would still be the richest man in the world.

After the tax was voted in, Amazon, Starbucks, Vulcan—the investment firm owned by Microsoft co-founder Paul Allen—and Washington state’s food industry and grocers’ associations provided tens of thousands of dollars toward a ballot campaign, entitled “No tax on jobs,” that would have asked voters to decide on whether to repeal the tax in the November 2018 elections.

This followed a weeks-long campaign of economic blackmail against the city by Amazon, which halted construction on a new building in Seattle pending the decision on the tax. As a result, the tax bill as passed was itself watered down from an original version that would have raised almost twice as much in revenue. Even if it had been introduced, it would have been totally inadequate to address the homelessness crisis in Seattle, among the highest in the US.

The rescinding of the tax exposes the bankruptcy of the perspective of Seattle city council member and Socialist Alternative leader Kshama Sawant. Sawant

hailed the tax bill's passage in May—itself the outcome of a backroom deal aimed at appeasing Amazon by reducing the tax's impact—as a “huge victory.”

Amazon and the other corporate opponents of the tax were joined in their campaign by the trade unions. Iron Workers Local 86 demonstrated at a press conference called by Sawant at the beginning of May to oppose the tax. Chris McClain, the financial and business secretary of the union, declared that Amazon was a “responsible developer that pays living wages and provides living-wage jobs for the construction industry.”

While Sawant voted to oppose the rescinding of the bill, Amazon's victory shows Sawant's strategy of pressuring the Democratic Party through local government maneuvers only leads to defeat and disillusionment. Socialist Alternative's strategy has been to call on workers to support their “coalition” with so-called “progressive” Democrats to pressure the “corporate” Democrats to adopt left-wing policies. In the 2015 Seattle City Council elections, for example, Socialist Alternative called on workers and young people to vote for so-called “progressive” Democrats, including Lisa Herbold, who voted yesterday for rescinding the Amazon tax. Although this strategy collapsed when the Democrats caved with near unanimity to Amazon's blackmail, Sawant has responded to the debacle by doubling down. She now claims the lesson of the tax revocation is the need to elect more Socialist Alternative members to the city council to continue to channel working class opposition to inequality into coalition building with the pro-corporate Democratic Party.

Socialist Alternative is opposed above all to the building of a revolutionary movement of the working class in complete opposition to both corporate controlled parties and the pro-corporate and anti-working class trade unions. That's because Socialist Alternative functions as a faction of the Democratic Party.

The stranglehold over every aspect of social life wielded by the giant corporations, however, shows that the guaranteeing of the most elementary needs of the working class requires the expropriation of the banks and corporations and their transformation into public utilities, controlled by the working class, and the socialist reorganization of society.



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