



Amazon Loses \$30 Billion in One Day After Rumors Trump May Try to Break Its Monopoly

The market value of Amazon stock plunged by \$30-billion in one day following publication of a rumor that President Trump intends to break up the company because it is cutting into the businesses of his friends. Jake Morphonios takes the position that, whether the rumor is true or not, it's a good idea to enforce anti-trust laws to break up Amazon because, otherwise, it will eventually force most retail stores out of business and will become a global monopoly. When that happens, Amazon will increase prices, leaving consumers with no choice but to pay. [We agree with this analysis up to the assertion that customers will have no other choice. That would be true only if the monopoly pays off politicians to create laws that give it advantages designed to block any future competition. This is done, not through efficient competition, but through legalized favoritism. An example would be laws to require burdensome rules and regulations that large companies can afford but which will crush start-up companies. Monopolies need the state to protect them from competition.

In a free country, citizens do not have the right to use force against their neighbors to prevent them from selling their products below cost – even if their intent is to force competitors out of business. If we do not have that authority as individuals, we cannot delegate it to politicians to do it either, regardless of how much we may like the idea. Therefore, there should be no anti-trust laws, but there CAN

and SHOULD be laws against favoring one company or consortium of companies over their competitors. Under this concept of *laissez-faire*, monopolies always are challenged and broken up by their younger, more agile, more creative, more innovative, and more efficient competitors. History proves this conclusively. In the past hundred years, very few companies have lasted longer than three generations, and that includes those that, during their heydays, appeared to be unbreakable monopolies. Just make a mental list of all those great corporate names we remember from our youth that now are merely collector's pieces in antique stores or on the walls of restaurants. In almost every case, they became so large and bureaucratic and inefficient that they could no longer compete. It's the law of nature, and we do not need politicians to make it work.] GEG