

The empire of the pigs

By Donald L. Barlett and James B. Steele
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“This is quite a Christmas present,” said Harlan Nelson, then mayor of Albert Lea, Minn., on that December day in 1990 when he learned that a closed factory in the town would reopen. “Fairy tales do come true!”

The fairy godmother turned out to be Seaboard Corp., a giant of agribusiness with headquarters in Merriam, Kans., and controlled out of Chestnut Hill, Mass. Seaboard officials announced that they would restart the shuttered pork-processing plant that had once been the town’s largest employer—if the city offered a little help. Albert Lea responded by giving Seaboard a \$2.0 million low-interest loan and a special deal on its sewer bill and grading and paving parking lots for employees. And before long, the plant re-opened, and several hundred workers were back on the job.

That’s where the process began by which the fairy tale turned into a very bad dream. Just four years later, in 1994, Seaboard phased out the plant and moved its hog-slaughtering operations to another town 800 miles away, which came up with an even larger corporate-welfare package. Albert Lea was left saddled with debt, higher utility bills and an abandoned slaughterhouse. The entire episode, says City Manager Paul Sparks, was a “disaster.”

This is the story of how an extremely resourceful corporation plays the welfare game, maximizing the benefits to itself, often to the detriment of those who provide them. It’s also a vivid reminder to cities and towns everywhere about the potential long-term liabilities they may one-day face by spending public funds to get results that are best achieved by the free market.

Seaboard is a publicly owned company, but in fact it is the fiefdom of a reclusive Boston-area family (more on that later). A sort of mini-conglomerate, Seaboard has interest in hogs, strawberries, chickens, shrimp, salmon, flour and wine. Its operations span four continents and nearly two dozen countries and range from cargo ocean liners to sugarcane. And like other profitable businesses, it collects subsidies—or more accurately, corporate welfare—from local, state and federal governments. Indeed, officials trip over one another in the rush to extend taxpayer support to Seaboard—from the Federal Government’s Overseas Private Investment Corp.

(OPIC) in Washington to the Kansas state agency responsible for industrial development, to the utility authority in little Guymon, Okla. Wherever Seaboard is, there is a government throwing money at it. Money the company uses to build and equip plants, hire and train workers, export its products and expand overseas.

THIS LITTLE PIGGY SKIPPED TOWN

For a close up view of Seaboard, let’s begin with Albert Lea. For most of this century, Wilson Foods operated that pork plant and was the town’s largest employer. Wilson fell on hard times in the early 1980s, cut workers’ average annual pay from \$22,200 to \$16,600 and eventually sold the plant to Farmstead Foods. In turn, that company went belly-up a few years later, after it lost its biggest customer—Wilson. Then, in December 1990, just as workers were receiving the last of their unemployment checks, Seaboard appeared.

Once the company negotiated its sweet deal with the city, the Chamber of Commerce erected a billboard declaring, 35,000 FRIENDLY PEOPLE WELCOME SEABOARD CORP. At an appreciation luncheon, Rick Hoffman, Seaboard’s vice president of finance, observed that it is “really a pleasure to be associated with such a fine community and to have such a quality work force.”

The more than \$43 million Albert Lea handed out to help reopen the plant represented only the latest installment in corporate-welfare payouts. Because hog killing created serious pollution problems, Albert Lea earlier had kicked in \$3.4 million to build a wastewater-treatment plant devoted mostly to servicing the pig factory. The hogs had your help as well: the Federal Government contributed \$25.5 million, while the state of Minnesota gave \$5.1 million. Total cost of the sewage plant: \$34 million. The city also built new roads and water lines to the plant, built a parking lot and came up with \$1 million to help erect a hog-slaughtering building.

Hoffman, Seaboard’s vice president of finance, took note during that luncheon of the stream of government aid: “We’re especially grateful to the state of Minnesota and the city of Albert Lea, who together since 1984 have supplied literally millions of dollars in the form of grants, tax

incentives and loans to the facility. They had a lot of confidence in it...Truly this has been a lesson in economic development.”

A lesson was about to unfold, all right—a textbook study of the fickle results of corporate welfare. Seaboard was unable to attract enough workers from Albert Lea to run the plant. Many former Farmstead employees had already left the area in search of work. More than 100 had retired. Still others declined to work for Seaboard wages—\$4,500 a year less than the plan’s 1983 wage, and no vacation the first year on the job.

Seaboard’s solution: recruit Hispanic laborers from other areas of the U.S. as well as from Mexico and Central American countries like Guatemala. Soon the recently arrived immigrants began to stream into Albert Lea—with no money and no place to stay. It was a practice Seaboard would repeat in other towns, in other states.

It became common for several workers to share a room. Families couldn’t afford local rents on a Seaboard wage. Eventually some went on welfare. In short, corporate welfare begot individual welfare.

Meantime, Seaboard failed to invest in upgrading its sewage-pretreatment facility. As a result its waste began to overwhelm the city’s municipal treatment plant. The city normally placed its treated sludge on soybean cropland, but by the second summer, city officials were in search of more land. As Sparks recalls, “We had so much sludge accumulation that...we had to go out in the middle of the summer, buy a crop (for \$36,000) and plow it under because our storage capacity was exceeded.”

Rather than overhaul the plant, Seaboard responded in the classic manner of corporate-welfare artists: it began quietly looking around for another town, another state. Alarmed, Albert Lea and Minnesota came up with an additional \$12.5 million in incentives to keep the plant. But Seaboard had found a bigger patsy—Guymon (pop. 7,700), in Texas County, Okla. Guymon, the county and the state put together an economic incentive package worth \$21 million to entice Seaboard to the Oklahoma Panhandle, a section of the country where hogs and cattle far outnumber people.

Among the subsidies: Texas County borrowed \$8 million to plow into the company up front. To pay off the loan, the county enacted a 1% sales tax. The state granted a \$4 million, 10-year income tax credit with the understanding that it was “unlikely” the company would pay any

income tax during those 10 years. The state spent \$600,000 to train Seaboard’s workers. The company received grants and low-interest loans to finance a waste-pre-treatment plant. (Remember the one in Albert Lea?) The company was excused from paying \$2.9 million in real estate taxes.

As always, local and state officials were on hand when Seaboard announced in August 1992 that it would employ as many as 1,500 workers at its new pork-production facility. In time the plant will slaughter 4 million pigs a year. Oklahoma Governor David Walters declared that plant “a huge and much deserved economic boost to the entire Panhandle area, and to the state.”

Meanwhile, back in Minnesota, Seaboard’s local president was reassuring newspapers that the Albert Lea plant would remain open.

That was in August 1992. Seventeen months later, in January 1994, Seaboard announced that it would shutter its hog-slaughtering operations and lay off upwards of 600 employees. The company said it would keep about 300 workers to process and produce ready-to-buy meats like bacon, sausage and ham. (The number of employees eventually dropped to about 200, and Seaboard sold the business.)

It was not just Oklahoma’s subsidies that persuaded Seaboard to relocate. The Albert Lea work force was unionized; wages had risen to \$19,100 a year—still \$3,100 below their level in 1983, but too rich for Seaboard’s blood. Guymon, by contrast, promised low-wage, nonunion labor. Also, Seaboard had decided it wanted to raise its own hogs for slaughter, not just buy them from farmers. Minnesota banned corporate hog farms. Oklahoma had had a similar ban but had repealed it before Seaboard came along.

When Seaboard moved on to Guymon, it left behind in Albert Lea the abandoned hog-slaughter building, empty parking lots, a waste-treatment plant that now operates at only 50% of capacity and higher sewer bills to pay for it. And when Seaboard walked, the state had to come up with some \$700,000 to retain displaced workers or help them find new jobs.

“For 15 years, the community devoted the major portion of its federal and state legacy and a good share of local money to providing improvements to keep the slaughtering plant in our community (for Seaboard and its predecessor),” says Sparks. “In retrospect,” he says ruefully, “the money could have been better used.”

EVER BUY A PIG IN A POKE?

In Oklahoma, it was starting to seem like déjà vu all over again. The \$21 million that state and local governments put up to bring Seaboard to the Panhandle was just the start. Guymon, like Albert Lea, couldn't supply the work force required by Seaboard. In time the company would need workers by the thousands. That's because the turnover rate in all processing plants runs close to 100% a year owing to the low wages. This slaughterhouse, one of the world's largest, will eventually kill an average of eight hogs a minute, 24 hours a day, 365 days a year—more than 4 million annually. So Seaboard repeated the Albert Lea hiring process—it attracted immigrant workers, some Laotian and Vietnamese, but most from Mexico, Guatemala, Honduras and other Central and South American countries. Some turned out to be illegal immigrants.

Just getting there was no easy feat, since Guymon, which calls itself "An American Original," is located in a less than convenient spot—320 miles east of Santa Fe, NM., 335 miles west of Tulsa, 125 miles north of Amarillo, Texas, and 500 miles from the Mexican border. The nearest bus stops are in Liberal, Kans., 40 miles to the north, and Stratford, Texas, 40 miles to the south. As was the case in Albert Lea, the freshly arrived immigrants had no place to stay, and the town that had never had a homeless shelter was forced to open one. Volunteers cleaned, repaired and painted a vacant motel. Unemployed individuals and families could stay up to one week at a cost of \$10 a day, which included two meals. If they found work—largely at Seaboard—they could stay up to 90 days while they saved money for a permanent home.

Simultaneously, the state began training Seaboard workers even before the plant opened. Curriculums were provided in English, Spanish, Laotian and Vietnamese. In all, 3,300 Seaboard workers received training. The cost to taxpayers: \$617,168.

Other costs began to pop up. By 1997 the Guymon schools bulged with new students. All grades exceeded the state-mandated teacher-pupil ratio. And enrollment is expected to jump one-third by the year 2000. Adding to the turmoil of overcrowding was the confusion about language. The district was compelled to add English-as-a-second-language classes. This year about 450 students, or 21%, were judged to have limited proficiency in English.

Some parents began to complain that their children were getting no education at all. But

when the school district proposed a \$1.6 million in bond issues for new classrooms, equipment and buses, voters said no. The reason? A general anger directed at the huge hog farms. And a belief that Seaboard Corp. was not paying its way. Which, of course, it was not.

In 1997 the Oklahoma legislature agreed to spend \$700 million on state roads and bridges. Of that figure, Guymon's and Texas County's share amounted to \$37.3 million. That worked out to a per capita highway spending in Texas County of \$2,200—or some 10 times what was earmarked for the rest of the state. Needless to say, most of the roadwork benefited Seaboard.

In addition, \$47 million—a disproportionate amount—of the state's five year capital-improvement program was set aside for Texas County for highway work to accommodate Seaboard truck convoys, which in time would haul 10,000 hogs a day into Guymon from all directions.

Then there was the local tax relief. For the 1996-97 fiscal year, Seaboard's Texas County tax bill totaled \$1,118,000, according to John DeSpain, then county assessor. The state tax commission excused Seaboard from \$700,000 of those taxes, on the grounds that the new hog farms and slaughterhouse qualified as "manufacturing." The state, in turn, sent Texas County that sum from a special fund. In short, all other Oklahoma taxpayers picked up 63% of Seaboard's tax bill.

There's more: the company didn't even want to pay all the remaining \$418,000, so it appealed. It won, and the state agreed to absorb an additional \$193,000. In other words, the state paid 78% of Seaboard's real estate taxes.

As for the 1997-98 fiscal year, DeSpain said, "Seaboard's tax bill increased to \$1,580,000. The company was immediately excused from paying \$1,090,000 of that—again, money that all other Oklahoma taxpayers must pay. Once more, Seaboard was dissatisfied and appealed. And again, the state consented to pick up \$226,000 more. The bottom line: Seaboard was obliged to come up with just 17% of the taxes owed.

It should be noted that Seaboard did agree early on to contribute \$175,000 to the Guymon schools each year—on the grounds that the old plant it replaced in 1992 had been taxed that amount. Even with that donation, its payments fall far short of what the company really owes. And it doesn't come close to providing the schools with the revenue needed to pay for Seaboard's presence in the community. One might think that would discourage other school districts from

negotiating similar agreements. One would be wrong.

In December 1997 Seaboard promised to pay \$125,000 to the Keyes schools in Cimarron County, which adjoins Texas County to the west. The money would allow the school system to replace the wiring and reopen a shuttered elementary school. In turn, Keyes agreed it would not oppose company plans to build a feed mill and 400 barns to house an additional 400,000 hogs.

Besides ballooning school costs, Keyes also may look forward to another set of rising statistics: crime. From 1991 to 1997 in Guymon, serious crimes went up 61%. Larcenies increased 50%, assaults jumped 96%, and auto theft shot up 200%. Rapes went from none to five. And for the first time, youth gangs appeared on Guymon streets. A resident says that, "some students have expressed fear of even going to the rest room in the high school."

HOG HEAVEN? TRY HOG HELL

In a way, Guymon is fortunate that it has little available housing. If it did, the social costs it is paying for Seaboard's presence would have been worse. As it is, Seaboard workers often must settle in distant areas, like Liberal, Kans., another meatpacking center and magnet for immigrant workers. When Seaboard proposed establishing a hog farm in Seward County, where Liberal is the largest community, residents voted 3 to 1 to block construction. Nevertheless, Kansas state officials reportedly have assured Seaboard that the referendum is not binding.

The company already operates huge hog farms in five southwestern Kansas counties, where it accounts for more than one-quarter of the state's 1.5 million-pig population. The pigs are raised in Kansas until they are ready for slaughter and are then trucked to the processing plant in Guymon. Kansas issued \$9.6 million in industrial revenue bonds to help Seaboard develop the farms.

Actually, the term farm is a misnomer, for corporate hog farms bear no resemblance to the traditional family farms. Instead, they are massive industrial operations. Call them pig factories.

In a long barn that houses about 1,000 animals, the hogs spend their days jammed next to one another, eating constantly until they grow from about 55 lbs. to 250 lbs. They stand on slatted floors so their wastes drop into a trough below that is flushed periodically into a nearby cesspit. The number of cesspits is exploding. From 1990 to 1998, the Oklahoma pig population soared

761%, jumping from 230,000 to 1.98 million, with Seaboard accounting for about 80% of that number.

It is not pleasant living amid this. Just ask Julia Howell and her husband Bob. The couple lives on a farm near Hooker, about midway between Guymon and Liberal, where four generations of Howells have grown wheat and raised families. Now feisty Julia Howell, 69, talks about her "40,000 neighbors" and explains why she seals the farmhouse windows, stuffs pillows into the chimney and seldom ventures outdoors without a face mask.

It's the ever present stench—the over-powering smell from Seaboard's 40,000 hogs closely confined in 44 metal buildings, where exhaust fans continuously pump out tons of pungent ammonia mixed with tons of grain dust and fecal matter, scented with the noxious odor of hydrogen sulfide (a poisonous gas produced by decaying manure that smells like rotten eggs), all combined with another blend of aromas wafting from five cesspits each 25 ft. deep and the size of a football field. They are, in effect, open-air sewage ponds, and 75 ft. below lies the Ogallala aquifer, which provides drinking and irrigation water for much of that part of the country.

Think of all that waste this way: imagine that you are sitting on the front porch of your farmhouse on the prairie, surrounded by four Washington Monuments, each filled to the top with pig manure. And then there are all the dead pigs lying about. By law, the carcasses are supposed to be deposited in dumpsters with lids tightly closed, and the contents disposed of daily. But with hundreds of thousands of hogs dying before their time each year, Seaboard often falls behind in disposing of them. Sometimes the overflow from dumpsters is stacked nearby. Sometimes dead hogs are piled up beside barns, sometimes at the side of the road. And sometimes they lie about so long the flesh rots away.

After issuing repeated warnings to Seaboard, the Oklahoma agriculture department fined the firm \$157,500 in December 1997 for improper disposal. After an appeal, the company paid the state \$88,200 for the infractions. In all, the Seaboard death toll reached 48 hogs an hour in 1997—420,000 for the year. And the carcasses are picked up only once a day—assuming the dead-pig truck is on schedule. Sometimes it isn't. Which is why at any given moment during the day there are hundreds of dead hogs lying about the fields of Texas County.

For the past two years, Julia Howell has recorded in a diary life with the blended smells from rotting hogs and cesspools and the breezes from hog barns:

Monday, July 1, 1996: "80 degrees. Calm. Tried to sit outside a while. Impossible without a mask. What a life!!"

Monday, July 8, 1996: "Had a storm at 70 degrees. It rained toxic fumes 7:30 p.m. Horrible during rain!!!"

Wednesday July 24, 1996: "Calm. 80 d degrees. 9:30 p.m. It would take two masks tonight."

The smell has forever altered the Howells' way of life. "We celebrated our 50th anniversary here this year," she says. "But, you know, when the hog fumes come rolling in, you can't plan on anything. I haven't had people in for dinner (for two years) because I'd probably have to meet them out on the driveway with a mask for them to get to the house.

"We thought we were at the point that we could retire. And, of course, the rhetoric from Seaboard is, "Well, my goodness, your land, your home, it's worth more than you ever dreamed because of us coming in next to you..." Our kids couldn't sell this if they needed the money to bury us with. It's just devalued to nothing as far as the market's concerned."

The story is much the same for Vancy Elliott and her husband Delmer, who live about three miles from Guymon and whose land abuts a Seaboard hog farm. "We have to put flytraps out in the summer," said Elliott. "But we even have flies occasionally in the winter now, and we've never had that before. Rats and mice are a real problem because they have so many pigs that are dying."

To help staff its hog-processing plant and farms, Seaboard has recreated the corporate model employed by the coal barons of the 1800s, whose workers lived in company-owned houses and shopped in company-owned stores. In Guymon, Seaboard and local business leaders invested in an apartment complex and trailer parks to house the company's employees. Rent is automatically deducted from the paychecks of Seaboard workers. So, too, is the cost of meals that they eat at the plant. A two-bedroom apartment goes for \$420 a month; for three bedrooms, \$485. A Seaboard worker earns about 4300 a week—before Social Security and income taxes are deducted.

"The people never see this money," said Carla Smalts, a rancher who campaigned against corporate hog farming while at the same time waging an ultimately losing battle against

cancer. "It comes off the top of their paycheck right to Seaboard," she told *TIME* in December 1997. "By the time they pay Seaboard their rent and the meals are taken off out at the plant—and most of them eat at least one or two meals out there—they don't have a whole lot left. There's no way these people are going to buy houses." Carla Smalts died in August 1998 at age 52.

BRINGING HOME THE BACON

Let us recount, for the moment, some of Seaboard's corporate welfare in the 1990s: Minnesota provided more than \$3 million in economic incentives; Kentucky, 23 million, Kansas, \$10 million; and Oklahoma, \$100 million. The Federal Government's OPIC provided \$25 million in insurance for business ventures abroad. As for the financial burdens imposed on other taxpayers by virtue of Seaboard's presence, no one knows the cost. It is in the tens of millions of dollars. And all this for jobs that pay little more than poverty-level wages.

All this welfare has helped propel Seaboard into the front ranks of American pork producers. As recently as 1989, the company did not own a single hog. This year it's the No. 5 producer in the country—and about to vault higher. Seaboard plans to build yet another processing plant, capable of slaughtering 4 million hogs a year, thereby doubling its output.

So who really profits from all of this? A secretive Boston family of millionaires.

Seaboard's stock is traded on the American Stock Exchange, and last week it sold at 387 a share. Some 75% of that stock is owned by another company, called Seaboard Flour Corp., and 95% of Seaboard Flour is owned by brothers H. Harry and Otto Bresky Jr., their sister Marjorie B. Shifman and family trusts. All told, the family's stock in Seaboard is worth \$425 million.

And who are the Bresky's? A Boston *Business Journal* article published in February 1993 described them this way: "The Bresky family could teach J.D. Salinger a thing or two about maintaining a low profile...Try (to) find anyone in Boston who has even heard of the family, and you draw nothing but blanks...The Breskys have never held memberships with local Chambers of Commerce or positions on the boards of local companies and nonprofit organizations." Two months later, in April 1993, the Kansas City *Star* published a similar report: "Seaboard declined to be interviewed for this article, following a standard practice for at least a decade. That

practice has helped Seaboard avoid press coverage almost totally.

“We kind of like it that way,’ said Marshall Tutun, a Boston lawyer who is Seaboard’s corporate secretary. ‘We’re modest, humble, unassuming folk, and our stock is rather thinly traded.’”

Indeed, Seaboard’s offices in Chestnut Hill, Mass., are a testimonial to anonymity and modesty. The executive offices of the company with annual sales of \$1.8 billion are confined to several small rooms on the third floor of a frayed four-story building in a strip mall on the western edge of Boston. With stained orange carpets, faded paint and a warren of empty offices, the building is home to a number of small businesses, including a hair and nail salon, a furrier, a jeweler, a facial salon, an electrologist and a marketing firm. Notes are affixed to unmarked office doors advising delivery people to “put envelope under door.”

It is from this location, as well as a suite in the San Carlos Hotel in midtown Manhattan, that 72 year-old Harry Bresky masterminds the day-to-day business operations of the family’s global empire.

Harry Bresky, president of both Seaboard Corp. and Seaboard Flour presides over a workforce of 12,000 employees, 10,200 of them in the U.S. Holdings include flour mills in Ecuador, Guyana, Haiti, Mozambique, Nigeria, Sierra Leone and Democratic Republic of Congo; feed mills in Ecuador, Nigeria and Congo; 3,100 acres of shrimp ponds in Ecuador and Honduras; 37 acres of sugarcane, 4,200 acres of citrus and a sugar mill, all in Argentina; a winery in Bulgaria; other agricultural and business interests in Chile, Colombia, Costa Rica, Guatemala and Venezuela; electric power-generating facilities in the Dominican Republic; shipping companies in Liberia; containerized cargo vessels running between Miami and Central and South America; and, of course, the processing plant and hog farms in Oklahoma, Kansas, Texas and Colorado, along with poultry-processing plants, feed mills, hatcheries and a network of 00 contract chicken growers in Alabama, Georgia, Kentucky and Tennessee.

Harry Bresky, who earned just under \$1 million in salary and bonus last year as Seaboard’s top officer, didn’t respond to TIME’S requisitions for an interview. But details of the business dealings of Seaboard and Bresky have emerged in a series of lawsuits filed over the years.

It all began in 1987, when Bresky fired Seaboard’s vice president and chief financial officer, Donald Robohm, who had been with the company for more than a decade. Robohm sued, charging “illegal and improper activity by Seaboard and other components of the Flour conglomerate, as directed by Bresky.”

Robohm claimed the activities included “improper diversion of corporate opportunities from Seaboard,” a public company, to Seaboard Flour, Bresky’s private company. When Robohm refused to “cover up the conduct,” he claimed, Bresky fired him for “not being ‘a team player.’”

The lawsuit was settled and, according to court documents, both parties are prohibited from disclosing “information concerning the substance of the...litigation and the substantive terms of its settlement.”

Three years later, in 1990, Alan R. Kahn, a Wall Street investment broker and Seaboard stockholder, filed a lawsuit in Delaware seeking an accounting of the profits earned by the Breskys through their intercompany dealings. Kahn alleged that the Breskys required Seaboard Corp. to enter into business deals with Seaboard Flour that generated “unlawful profits” for Seaboard Flour. In short, according to Kahn’s allegations, the Breskys used their controlling positions in the two companies to move money from the public company to their private business.

Robohm was subpoenaed in the Kahn lawsuit, and he recited a litany of business dealings in which, he said, Bresky had interest in companies that profited from inflated contracts with Seaboard Corp. According to his deposition, kickbacks were paid to officials in foreign governments; contracts were padded, with the excess money diverted to Swiss bank accounts; management fees were inflated; brokerage commissions ran 2 ½ to five times the usual rate. And in the case of one Seaboard subsidiary, “there was a great deal of cash that was...unaccounted for.”

In his deposition, Robohm recounted the time a top Seaboard executive dropped by his office to ask whether he had set aside money for Bresky in a contract that was being negotiated for a manufacturing plant in Nigeria. Robohm recalled the meeting:

“He said, ‘Have you thought about including something in this for Harry?’

“I said, “No...that thought didn’t occur to me.’

“He said, ‘You know that these are important considerations when you look at an investment of

this size; that you need to have something in this for Harry.”

Robohm said he told the executive that “that’s not the kind of thing that I do.” He added that “it wasn’t 60 days later that I was taken off the project.”

The litigation dragged on for four years. Finally, in 1994, the lawsuit was settled when Seaboard Flour and the Breskys, without admitting “any liability or wrongdoing,” agreed to pay \$10.8 million to Seaboard Corp. For practical purposes, that meant the Breskys transferred money from the family-owned Seaboard Flour to the publicly traded but still family-controlled Seaboard Corp.

As for Harry Bresky, financial statements filed in the Kahn legal case show that in 1991 he reported a net worth of \$84 million. That was back when Seaboard stock was less than half its present value. Like many millionaires, Bresky also enjoyed a comparatively low federal tax rate. On his 1990 U.S. income tax return, he reported adjusted gross income of \$2.243 million and paid \$503,000 in federal income and Social Security taxes. His effective overall tax rate worked out to 22.4%—just a few percentage points above the 16.8% rate paid by families earning \$35,000 a

year. Of course, Bresky had 64 times as much income.

From 1990 to 1997, Seaborad Corp. was the beneficiary of at least \$150 million in economic incentives from federal, state and local governments to build and staff poultry- and hog processing plants in the U.S.; insure its operations in foreign countries, and sell its products.

Local (and federal) taxpayers supplied the dollars not just for the outright corporate welfare, but also by picking up the costs of new classrooms and teachers, homelessness, increased crime, dwindling property values and an overall decline in the quality of life.

During those same years, the value of a share of Seaboard stock spiraled from \$116 to \$387, increasing the worth of the Bresky family holdings in the company from \$125 million to \$425 million.

Not bad work if you can get it. But you can’t.

And that’s the inequity of the entire elaborate jerrybuilt system of corporate welfare that infects and distorts the American economy. We are all left holding the bill.

—with reporting by Laura Karmatz and Aisha Labi, and research by Joan Levinstein

