

The Wal-Mart Economy did not begin with Wal-Mart; indeed, the company Sam Walton instituted in 1962 was nothing like the colossus we know today. Until the early 'Nineties, Wal-Mart remained a relatively modest enterprise, though its "take no prisoners" approach to competition was its bottom line from day one. No, the Wal-Mart Economy has its roots in the late-'Eighties era of "Get big or get out" conglomerates.

Earlier in the century, Teddy "The Trustbuster" Roosevelt was convinced that predecessor McKinley's laissez-faire of big business was injurious to Americans. The conglomerates must be reigned in by Washington, Roosevelt determined; he hated the unfair and unscrupulous dealings that resulted from the unification of control and its destruction of competition. He unabashedly thundered against monopolies as "storm centers of financial disturbance." Biographer Edmund Morris quotes his subject in *Theodore Rex*: "He felt in the mood for 'a knockdown and dragout fight with [Senator] Hanna and the whole Wall Street crowd'."

During Roosevelt's first term, the Supreme Court dismembered the web of railroad holdings its barons had consolidated into Northern Security Company; later, Roosevelt via his Justice Department instituted 37 more antitrust actions, directed at Standard Oil, du Pont, Union Pacific, the American Tobacco Company, and others. One action alone, filed against American Tobacco in 1907, named twenty-nine individuals, sixty-five American corporations, and two British companies, states Richard Kluger in *Ashes to Ashes*. Fellow Republican James B. Duke, president of American Tobacco, argued that his company merely wanted to "make some money" and that "We happen to have more of the brands that please the people and consequently we sell more tobacco." Press critic Josephus Daniels countered in the *Raleigh News & Observer* that "The Tobacco Trust is a hog and wants all the swill." In late May 1911, the U.S. Supreme Court ruled against American Tobacco.

McKinley permissiveness repeated itself in Ronald Reagan and his British counterpart Margaret Thatcher. Antitrust laws lost their bite. Mergers, hostile takeovers, and acquisitions churned out multinationals and bloated corporations. Subsequent presidencies continued the mantra that a "free" market would control its own excesses, even though historical evidence suggested otherwise. Today's owners of megacompanies and their CEOs are fabulously wealthy, but their managers are reduced to bean counters or, worse, forced to impose dangerous and, in some cases, illegal conditions on their workers. Charles Fishman in *The Wal-Mart Effect* cites instance after instance in which an American supplier to the giant retailer has gone bankrupt because of the latter's dictum on cutting prices. Sometimes suppliers are forced by Wal-Mart to shut down a domestic plant and reopen in an underdeveloped country, where labor is cheap.

Ten years ago Eric Schlosser gave us *Fast Food Nation* which, among other things, took a close look at working conditions in the meat-packing industry and the fast-food chains it supplies. The latter industry's expansion has brought a rise in workplace violence, where employees are often poor and often women. Pay rates for underage workers are typically below minimum standards. Four or five fast-food workers are murdered on the job every month, usually during a robbery. In some years, more restaurant workers are murdered on the job in the U.S. than police officers. "A couple of sixteen-year-olds and a twenty-year-old assistant manager are often the only people locking up the restaurant, long after midnight," he notes. Disturbingly, two-thirds of the robberies are carried out by current or former employees, workers steeped in resentment as they

realize they are caught in a race to the bottom. The industry has continued to fight not only guidelines on workplace violence but any enforcement of OSHA regulations. “Who would oppose putting out guidelines on saving women’s lives in the workplace?” Schlosser quotes Joseph Dear, a former head of OSHA. “The companies that employ those women.”

Labor practices in meat-packing plants are often illegal. Working conditions are exceedingly dangerous, the jobs shouldered by undocumented workers who lack the power to speak up against abuse. Schlosser notes that where European meatpacking plants process one hundred carcasses, their American counterparts process three hundred. It means working long hours using razor-sharp yet heavy implements that tax stamina and physique. Accidents are common; workers are on their own when it comes to healthcare and medical treatment.

In the retail business, Wal-Mart leads the way in class-action lawsuits brought by employees whose managers forced them to clock out and then continue to work for free, writes Charles Fishman. In Canada, where the giant retailer is the largest private employer, a union was certified at a Wal-Mart in Quebec to negotiate contracts for its 190 employees. Rather than yield a modicum of control, Wal-Mart shut down the 130,000-square-foot store, laying off all employees. “Wal-Mart is the largest owner of vacant buildings on the planet,” writes Bill McKibben in his latest book; we risk that “Wal-Mart is going to gut your downtown and then pull out.”

The Wal-Mart Economy, Fishman shows, shifts onto taxpayers the health-care burdens formerly shared by employer and employee. “In Georgia, 10,261 children enrolled in the state’s program for poor children had a parent who worked at Wal-Mart,” he writes, noting that this means one child for every four Georgia Wal-Mart workers, while in neighboring Tennessee “9,617 Wal-Mart employees were on the state’s health insurance program for poor people.” Typically, the workers had no choice but comply, having been laid off when smaller proprietors were forced out of business as Wal-Mart moved in.