

15 November 2017

To the mayor and elected councillors of Hamilton, Ontario:

Good afternoon. I hope this finds you well. My name is Joshua Weresch, born and living here with my wife, son, and daughters.

I write in regards to the recent sales pitch that has been made for Amazon's head-quarters. Though it may be highly unlikely that Amazon will locate its office here in Hamilton, I thought it worth informing this Council, in case they were not already aware, of some of Amazon's business practices and history. In light of this information, I would ask Council whether it truly would like Amazon to locate its offices here. To begin, the practices of Amazon's labour practices have been well-documented by the World Socialist Web Site at [wsws.org](http://wsws.org). Several workers at Amazon have gone on record there, speaking of the ways that their labour is constantly increased as their wages are decreased; they have likened their treatment to those in sweat-shops. In his book, World Without Mind: The Existential Threat of Big Tech (Penguin: New York, 2017), Franklin Foer documents some of the historical practices of Jeff Bezos and his company, Amazon. What he writes is worth quoting, in full:

When Jeff Bezos first conceived of Amazon, he originally wanted to locate the company on a California Indian reservation, where it would pay hardly any tax. Authorities rejected that gambit. But Bezos understood that Internet commerce challenged traditional ideas about taxation. Thanks to a court ruling, rendered just as he launched his company, Amazon could get away without paying sales tax to the states to which it shipped its goods.

But as the company expanded, it needed employees spread across the country. Each time Amazon opened a warehouse in a different state, it should have paid taxes there—at least that was the prevailing understanding of the law. Bezos rejected it. There was something Nixonian about this effort. Traveling Amazon employees carried misleading business cards, so that the company couldn't be accused of operating in a state. When Amazon opened a warehouse in Texas, the company apparently didn't tell the state tax officials about the building. That's a hard secret to keep. After authorities read an exposé in the Dallas Morning News, Bezos vowed not to pay the \$269 million the company owed. If the state wanted that cash, he would shut down his facility and take his business elsewhere. In the end, Texas forgave Amazon's debts, so long as it accounted for itself honestly in the future. Texas was a template for the nation. When Amazon moved into South Carolina, the company finagled a five-year exemption from sales tax as a precondition for building a distribution center there.

Amazon promised the cheapest price—and delivered that to consumers. It could offer the best price only by resisting tax. Economists at Ohio State University have shown the crucial role that avoidance played in establishing Amazon. They studied Amazon's sales after states ultimately forced it to pay tax. When states began collecting, household spending at Amazon dropped by 10 percent. In his history of Amazon, the journalist Brad Stone described this dodging as “one of the company's biggest tactical advantages.”

Avoiding tax is an overriding corporate obsession—“employing every trick in the book, and inventing many new ones” in Stone's words. To outmaneuver the IRS and European collectors, Amazon hatched Project Goldcrest. The code name referenced the national bird of Luxembourg. In 2003, the company sought out a deal with the Grand Duchy. As a reward for building a headquarters there, it would pay hardly any tax. Once Amazon set up shop in Luxembourg, it transferred a vast swath of its intangible assets there—vital software, trademarks, and other shards of intellectual property. Truly, these assets exist in no particular

country—does one-click shopping really have a physical location?—but they have a basis in contracts, and those contracts are the basis for taxation (pp. 195-7).

Given the company's dependence on cheap labour, which Hamilton, as a historical labour town, should resist on principle alone, and its practices of tax avoidance, is it worth asking Amazon to re-locate to Hamilton? I believe that Hamilton's city council should not ask Amazon to come here and repeal its offer for its head-quarters.

Thank you for your time and attention in these regards. I look forward to your reply and your actions.

Respectfully,

Joshua Weresch