



City Journal
What Does the War on Wal-Mart Mean?
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Here is a story you're unlikely to read in the spate of press attacks on Wal-Mart these days:

When Hartford, Connecticut, tore down a blighted housing project, city officials hatched an innovative plan to redevelop the land: lure Wal-Mart there, entice other retailers with the promise of being near the discount giant, and then use the development's revenues to build new housing. Wal-Mart, after some convincing, agreed, and city officials and neighborhood residents celebrated a big win—better shopping, more jobs, and new housing in one of America's poorest cities.

But then, out of nowhere, outsiders claiming to represent the local community began protesting. Astonished city leaders and local residents quickly discovered the forces fueling the campaign: a Connecticut chapter of the United Food and Commercial Workers Union; and ACORN, the radical community group. Outraged residents fought back, denouncing outside interference, but opponents persisted, filing three separate lawsuits that have delayed construction, including a ludicrous suit claiming that the development would destroy unique vegetation that has sprouted since the housing project came down. "These people looked for every possible reason to stop a project that the community wants," says Jackie Fongemie, a frustrated community activist who has fought for the store. "Where were the environmentalists when rats were running wild around this place?"

Though Wal-Mart has encountered opposition for years from anti-sprawl activists or small-town merchants worried about the competition, the Hartford drama exemplifies a brand-new kind of opposition, a coordinated effort of the Left, in which unions, activist groups like ACORN and the National Organization for Women, environmentalist groups, even plaintiffs' attorneys work together in effective alliances. They are fighting the giant retailer not only store by store, but in statehouses, city halls, and courts. They have already managed to make Wal-Mart an issue in the presidential campaign: several Democratic hopefuls indicted the American shopper's favorite store as unfriendly to working people.

This new war on Wal-Mart is more than just a skirmish over store sites or union-organizing efforts. It is an attack on a company that embodies the dynamic, productivity-driven, customer-oriented U.S. economy that emerged in the 1990s by opponents who advocate a different economics. Arguing that there is a hidden cost to business's increasing emphasis on low prices and high employee output, these opponents seek government edicts to force Wal-Mart and discounters like it to raise wages and offer workers more benefits. Wal-Mart's opponents are rushing into battle just as the company and some of its imitators are expanding their brand of retailing to many underserved urban communities starved for the low prices, broad selection, and friendly service these stores offer, making the conflict a vital issue not just in Wal-Mart's traditional rural and suburban markets but, increasingly, in American cities.

When Sam Walton started out as a retail entrepreneur nearly 60 years ago, few could have dreamed that he would hatch anything that would become so successful—or controversial. A World War II vet who had worked as a clerk in J. C. Penney stores, Walton started modestly by buying an old Ben Franklin 5 & 10 in the tiny town of Newton, Arkansas, population 7,000. When his landlord wouldn't renew his lease, he headed to even smaller Bentonville, Arkansas—population 5,000—where he opened another variety store

and then started building ever larger ones in nearby towns. A conservative on family, religious, and civic issues, Walton was a radical in business, discontent with old-fashioned country retailing. After studying such discount pioneers as the E. J. Korvette chain in New York and New Jersey, Walton opened his first Wal-Mart Discount City on July 2, 1962, in Rogers, Arkansas.

Though his first Wal-Marts were chaotic, with goods piled high on tables, the stores charged unprecedentedly low prices, and crowds flocked to them, some traveling hundreds of miles to shop. One time, the local fire department had to be called to a store opening to control the mob. Recognizing that he had something unique to offer, Walton expanded his idea, so that by 1970, when he offered Wal-Mart stock on Wall Street, the company already boasted 32 stores and \$31 million in annual revenues. Then Wal-Mart grew even more rapidly, to 78 stores and \$168 million in revenues in 1974 and to more than \$1 billion in sales by 1980. Neither Arab oil embargoes, interest-rate spikes, nor recessions could stop the company's growth, and its stock soared, growing and splitting four times during its first ten years, so that by 1980 an investment of \$1,650 in 100 shares at the initial public offering had already grown to \$80,000—all during a period when the Dow Jones average barely budged.

Despite its acclaim from rural shoppers and a small circle of investors, Wal-Mart largely flew below the radar screen during its earliest years. The few small-town merchants and their political allies who protested that the stores were destroying town shopping districts sensed, though they didn't completely understand it at the time, that Wal-Mart was at the forefront of a revolution that would transform the American landscape, as consumers abandoned small, inefficient Main Street stores to shop in expansive shopping centers offering everything at one stop and at low prices. Before Wal-Mart, general-merchandise stores typically operated on profit margins as high as 45 percent of sales, but Wal-Mart managed on an operating profit of just 22 percent and passed the difference on to customers, who flocked in when they saw how much they could save. Merchants predicted that Wal-Mart would hike its prices as soon as the competition disappeared, but years later Wal-Mart is still considered among the sharpest-priced, best-value retailers in the world—even in its original small-town markets.

Walton figured out that one key to success was to develop a corporate culture in which management and employees worked together with the sole aim of serving the customer, a revolutionary idea at the time, though now a standard management technique. In his biography, Walton wrote that he feared a unionized Wal-Mart would never develop such a culture, because unions depended on driving a wedge between management and employees, "and divisiveness, by breaking down direct communication, makes it harder to take care of customers, to be competitive, and to gain market share." Early in its history, Wal-Mart fought a few tough battles to stay nonunion; once, when the Teamsters tried to organize a distribution center, employees showed up for work to find a 90-foot-long wall tacked with newspaper stories about Teamsters violence and corruption—and the mysterious, mob-related disappearance of union boss Jimmy Hoffa.

But Wal-Mart also staved off unions with another then-revolutionary and now-standard management technique: giving employees a stake in the company's success, offering them one of the earliest profit-sharing programs, which, as an incentive to work hard, doled out shares in one of the best-performing stocks of the last 50 years. In his biography, Walton tells of hourly employees who prospered, like truck driver Bob Clark, who accumulated more than \$700,000 in his profit-sharing account over 20 years; and Jean Kelley, a shipping supervisor who in ten years at Wal-Mart accrued nearly \$230,000 in Wal-Mart shares.

Though it's been more than a decade since Walton died, the company's success still rests on "Mr. Sam's" formula. From its earliest days, while Wal-Mart scoured the marketplace for the best prices on everything from Crest toothpaste to power drills to girls' dresses, it also kept a relentlessly tight rein on expenses, as executives bunked together on buying trips and passed up gifts like Super Bowl tickets or lavish dinners from suppliers, because those perks ultimately drove up the price of goods. Walton shunned fancy headquarters and kept his front office lean and mean, so that the company never spent more than 2 percent of sales on administrative costs, less than half the industry average. "Every time Wal-Mart spends one dollar foolishly, it comes right out of our customers' pockets," Walton once said, and the company still lives by that adage.

The folksy country retailer also quickly recognized the value of efficient inventory and delivery systems, ultimately leading a technology revolution that spread throughout the retailing industry and its chain of suppliers. With its first units in isolated rural markets, Wal-Mart's front office had unusual problems communicating with its stores and getting merchandise to them, so the company experimented early on with new technologies. It was among the first to put computers—and later, scanners—in stores to track inventory, starting back in the 1970s. With information from those computers telling headquarters what consumers were buying and what items needed to be reordered, Wal-Mart managers realized they could revolutionize the way merchandise moved to stores. Instead of building warehouses that stored vast stocks of items, they constructed a network of computerized distribution centers, which on one side received needed goods from suppliers and almost immediately sent them out the other side to individual stores just before the stores ran out of them. The company even added a satellite system that could track its delivery trucks through global positioning technology and tell store managers exactly when shipments would arrive. So efficient did the whole system become that Wal-Mart was soon selling goods in its stores even before it had to pay its suppliers for them, vastly cutting its inventory costs.

Nor did Wal-Mart stop these innovations at its own doorstep. It compelled suppliers to squeeze out their own waste and to connect to its computerized inventory system, so that a factory could know when it was time to stamp out 20,000 more ten-inch frying pans or 15,000 more 12-inch ones. The ordering, manufacturing, and delivery of products became one seamless process, continually responding to consumer demands, with a minimum of waste. It also spurred a vast boom in technology investments by U. S. retailers, helping to produce tens of thousands of high-tech jobs. "I've become a better company dealing with Wal-Mart," says Charlie Woo, chief executive of Megatoys Inc., a Los Angeles manufacturer. "To meet their requests, I constantly have to upgrade my systems and improve my business practices."

Pursuing this formula brilliantly, Wal-Mart has led a productivity revolution in retailing, which has supercharged the American economy, making a vast cornucopia of merchandise affordable to ordinary consumers, thanks to Wal-Mart's much lower prices than in the days when small-town merchants took their 45 percent profit margins. The McKinsey consulting firm best summed up the cumulative impact of the company's influence in a report entitled "The Wal-Mart Effect," which estimates that the retailer's focus on low prices and its constant stream of money-saving innovations accounted for up to one-quarter of the entire U.S. economy's prodigious productivity gains in the 1990s boom—when inflation held steady despite a soaring economy. Savvy investor Warren Buffett even declared that Wal-Mart—not Microsoft or some other technology company—has contributed more than any other business to the health of the U.S. economy.

Because Wal-Mart represents the leading edge of this American business revolution, the Left's crusade against it is more than just a battle against a single company. It is instead a clash of worldviews, as unions

and their allies, representing a narrow band of special interests masquerading as a populist movement, try to convince the public that super-efficient discounters like Wal-Mart lower workers' standard of living even as they actually raise living standards by offering goods to so many at such low prices.

What moved the battle into high gear was Wal-Mart's mid-1990s push into major cities and suburban areas beyond the culturally more friendly Deep South and Southwest. The company opened stores in politically liberal cities like Los Angeles, Baltimore, and Philadelphia, and even debuted a new "urban prototype" store that presages future openings in the very heart of big cities. At the same time, the company perfected its super centers, which, at about 200,000 square feet, are the size of four football fields and contain as broad an assortment of merchandise and services as one can find under one retail roof. Shoppers line up at a store's digital photo kiosks to order pictures, test out fishing supplies, fill prescriptions in the pharmacy, check out 50-inch projection TVs, shop for steaks or milk in the store's grocery section, and queue up in one of 30 or more checkout lanes.

It is these grocery departments that are at the heart of the battle. They represent a grave new threat to unionized food stores. Though unions have been unable to organize the discount industry—Wal-Mart competitors like Target and Kohl's are also nonunion—they have been much more successful in supermarket chains, so when Wal-Mart began pulverizing the grocery competition with its low prices and vast selection, it threatened union gains. In just ten years Wal-Mart expanded from 34 of these hybrid stores to nearly 1,300. In an age when supermarkets already operate on single-digit profit margins, these stores charge a few cents less on staples like toothpaste, soap, and razor blades, but can be as much as one-third cheaper on higher-margin items like premium meat and vegetables. As a result, Wal-Mart's entry into a market can still drive down grocery prices 15 percent, and as a result the \$250 billion company has already become the country's largest grocer, with a fifth of the market. Some analysts predict that it could eventually capture 35 percent of grocery sales in the U.S.—a staggering achievement in a business where local tastes and suppliers still matter so much and regional, rather than national, chains predominate.

In response to this success, a coalition of more than 30 unions and left-wing activist groups organized a national day of protest in October 2002, urging shoppers to boycott the company as a "Merchant of Shame." The boycott campaign got no results, but the coalition's legislative battles are another story. California, where Wal-Mart has only one super center but wants to open 40 or so, is currently the main front in the war. The company is aiming for a 20 percent market share in a state whose supermarket industry is one of the nation's most heavily unionized, with about 250,000 workers under contract. But the anti-Wal-Mart coalition has successfully lobbied more than a dozen cities and towns to pass various kinds of ordinances to keep Wal-Mart out, while dozens of other such bills are in the legislative hopper. One in Los Angeles, for instance, would force real-estate developers to conduct time-consuming studies to measure the potential job losses that might result from a new Wal-Mart store.

But the real issue isn't job losses; it is union wages. Unions argue that supermarkets in California typically pay store workers from \$18 to \$25 an hour (though Wal-Mart says those wages represent the high end of the union scale), while Wal-Mart pays its California store associates about \$10 an hour on average. The effect of Wal-Mart entering the market, union advocates say, would be a vast reduction in the wage pool. One study estimates that if Wal-Mart super centers enter the San Diego area, the competition could drive down grocery wages between \$100 million and \$200 million annually. "While charging low prices obviously has some consumer benefits . . . these benefits come at a steep price for American workers," charges a recent anti-Wal-Mart diatribe by California Democratic congressman George Miller. Efforts by Wal-Mart and others to control costs are "short-sighted strategies" that "ultimately undermine our economy" by

lowering living standards, Miller's report claims.

Union-supported policy groups, like the San Diego-based Center on Policy Initiatives, argue that Wal-Mart should be made to pay "sustainable" or "self-sufficiency" wages—wages that they deem adequate to meet basic needs—in order to gain permission to expand in California. The "sustainable" wage has become a popular idea with the Left, which argues that minimum wages should be much higher than the federal \$5.15 per hour and should be based on an area's cost of living. In many parts of California, liberal economists estimate, that means up to \$38,000 a year for an adult worker supporting a spouse.

But the Left's case ignores the greater benefit that an efficient operator like Wal-Mart brings to shoppers and an entire economy by driving down prices and forcing other stores to perform better. A Wal-Mart-sponsored study, undertaken by the Los Angeles County Economic Development Corporation, estimates that Wal-Mart's entry into the local market would save county shoppers about \$1.78 billion annually and southern California shoppers \$3.76 billion annually, or nearly \$600 per household. Shoppers would redirect those savings, the LAEDC says, into other uses that could create up to 36,000 new jobs, more than offsetting the estimated loss of 3,000 to 5,000 jobs resulting from a drop in the grocery-industry wage pool.

Despite the Left's charges that Wal-Mart doesn't pay sustainable wages, the company has little trouble recruiting, in part because the gap between its pay and union wages isn't as large as opponents claim. The LAEDC study calculates that the true difference is less than \$3 an hour, which can be offset by the other benefits that a growing company like Wal-Mart offers workers, especially in the form of advancement and stock benefits. While employment at unionized food stores tends to be static, with union members never moving up from their original jobs and relying on wage increases built into contracts to advance their salaries, Wal-Mart promotes heavily from within. More than two-thirds of its management started out working in its stores.

It was just such opportunity for advancement that motivated Sharie Beck, who took a cashier's job at a new Wal-Mart in a mall in Baldwin Hills, Los Angeles, last year for a lower salary than she'd been earning elsewhere. "I plan to advance in the company," she told the press about her decision to join Wal-Mart. Other applicants obviously concur, because when it opened one of its first Los Angeles-area stores in the Panorama City mall, Wal-Mart had 7,000 job applicants during its first week. "The thing about Wal-Mart," says Aaron Rios, a former shelf stocker who is now a district manager, "is that there is a place here for part-time workers who just need to earn some extra money, and also for anyone looking for a career. The company is so big and growing so quickly that you could even change careers and still stay with Wal-Mart."

Regardless of the campaign against it, Wal-Mart is generating enormous support in many of its newest markets, especially in lower-income urban areas where shoppers often have few choices among stores, and where prices are typically high—especially for groceries, which account for so big a percentage of low-income budgets. Minority communities traditionally friendly to the Left's agenda have shocked opponents by welcoming Wal-Mart and working closely with it. Unions tried to stop the opening of the company's Baldwin Hills store, even urging the Los Angeles Urban League not to work with Wal-Mart on a job-training program, but the head of the League turned down the unions, and more than 10,000 people applied to work in Baldwin Hills. Shoppers were just as enthusiastic about the three-level store there, a prototype for Wal-Mart in cities. In the first week the store was open, more than 330,000 customers visited the once-dying mall. "It's those who don't live in this community who did the most objecting to this store," says former Los Angeles police commissioner and now councilman Bernard Parks. "The community has clearly

spoken, and it supports this store.”

The experience in Baldwin Hills also refutes those who say that Wal-Mart stores drive small retailers out of business. On the contrary: barely four months after Wal-Mart opened in a once struggling shopping center, a major real-estate outfit snapped up the center, saying that the addition of Wal-Mart gave it tremendous new potential, because other stores now wanted to move in—bringing new jobs to a depressed neighborhood. “The easiest way to fill a shopping center is to tell stores that a Wal-Mart is coming there,” says Harry Freeman, executive director of the Hartford, Connecticut, Economic Development Council.

Wal-Mart’s pay scales aren’t the only thing that unions and their allies fear, however. A restless innovator constantly forcing other corporations to follow it, Wal-Mart is now pushing to limit soaring health-care costs, by embracing a fundamental redefinition of health insurance as protection from catastrophic illnesses that can financially ruin employees, rather than a benefit meant to pay for every health-care bill. In this, Wal-Mart endorses the many health-policy reformers who say that current corporate and government health plans, offering lavish coverage with little contribution from workers, have encouraged over-use of the system and helped spark runaway medical inflation. To discourage that, Wal-Mart’s health plans have high deductibles and don’t pay for extras like eye exams, chiropractic visits, or contraceptives. But the company will pay 100 percent of an individual’s health-care costs beyond \$1,750 and has no lifetime caps on coverage—unlike more than half of other companies. As a result of its policies, Wal-Mart spends about 37 percent less per covered employee on health insurance than do similar companies.

Unions oppose Wal-Mart’s approach by claiming that taxpayers foot the bill for all this, because the retailer’s workers are so low paid that some opt out of Wal-Mart’s health plan, despite its low cost, and use Medicaid instead. Representative Miller’s congressional report on Wal-Mart estimates that each super center that opens in California would cost taxpayers \$100,000 a year in federally subsidized health care, based on estimates of workers who don’t sign up for Wal-Mart plans—implying, falsely, that Wal-Mart’s low prices depend upon an indirect government subsidy. But at all companies, not just Wal-Mart, some young workers always decline to join the health plan, believing that they are too healthy to need it. Moreover, there is little evidence that vast numbers of Wal-Mart workers are actually not covered: as is typical of businesses with many entry-level and part-time workers, up to 40 percent of Wal-Mart’s employees have health coverage under spouses’ or parents’ policies. Similarly, many of the retirees Wal-Mart employs as greeters have health benefits through their retirement programs.

Nonetheless, California grocery unions waged a bitter four-and-a-half-month strike over grocers’ demands that employees pay a bigger share of their health-insurance premiums because of competition from Wal-Mart. Though Democratic presidential candidate John Kerry walked the picket line, the union eventually agreed to increase worker contributions to health premiums. But in this battle, you can clearly see the terms of the Left’s coming campaign against U.S. employers’ efforts to contain health-care costs.

Though union-sponsored campaigns have meant little to consumers, the constant attacks are starting to hit home with the elite media, whose members rarely go to Wal-Mart and can’t understand the importance of the company’s stores to middle-American shoppers. Once celebrated in the press for Sam Walton’s folksy wisdom and straight-shootin’ talk, Wal-Mart is just as likely to be portrayed today as an unfeeling corporate giant trying to force low prices and demanding notions of efficiency on suppliers, and imposing redneck cultural values on an unsuspecting nation.

That's evident in recent stories with headlines like IS WAL-MART TOO POWERFUL? OF THE WAL-MART YOU DON'T KNOW, or GOD AND SATAN IN BENTONVILLE, which advance the Left's party line that Wal-Mart's business model is undermining the buying power of the American worker and therefore has, in *BusinessWeek's* words, "perverse consequences" for the American economy—an unexpected judgment for a journal claiming economic literacy. In its rush to pile on Wal-Mart, the press seems increasingly willing to advance any disreputable idea, including the demonstrably false argument that Wal-Mart on balance costs Americans jobs by buying goods from overseas.

BusinessWeek, for instance, which describes the retailer as "a cult masquerading as a company," quotes critics who excoriate Wal-Mart for lobbying to thwart tariffs on foreign goods, when few legitimate economists even on the Left believe that high tariffs would be good for the American consumer or the U.S. economy.

Some of the critical drumbeat doubtless reflects the fact that Wal-Mart and its founding family still promote causes and values that the mainstream media oppose. Sam Walton supported conservative and free-market groups. His family has continued his tradition, supporting groups like the Institute for Justice, a libertarian public interest law firm that frequently represents small business against government regulation; and the National Right to Work Legal Defense & Education Foundation, which fights compulsory unionism. Walton's son John is a key supporter of charter schools and school vouchers, donating \$50 million for scholarships to send low-income students to private schools. Last year, the family foundation supported 57 charter schools around the country and contributed to pro-voucher organizations like the Milton & Rose D. Friedman Foundation and the Florida Education Reform Initiative of the Manhattan Institute, *City Journal's* publisher.

The stores themselves still reflect Sam Walton's values, and draw fire for it. In light of its vast market power, Wal-Mart has infuriated the media with its long-standing refusal to stock obscene CDs and racy magazines. *BusinessWeek* branded the company a cultural gatekeeper that has "served to narrow the mainstream for entertainment offerings while imparting to it a rightward tilt." *Playboy* magazine, which Wal-Mart has refused to sell, was more blunt in its recent, lengthy anti-Wal-Mart diatribe, which called Bentonville "the epicenter of retailing's Evil Empire." So striking have the attacks been that a Kansas City business columnist recently suggested that the national press is "angry that average Americans don't share their perceptions of Wal-Mart as the bad guys" and that Wal-Mart "has come to represent the defining cultural divide between the elites and the common folk." In other words, the press doesn't like the fact that most Americans share the company's values.

Not surprisingly, the press attacks downplay Wal-Mart's many virtues: that it has never been accused of funny accounting; that it doesn't load its executives with exorbitant salaries or perks; and that despite its market power, it doesn't charge vendors "slotting" fees—which are little more than bribes to stock their goods. By contrast with journalists, U.S. executives voted Wal-Mart America's most admired company in *Fortune* magazine's annual survey last year. Manufacturers, meanwhile, ranked Wal-Mart the best retailer to do business with, according to an annual survey by Cannondale Associates, while nearly three in ten shoppers surveyed by the WSL Strategic Retail consulting firm voted Wal-Mart their favorite store, a higher percentage of praise than any other retailer won.

But acclaim from the marketplace or from common folk may not protect a company when elite opinion turns against it, influencing legislators, regulators, and the courts. Wal-Mart has now become a tempting target. "We've seen many of our opponents come after us governmentally and in the media, where they

see us as most vulnerable,” said Jay Allen, the company’s senior vice president of corporate affairs, recently. This fall, for instance, Wal-Mart made national headlines when federal agents raided independent contractors using illegal aliens to clean the company’s stores. Government sources claim Wal-Mart knew of the illegals, but the retailer says it was cooperating in a three-year government investigation and was shocked when agents ignored the deal and swooped into its stores, creating a “media frenzy,” in the words of Wal-Mart’s spokesperson. Moreover, Wal-Mart points out that, like other companies, it has been caught in the middle of conflicting government policies. Several years ago, the INS fined the company for violating the privacy of some workers when it tried to find out if they were illegal aliens.

Encouraged by the press criticism, entrepreneurial trial lawyers, eyeing Wal-Mart’s deep pockets with glee, have made it perhaps the biggest private-sector target of the nation’s plaintiffs’ bar. In just ten years, the number of pending lawsuits against Wal-Mart has increased fourfold, to 8,000, and the company has tripled the size of its litigation department. A Tennessee trial lawyer has even created a service called the Wal-Mart Litigation Project, which, for a fee, provides information to attorneys who want to sue Wal-Mart.

Wal-Mart faces a growing number of potentially costly class action lawsuits, exemplified by a sex-discrimination suit brought by the Cohen, Milstein, Hausfeld & Toll firm, notorious for getting Texaco to pay \$176 million to black employees in a discrimination suit. That suit hinged on secretly recorded meetings in which managers reportedly made racial slurs—though subsequent audio enhancement of the tapes showed that the managers had uttered no such slurs and that the transcripts furnished by Cohen, Milstein to the *New York Times* had inaccurately represented the conversations.

So far, Cohen, Milstein has made no such “explosive” revelations in the Wal-Mart case, but to read over the lawsuit is to gain a depressing lesson in the state of employment class action lawsuits. The suit is a collection of anecdotes of individual female employees—many of whom received poor evaluations and were turned down for promotion—who now claim that Wal-Mart managers have frustrated their career ambitions. Of the first two plaintiffs who claim that Wal-Mart passed them over for promotions because they were female, one was disciplined for admittedly returning late from lunch breaks, and the other was suspended for improper handling of a customer refund. A few other cases involve accusations of supervisors making discriminatory remarks toward female employees—entirely possible in a company with more than 1 million employees, but hardly amounting to a company-wide pattern of discrimination. Still, the lawyers claim a plaintiff’s class of 700,000 current and former Wal-Mart female employees, and they argue that Wal-Mart has a long history of hostility toward women in management, starting when Sam Walton would take his executives quail hunting, which the suit avers “made women feel uncomfortable.”

To rein in Wal-Mart, the Left will have to keep up its assault in the courts, the statehouses, and the media, because it can’t win the battle for the hearts and minds of consumers. In a recent report on shopping patterns, WSL Strategic Retail said that Wal-Mart has succeeded like no other company in understanding what consumers want and giving it to them. Despite Wal-Mart’s years of success, the report predicted, the future looks even more favorable for the company and others that operate with its low-price, big-store philosophy.

To succeed against Wal-Mart, then, the Left will have to fight to deny the vast majority of Americans what they want. Every battle it wins in that war will cost the American consumer plenty.