

## Twitter Thread by Timothy B. Lee



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**Just finished listening to Matt Stoller's *Goliath*, a political and intellectual history of the anti-monopoly movement over the last ~100 years. It gave me a better understanding of the intellectual history of 20th Century anti-monopoly thinking.**

In particular, Stoller draws a distinction I hadn't thought very much about previously: between liberals who favor leaving monopolies in place and regulating them strictly vs. those who oppose bigness as such.

As Stoller tells it, New Dealers erected a complicated legal system designed to tilt the playing field in favor of small companies.

For example, there were laws against discounting to prevent big retailers from using their market power to win lower prices from suppliers and undercutting small retailers. A law capped deposit interest rates to prevent big banks from outbidding small banks for deposits.

Stoller situates Teddy Roosevelt, JK Galbraith, and Ralph Nader in the camp of liberals who (mostly) favored regulating monopolies instead of breaking them up. Also Bill Clinton, Barack Obama, and most modern Democratic leaders.

As I said it's a fascinating intellectual history. But what it didn't do is explain how these anti-monopoly ideas would work in the modern world.

I'm all for making Facebook divest Instagram and Whatsapp. Maybe Google should spin off Android and YouTube. But the world isn't going to have local mom-and-pop search engines and social networks.

This isn't a criticism of the book really—it's a history, not a policy treatise. But Stoller says at the end that his goal is to resurrect this intellectual tradition. And that's going to take significant updating of its ideas, not just re-animating the old arguments and laws.

A specific problem for high-tech is how to deal with products that have zero marginal cost. A big part of the 20th century anti-monopoly legal framework was limits on predatory pricing. That would have applied directly to Uber and Amazon but not so much to Google and Facebook.

I will say that there have been hundreds of mergers that concentrated various industries with no obvious consumer benefit. If a Stollerite backlash just reverses some of the most egregious mergers and blocks more of them going forward that would be a significant positive outcome.