



## PRESS RELEASE

**Date for release: 24 June 2005**

### **Inside the history of Antitrust: special interests unleashed**

Nowadays, it is widely believed (and even supposed to be common knowledge) that antitrust policies protect individuals against powerful business and interest groups. Most consumers would probably identify this kind of interventionist policy as their shield, defending their sovereignty against the power of large corporations and trusts.

This is the myth destroyed in a Molinari Economic Institute report published today. 'Inside the history of antitrust: special interests unleashed', argues that antitrust policies, have nothing to do with the defense of the consumer. The history of antitrust from its origin until today shows that politicians were and are mainly defending inefficient producers against other producers who served consumers best.

Gabriel Calzada, the author of the report, explains: "1880-1890 was a period when business concentration, technical innovation and the use of the new systems of transportation helped many US industries boost their productivity. The result of these market changes was an average reduction in consumer prices of 7%. Even if it was not clear for the consumer at that time, today it is well documented that between 1880 and 1890 production grew in every sector in which a major trust appeared at an average of 175% while gross national product in real terms increased by 24%. Despite this beneficial state of affairs for consumers, the first federal antitrust law 'the Sherman Act' was introduced in July 1890. Today, private companies are still subject to antitrust regulations, even though it cannot be demonstrated that they benefit the consumer."

The report concludes: "Analysis of the letters sent to Sherman regarding the anti-trust debate reveals, "Sherman focused his energies on satisfying the demands of small oil refiners." In the same manner, one can raise doubts concerning the intentions of the EU Commission. The official rhetoric is: defense of the consumer, market and liberty. But, the reality is very different. Antitrust gives privileges to a reduced number of well-established entrepreneurs while impoverishing consumers and other entrepreneurs. It is the core idea lying at the heart of antitrust from its origin".

The economic paper can be found at this address :

<http://www.institutmolinari.org/pubs/note20053.pdf>

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