Time Machine Millionaire

Episode 3:

Big Business & Government Response

 This week (actually yesterday, September 5, 2018) Senator Bernie Sanders and three of his colleagues set forward a bill called “Stop Bad Employers by Zeroing Out Subsidies act,” aka the Stop BEZOS Act. Like its name, the bill takes aim at Jeff Bezos, the CEO of Amazon. The bill is unlikely to be passed. But in theory, it would force massive corporations including Amazon and Walmart to pay additional taxes for each one of its employees on government welfare. The rationale is this: these companies are exploitative, paying workers so little that such workers rely on federal assistance, which drains government budgets. Why not force the companies to reimburse the government?

 The bill leaves readers with a vision of all sorts of governmental contortions and gymnastics undertaken in an effort to intervene when a corporation becomes a behemoth (an enormous and powerful organization). Amazon is certainly one: it just yesterday achieved a market value of one trillion dollars. And the company is an example of what some call “predatory” capitalism: like a carnivorous beast, it “eats” up companies that are in its way. It underbids used bookstores across the country back when I was a college student (now that I teach it seems impossible to find such stores anywhere across the country), and it has put all sorts of retailers out of business. Just last year, it purchased the entire grocer Whole Foods at 14 billion dollars.

 What’s the problem with all this growth? For Jeff Bezos, nothing. He considers himself a competitive and competent businessman who has been successful because of a commitment to hard work, efficiency, and innovation. But critics suggest he has exploited workers with low wages and unsafe working conditions. Sanders and his group of senators argue that these wages are forcing thousands to rely on government welfare, hurting our economy.

 There are other types of reasons regarding why huge companies can be dangerous: one is their political power. Yesterday for example, the Senate had asked a Google senior executive to testify to the Senate about the possibility of foreign meddling in the 2016 election. But no one from Google showed up, and with their financial power, it is hard to hold them accountable. At least that is what senators such as Sanders and scholars such as Scott Galloway argue.[[1]](#footnote-1)

 Senators and legal leaders of the past thought the same thing. In the 1890s. John Rockefeller (the oil magnate) began under-the-table cooperation with other oil and train corporations in order to run competitors out of business. The US government had familiar concerns: worker exploitation, poor working conditions, lack of market competition, unlawful business practices, and political power. In 1904, the Supreme court argued that the Rockefeller had set up a “trust” -- an organization with more people on board than just Rockefeller, but in actuality entrusted to his leadership. Congress then put his company under examination in 1907. Like the Google execs that would follow his lead a hundred years later, Rockefeller refused to testify in Congress.

Congress was upset at Rockefeller, but not as much as a group of rowdy Kansans. They had read Ida Tarbell’s The History of the Standard Oil Company, which told all about the poor working conditions for employees. But even more so, it showed how Rockefeller’s corner on the market resulted in drillers earning next to nothing for their crude, while poor Kansas farmers had to pay (what they saw as) top dollar for the refined kerosene for their lights and equipment.

Join us in Episode 3 of TimeMachine Millionaire as the Kansans face off against Rockefeller. What we need most is an understanding of the multiple strategies that the government could use to limit corporate exploitation of the worker, the consumer, and the nation. Which are most effective, and why? Maybe you can even help Mr Sanders think through a new bill…

**Characters:**

* Jeff Besos, Amazon CEO
* Bernie Sanders and 2 collleagues
* Ida Tarbell
* Lawyer and Justice Louis Brandeis
* Three angry Kansans
* John Rockefeller and a business associate

**Reading:**

Excerpt by Michael McGerr, “Controlling Big Business” (on our course website)

**Websites on the Present to Check Out:**

Scott Galloway, “Silicon Valley’s Tax-Avoiding, Job-Killing, Soul-Sucking Machine” (*Esquire*) <https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/>

Franklin Foer, “Amazon Must Be Stopped” *The New Republic*, Oct 2014 <https://newrepublic.com/article/119769/amazons-monopoly-must-be-broken-radical-plan-tech-giant>

Derek Thompson, “Why Amazon Bought Whole Foods” (*The Atlantic*). <https://www.theatlantic.com/business/archive/2017/06/why-amazon-bought-whole-foods/530652/>

Bob Bryan, “Joe Biden’s Former Top Economist” *Business Insider* <https://www.businessinsider.com/bernie-sanders-amazon-stop-bezos-bill-jeff-backfire-2018-9>

“Jeff Bezos on Breaking Up and Regulating Amazon” Alyssa Pagano, May 2014, *Business Insider*

<https://www.businessinsider.com/jeff-bezos-breaking-up-regulating-amazon-2018-4>

1. Scott Galloway, “Silicon Valley’s Tax-Avoiding, Job-Killing, Soul-Sucking Machine” *Esquire*, February 8, 2018. [↑](#footnote-ref-1)