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Morning News of Northwest Arkansas: Corporate Welfare Pimps for Wal-Mart

Kevin Carson

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For anyone not familiar with the sordid tale of grand larceny involved in creating the Northwest Arkansas Regional Airport, I discussed it in a post on the Mutualist Blog. Today I sent the Morning News a letter in response to its pimping for a corporate welfare highway project, and its praise for the gang of crooks behind the airport deal. Here it is.

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Your March 3 editorial, after discussing the crying shame of congestion on 412, called on area “movers and shakers” to “step up to the plate” with a 412 bypass, as they did for the regional airport. Three points:

1. Maybe the levels of traffic currently clogging Hwy 412 have something to do with past highway subsidies and corporate

welfare to local real estate developers, which subsidize suburban sprawl and thus generate more traffic. It's a fact of economics that when you subsidize something, people consume more of it. Thus, the main effect of transportation subsidies is to increase the distance between things. Subsidized highways generate traffic congestion faster than they can be expanded to relieve the congestion.

Market prices act as a feedback mechanism: when all costs are included in price, the price informs the consumer of a good or service the real cost of producing it, so that he can make a rational decision of how much to consume. When the price signal is distorted so that it does not reflect the full cost of a good, the consumer consumes artificially high levels of that good. You get the same kind of feedback distortion when you put a heat source like a lamp directly under your thermostat and get a freezing house. When you distort a hormonal feedback mechanism, you get gigantism, and an organism that dies under the burden of its own weight. When you distort the price of transportation, you get an overgrown, centralized infrastructure collapsing under the weight of the congestion it generates.

The best way to deal with highway congestion is to fund the interstates with weight-based tolls, stop providing subsidized infrastructure to new real estate developments at the expense of tax- and rate-payers in older areas, stop closing down neighborhood schools to build them for new developments, stop FHA discrimination against purchases of existing homes in old residential areas, and eliminate zoning restrictions on neighborhood grocers and other mixed-use development. Without corporate welfare making sprawl artificially profitable, people would live, on average, closer to where they shopped and worked.

2. The “movers and shakers” who organized the regional airport project were mainly the corporate welfare queens who stood to profit from it, at taxpayer expense. Both the Northwest Arkansas Council and the Airport Authority were made up mainly of representatives from Tyson, Wal-Mart, and J.B. Hunt, along with their toadies in local government—in other words, the usual suspects with a vested interest in transportation pork.

Anything ordinary working people have gained through better paying jobs, as a result of the airport, has been lost through skyrocketing rents and land prices, and higher taxes to extend infrastructure for new development. The only winners are the corporate welfare queens.

3. Those same “movers and shakers” did everything they could to short-circuit the democratic process, deliberately working in secret and then springing the airport project on the public as a done deal when it was too late to do anything about it. The Northwest Arkansas council lobbied local governments in secret, got their lackeys in local government to vote in the Airport Authority as an “emergency” measure without prior public notice, and then unofficially leaned on local newspaper and radio station owners to silence opposition from their staff. Anyone who participated in this conspiracy against the public by voting for the authority is a public enemy—it's that simple. If the regional airport was a legitimate need, rather than a crooked deal for their private profit, the local “movers and shakers” wouldn't have had to act in secret like a pack of sneak-thieves. They wouldn't have been ashamed of anything honest.