

The government's \$4.6 billion handout to Amazon

Why Amazon should be expropriated

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17 November 2018

In September of last year, Amazon announced its intention of building a second headquarters in the US, dubbed "HQ2." This announcement inaugurated a bidding contest between 238 different cities, during which state and local governments from coast to coast competed among each other to present Amazon with the most favorable terms.

Billions of dollars were offered up to Amazon in the form of tax breaks and subsidies. Democrat and Republican alike, the governments of America's cities—Atlanta, Boston, Chicago, Los Angeles, Philadelphia, Pittsburgh—all submitted their bids. New York's Democratic Governor Andrew Cuomo offered to change his name to "Amazon Cuomo" if it would help win the contest. The town of Stonecrest, Georgia offered to change its name to "Amazon, Georgia." The town's mayor asked Bezos, "How could you not want your 21st century headquarters to be located in a city named Amazon?"

This week, Amazon announced the conclusion of this sordid beauty pageant. Amazon will split the new headquarters between Queens in New York City, a stone's throw from Wall Street, and Crystal City, Virginia, across the street from the Pentagon. With these choices, Amazon's headquarters will be positioned alongside (1) the headquarters of global finance capital, and (2) the headquarters of America's state and military-intelligence apparatus. The bids of the "loser" cities will be used to exact concessions for future Amazon projects.

According to a study highlighted Thursday in the *Intercept*, Amazon's HQ2 will come at a total cost of \$4.6 billion to state and local governments. These giveaways will be paid with funds extracted from the population through taxation.

Amazon got everything it wanted. The company's contract with the state of Virginia obligates the state legislature to do Amazon's bidding until 2043, regardless of the outcome of elections. But Amazon can back out of its obligations at any time, keeping all of the benefits to date, by providing five

days' notice.

The Virginia location will doubtless facilitate Amazon's lobbying efforts in Washington, for which it spent \$13 million last year. It will also position Amazon for lucrative defense contracts and further integration with the American military and intelligence apparatus. "We are going to continue to support the DoD [Department of Defense]," Bezos said at a recent Wired25 summit, "and I think we should."

The New York deal involves allowing Jeff Bezos to have a rooftop helipad, so that he does not have to use the streets or public transportation.

The scramble to turn public resources over to this massive monopoly brings the real state of affairs in society into plain view. The corporate oligarchs dictate their terms, and politicians from both capitalist parties rush to obey.

When it comes to the needs of the population as a whole, such as education, clean water, health care, public transportation, housing, jobs, culture, protection from fires and natural disasters, and measures to address climate change, the population is endlessly told that there is "no money" for these utopian dreams. But when the world's richest man comes knocking, America's political leaders throw open the vaults and shovel money at him.

Democracy is incompatible with this state of affairs. "A monopoly, once it is formed and controls thousands of millions, inevitably penetrates into every sphere of public life, regardless of the form of government and all the other 'details,'" Lenin wrote in his famous treatise on imperialism. What was true when corporate empires were measured in the thousands of millions of dollars is even truer today of Amazon, which is valued at over a trillion dollars.

On Tuesday, the *Washington Post*, which is owned by Bezos, ran an opinion column titled, "Amazon's HQ2 could be a launching pad for a bright future for the D.C. region." This article praised the HQ2 deal as a "bonanza" and a "jobs windfall."

The *Washington Post* is one of the loudest voices, together with the *New York Times*, supporting the drive to censor the internet. The *World Socialist Web Site* has seen its search traffic plummet precipitously as a result of this state-sanctioned censorship—all so “authoritative” publications such as the Bezos-owned *Washington Post* can be free to publish pro-Amazon propaganda unchallenged.

America’s antitrust laws, such as the Sherman Act of 1890 and the Clayton Act of 1914, were reforms designed to check the process of monopolization, which was understood at the time to undermine and destabilize democratic institutions. These laws, while they remain formally on the books, are today essentially a dead letter, with nobody to enforce them.

As many as two thirds of all US households are now Amazon Prime subscribers. But the Democratic and Republican parties, stampeding to show their support for Bezos, are incapable of calling for any limits on Amazon’s power.

The “socialist” senator Bernie Sanders postured for a time as a critic of Amazon. But when Amazon announced the introduction of a new \$15 per hour base pay last month, a dishonest maneuver canceled out in many cases by cuts to other benefits and incentives, Sanders made an abrupt reversal. “What Mr. Bezos has done today,” Sanders tweeted, “is not only enormously important for Amazon’s hundreds of thousands of employees. It could well be, and I think it will be, a shot heard around the world.” Bezos responded with happy gratitude: “Thank you @SenSanders. We’re excited about this, and also hope others will join in.”

Sanders and his praise for Bezos belong to a universe separate from the hundreds of thousands of workers in Amazon’s warehouses, who are hounded around the clock to “make rate” for poverty wages. The National Council for Occupational Safety and Health listed Amazon on its 2018 “dirty dozen” list of employers that maintain unsafe workplaces. At least seven workers have been killed at Amazon warehouses since 2013, including three workers in only five weeks in 2017. In the summers, workers have described ambulances lining up to transport those who drop from the heat.

Inside the warehouses, Amazon has imposed a regime of high-tech tyranny. Talking to other workers is not allowed. Nor is sitting down. Phones are prohibited. Every second of a worker’s time inside the warehouse is strictly monitored and controlled. More than one worker has described this regime as “modern-day slavery.”

Amazon has pioneered the “gamification” of its workplaces, using various strategies of psychological manipulation to try to make employees work harder and faster without additional pay. Like hamsters in hamster

wheels, workers are constantly prodded with various metrics and pitted against one another to achieve higher rankings and scores.

A worker who gets injured at Amazon is tossed out and replaced. A workers’ compensation regime controlled by the employers and insurance companies functions to deny and obstruct medical care. Injured workers receive a small fraction of their wages as “compensation,” if they receive anything at all. Homeless workers sleep in their cars in the parking lots of Amazon’s warehouses.

Anger among Amazon workers is reaching the snapping point. But all of the institutions of government and both capitalist parties are powerless to offer any resistance to Amazon. This trillion-dollar monopoly cannot be effectively resisted unless the organized power of the working class around the world is brought to bear.

Amazon must be transformed into a global public utility subject to workers’ control. Amazon workers take pride in their roles in one of the most advanced information and logistics infrastructures human civilization has produced to date. The workers who operate that infrastructure have a right to a dignified standard of living and a safe working environment, without the sound of whips cracking overhead. Measures must be implemented to bring down the number of injuries, while injured workers must receive full pay and free medical treatment. Above all, Amazon’s immense power and resources must be put to use for the public benefit, not for private profit.

Nor can humanity continue to afford Bezos’ salary. His incredible \$164 billion in “Amazon winnings,” as he likes to call his unprecedented fortune, must be confiscated and put to beneficial use. For a start, world hunger can be resolved on an annual basis at a cost of \$30 billion.

These measures are not a utopian dream but a question of practical necessity. The Socialist Equality Party is working with Amazon workers to form rank-and-file committees to direct and lead this struggle. To get involved, contact us today.



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