

# [The antitrust movement amidst a fragmented federal state](https://assignbuster.com/the-antitrust-movement-amidst-a-fragmented-federal-state/)

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Government Intervention and the Formation of a Political Economy It is interesting that prior to the 18th century, there was lack of federal government intervention in economic activities. There were neither anti-trust laws nor income taxes. However, with the change in political landscape, federal governments took control of the public domain in early eighteenth century. Soon federal governments took control of the business environment by introducing laws and regulations. This led to struggles between the political class and business leaders over the control of businesses. It is interesting how interests of the political class manifest itself in the fact that federal regulations came at a time of supposedly corrupt congress. The political class focus was advancing the interests of a few at the expense of others. In the first 25 years of the anti-trust enforcement, business cycle downturns coincided with cases against large firms whereas cases against small firms did not result in business downturns. This text explains the existence of disparities in the distribution of income. The losers were the urban poor, laborers, and farmers who fell behind industrialists and urban commercial interests. Market regulations and controls, which to be the solution to capitalism and monopolies became a source of more problems. Early nineteenth century was full of struggles between the haves and the have not’s culminating in a transfer society even though only a portion of resources were transferred to the poor.
I find it interesting that bridging the gap between capitalists and laborers or the poor through non-market means proves ineffective. In fact, it brings in a political dimension, which creates further divisions through rent seeking. General laws of incorporation lead to emergence of giant firms whose collective power creates fear among customers. Yet it is only through these giant firms that there can be large-scale productions. This is the feature of the American Economy system where the economy is inseparable from the political system. In simple terms, it is a political economy. Issues surrounding the anti-trust enforcement remind that just like the America economy, which features both market and non-market decisions, putting up with two objects to achieve desires is part of life.
Work Cited
Anderson, Terry L., and Peter Jensen Hill. The birth of a transfer society. Stanford, Calif.: Hoover Institution Press, Stanford University, 1989. Print.