

Stephen Martin

Purdue University Indiana, USA

Shaping U.S. Antitrust Institutions

Abstract

Before World War II, University of Chicago economists held views on antitrust policy that were the mainstream views of the profession: that it was desirable to rely on competition as a resource allocation mechanism where it was possible to do so, and necessary to rely on regulation or public ownership where competition could not be effective. By the early 1950s, Chicago economists had come to the view that firms could not, by unilateral action, gain or maintain market power, and entered on a systematic campaign "to ridicule" "judicial opinions in antitrust and other areas" "as laughingstocks," "the underlying ambition [being] to delegitimize judicial and governmental interference in the market."

JEL categories: L40, K21.

Keywords: antitrust economics, Chicago School.