



Supply Store Merger Sets Stage For Fierce Partisan Battle

By Connor D. Wolf

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While postal union officials warn of the merger between Staples and Office Depot, free market advocates argue it is a good sign for consumers.

“A Staples takeover of Office Depot would lead to fewer choices and higher prices for consumers, especially school students and parents,” Mark Dimondstein, the president of the American Postal Workers Union (APWU), declared in a statement.

“If approved, the merger also would lead to more store closings and have an adverse effect on workers,” Dimondstein continued. “This merger is not in the public interest.”

The APWU has partnered up with the AFL-CIO and a team of financial advisors, lawyers and economists to challenge the merger between Staples and Office Depot. Together they argue the merger is monopolistic and unlawful, and so the Department of Justice and the Federal Trade Commission should block it. In order to protect consumers from monopolies, feds created Antitrust laws to regulate the conduct and, in particular, merging of businesses, which supporters claim maintains fair competition for the benefit of consumers.

“Staples is an anti-worker corporation and we don’t want to see its reach expanded. We will vigorously oppose this merger. It’s bad for workers and bad for consumers,” Dimondstein noted.

Additionally, union reps plan to reach out to members of Congress and state and local officials to raise their objections with the merger. However, not everyone sees the merger as being bad, at least for consumers.

Chris Edwards, director of tax policy at the libertarian Cato Institute, argues there is not much merit to antitrust laws. He notes that they are more used as a political tool to single out companies as opposed to protecting consumers.

“The problem with antitrust is there’s no rule of law,” Edwards told The Daily Caller News Foundation. “That means the unions can apply political pressure.”

“Many economists, especially free market economist, think they’re stupid,” Edwards continued. “Antitrust laws should be repealed.”

Given that Antitrust laws involve a lot of political discretion, Edwards notes he would not be surprised at all if the unions are able to make a case out of the merger. Edwards argues the merger is nothing more than companies trying to respond to a changing market, where consumers are increasingly relying on online stores for products. Whether they are successful or not should depend on consumers, not unnecessary government regulations.

“I don’t think those office stores are doing well,” Edwards noted. “Consumers will benefit if the two sides are more efficient.”

When the merger was first announced, both Staples and Office Depot noted how the decision will benefit the two companies and consumers in the process.

“This transaction delivers great value for our shareholders and creates a company ideally positioned to serve our customers and grow over the long term,” Roland Smith, chairman and chief executive officer for Office Depot, declared in a statement. “It is also an endorsement of our many accomplishments and the tremendous success we’ve had integrating Office Depot and OfficeMax over the past year. We look forward to bringing our experience and knowledge to the new organization.”