



Companies get more government assistance

By: Ron Swenson – January 9th, 2013

Presidential candidate Mitt Romney was caught on video ranting against 47 percent of Americans he accused of accepting government help, but did anyone hear Gov. Romney fretting about a huge elite group, all the American corporations, that suck up billions of dollars in government assistance?

Republicans like to evoke the image of the “welfare queen” using food stamps to buy bonbons, but they never mention corporate fat-cats flying congressional members to Las Vegas for fun and games and more tax loopholes. Of course some business subsidies help consumers, but most do not.

The Cato Institute reports that about \$59 billion is spent on social welfare programs and nearly \$92 billion on corporate subsidies and tax breaks. For example, The giant retailer Wal-Mart has more workers enrolled in Medicaid programs, which are supposed to be for poor people, than any other U.S company. The largest fraction of corporate welfare spending, about 40 percent, goes to millionaire farmers who grab more than \$25 billion.

Then there was the Energy Policy Act of 2005 that provided \$15 billion in subsidies to the oil, gas and coal industries, and these payouts continue today despite huge energy profits. Hey, energy CEO’s need our tax help to get their multimillion dollar bonuses!

Another form of corporate welfare is tax breaks for hundreds of large corporations. During 2001-2003, 275 of the largest corporations used tax loopholes to cut taxes by \$200 billion, and this is just the tip of the iceberg.

A federal lands and mining law passed in 1872 allows companies to lease federal land for \$5 an acre and then keep all the gold, uranium or silver they find with taxpayers getting no royalty payments. Next time you put sugar in your coffee, consider that U.S. sugar companies’ benefit from the sweetest boondoggle in business by hiding behind an import quota that keeps American sugar prices nearly twice as high as they would be. Then there is the ethanol subsidy that takes food from tables to benefit farmers.

Recently, of the 100 highest-paid corporate CEO’s , 26 took home more in pay than their company paid in federal income taxes. Congress slipped in \$400 million for NASCAR in the “fiscal cliff” bill.

U.S. Sen. Bernie Sanders pointed out that the import-export bank gave tax subsidies to Enron, Boeing, Halliburton, Mobil Oil General Electric, Goldman Sachs, FedEx and hundreds more. I am limited to 500 words for this article, but I need 10,000 words to cover the thousands of subsidies and tax dodges given to corporations.

Gov. Romney and Republicans railed against social welfare, but a multitude of big companies grab more from the government than those who get food stamps and other social benefits. Republicans scream for smaller government, but what they want is a government that is small when it comes to helping people but really big when it comes to helping corporations.