



## Robert B. Reich: Antitrust laws potentially useful in new Gilded Age

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We're in a new Gilded Age of wealth and power similar to the first Gilded Age, when the nation's antitrust laws were enacted. Those laws should prevent or bust up concentrations of economic power that not only harm consumers but also undermine our democracy — such as Comcast's pending acquisition of Time Warner Cable.

In 1890, when Republican Sen. John Sherman of Ohio urged his congressional colleagues to act against the centralized industrial powers that threatened America, he didn't distinguish between economic and political power because they were one and the same. "If we will not endure a king as a political power," Sherman thundered, "we should not endure a king over the production, transportation and sale of any of the necessities of life."

Shortly thereafter, the Sherman Antitrust Act was passed by the Senate 52 to 1, and it moved quickly through the House without dissent. President Benjamin Harrison signed it into law July 2, 1890.

In many respects America is back to the same giant concentrations of wealth and economic power that endangered democracy more than a century ago. The floodgates of big money have been opened even wider in the wake of the Supreme Court's 2010 decision in *Citizens United v. FEC* and its recent decision in *McCutcheon v. FEC*.

Seen in this light, Comcast's proposed acquisition of Time Warner for \$45 billion is especially troublesome. Comcast is the nation's biggest provider of cable television and high-speed Internet service; Time Warner is the second biggest.

Comcast's executives have descended on Washington to persuade regulators and elected officials that the combination will be good for consumers. They say it will allow Comcast to increase its investments in cable and high-speed Internet, and encourage rivals to do so as well.

Opponents argue that the combination will give consumers fewer choices, resulting in higher cable and Internet bills.

I think the opponents have the better argument. Internet service providers in America are already too concentrated, which is why Americans pay more for Internet access than the citizens of almost any other advanced nation.

But Washington should also examine a larger question beyond whether the deal is good or bad for consumers: Is it good for our democracy?

If Sen. John Sherman were alive today, he'd note that Comcast is already a huge political player, contributing \$1,822,395 so far in the 2013-2014 election cycle, according to data collected by the Center for Responsive Politics.

Of that total, \$1,346,410 has gone individual politicians, including John Boehner, Mitch McConnell and Harry Reid; \$323,000 to leadership PACs; \$278,235 to party organizations; and \$261,250 to super PACs.

Last year, Comcast spent \$18,810,000 on lobbying, the seventh-highest amount of any corporation or organization.

Comcast is also one of the nation's biggest revolving doors. Of its 107 lobbyists, 86 worked in government before lobbying for Comcast. Its in-house lobbyists include several former chiefs of staff to Senate and House Democrats and Republicans, as well as a former commissioner of the Federal Communications Commission.

Nor is Time Warner a slouch when it comes to political donations, lobbyists and revolving doors. It also ranks near the top.

When any large corporation wields this degree of political influence, it drowns out the voices of the rest of us, including small businesses. The danger is greater when such power is wielded by media giants who can potentially control the marketplace of ideas on which a democracy is based.

When two such media giants merge, the threat is extreme. If filmmakers, television producers, directors and news organizations have to rely on Comcast to get their content to the public, Comcast is able to exercise a stranglehold on what Americans see and hear.

In America's first Gilded Age, a young Teddy Roosevelt castigated the "malefactors of great wealth, who were "equally careless of the working men, whom they oppress, and of the state, whose existence they imperil."

It's that same equal carelessness toward average Americans and toward our democracy that ought to be of primary concern to us now. Big money that engulfs government makes government incapable of protecting the rest of us against the further depredations of big money.

After becoming president in 1901, Roosevelt used the Sherman Act against 45 giant companies, including the giant Northern Securities Company that threatened to dominate transportation in the Northwest. William Howard Taft continued to use it, busting up the Standard Oil Trust in 1911.

In this new Gilded Age, we should remind ourselves of a central guiding purpose of America's original antitrust law, and use it no less boldly.

(Robert Reich is Chancellor's Professor of Public Policy at the University of California at Berkeley and Senior Fellow at the Blum Center for Developing Economies. His new film, "Inequality for All," is now out on iTunes, DVD and On Demand.)

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