

# [Corporate welfare](https://assignbuster.com/corporate-welfare/)

Corporate Welfare America’s “ Corporate Welfare” program officially began in the 1930s, but actually traces its roots back to as far back as the founding of the country. One significant instance of Corporate Welfare intervention occurred in 1887 when the government began to regulate the railways. This was the result of several businessmen complaining that the railway companies were using unethical tactics and driving them out of business. The events led to a depression and the government began to regulate the railways in an effort to get the country out of the depression faster (1). Corporate Welfare takes a variety of forms from indirect to direct subsidizing, grants, loans, reduced tax-rates, and bailouts. The crisis that created the Corporate Welfare program in the 1930s was the Great Depression. This led to the government subsidizing the agricultural as well as other industries. Agriculture has traditionally been the most widely subsidized by the U. S. government (2). The effectiveness of Corporate Welfare is widely debated. Proponents view it as an investment that helps businesses and therefore the economy grow. The welfareinfo. org website states that “ American companies remain competitive leaders in the global business industry and many owe at least a portion of their success to the funding support provided by Corporate Welfare” (3). However, many counter this argument by saying that only big companies and basically those who are “ already rich” are subsidized at the expense of middle-class and poor people (4). They point to the recent example of General Motors, which was a failing company until the government stepped in simply because they were “ too big to fail.” It is clear from these historical examples and the opinions of experts that big businesses are given preferential treatment to smaller companies when it comes to Corporate Welfare. Many would argue that this is a necessary evil and must be done in order to save the economy from complete destruction. It is likely though that this rhetoric is thrown out there to create fear and keep the wealth in the hands of the already wealthy. Personally, if I were President, I would not want to give preferential treatment to a company just because they are a big company. Corporate Welfare should be used to help all businesses, not just big businesses. This rarely, if ever, happens in the current system. Footnotes 1. Charles Beard, American Government and Politics (New York: MacMillan, 1928). 88. 2. Welfare Info. “ Corporate Welfare.” Last modified 2011, http://www. welfareinfo. org/corporate/ 3. Welfare Info. “ Corporate Welfare.” Last modified 2011 http://www. welfareinfo. org/corporate/ 4. Donald Barlett, “ Corporate Welfare.” Time Magazine, November 9, 1998. References Barlett, Donald L. “ Corporate Welfare.” Time Magazine, November 9, 1998. Beard, Charles A. American Government and Politics. New York: MacMillan, 1928. Grant, James. “ The Feds Subprime Solution.” The New York Times, August 26, 2007. Welfare Info. “ Corporate Welfare.” Last modified 2011, http://www. welfareinfo. org/corporate/