

Index

- ADM *see* citric acid conspiracy; lysine cartel
Ahlstrom Oy v. European Commission (Wood Pulp) 97, 103–4
Ajinomoto, lysine cartel 52–4, 55
Allen, G. 20, 64
American Column and Lumber Company v. United States 83–4
American Tobacco Co. v. United States 86–7
Anderson, D. 139, 141
antitrust policies
 and cartels, persistence of 44–57
 EU 88–101, 106–7
 and legality of practices 14, 18
 powers of 76–7
 and R&D 25
 spread of 106–8
 US 77–88
Appalachian Coals, Inc. v. United States 79–80

Bain, J. 15
Baker, J. 17, 18
BASF *see* Vitamins Inc.
Baumol, W. 25
Bayer 49–51
Becker, G. 116–17, 118–19, 120, 121, 133
Belgium 106
Bertrand, J. 15
Besanko, D. 17, 18
Billiet, P. 141
block exemption system (EU) 91–2
Bloom, M. 144, 145, 146, 147
Boehringer Mannheim 95
Bolotova, J. 70, 72
Boots/Farben agreement 33
Brazil 12–13
Breit, W. 113, 114, 116, 117, 118, 124
Bresnahan, T. 18
Broadberry, S. 74, 153
Broadcast Music Inc. v. Columbia Broadcasting 82
Bryant, P. 57, 73, 119, 122, 150
Buchler 95

Canada 46, 54–5
Cargill 49–50
Carle, J. 138
Carlton, D. 17
cartels, evolution and persistence of *see* evolution of cartel policy; persistence of cartels
Cartonboard Cartel 61, 99–101
Chamberlin, E. 15, 18, 29
cheating
 prevention of 8, 9–11, 16–17, 29, 61–2, 63
 see also penalties for antitrust offences
Cheil 52, 53
Chicago Board of Trade v. United States 81–2
China 49, 50, 51
Christie's/Sotheby's duopoly case 135
citric acid conspiracy 49–51, 62–3
 dead weight loss 73
 fines imposed 55
 markups and welfare losses 69–70
Clark, J. 22, 23
collaboration, case for 20–30
 antitrust laws and R&D 25
 cheating *see* cheating
 competition *see* competition
 efficiency and antitrust policy 25
 and fixed costs 22
 Great Depression 31, 80
 knowledge creation and free-rider problems 25, 26
 and oligopoly theory *see* oligopoly

- over-investment and excess capacity 22–4
- and patents *see* patents
- and price cooperation 22–4, *see also* price-fixing
- R&D and research joint venture (RJV) *see* R&D; research joint venture (RJV)
- collective rebates 10–11
- collusion
 - economics of 1–19
 - evidence by firms 100–101
 - and information exchanges 83–4
 - market concentration and propensity for 60
- Columbia Broadcasting System, Inc. v. ASCAP* 82
- competition policy
 - EU 43, 91, 92–4, 96
 - and imports 11–12
 - and information exchange 93–4
 - and multi-market contacts 28–9
 - price competition elimination 74
 - and restrictions 2–3, 9, 10–13
 - ‘ruinous competition’ debate 20, 22
 - United Nations Conference on Trade and Development (UNCTAD) 108
- Connor, J. 6, 44–55, 66, 69, 70, 72–3, 75, 115–18, 123, 126, 127, 132, 135, 137, 152, 153, 156, 158
- consumer effects *see* welfare
- Cournot oligopoly 14–15, 18, 63 *see also* oligopoly
- Crafts, N. 74, 153
- Craycraft, C. 131
- Czechoslovakia 37
- Daiichi 54
- damages claims 122–5 *see also* welfare
- Davignon Plan, EU 102–4
- dead weight loss 73, 115
- Degussa 52
- developing countries, antitrust policy 107–8
- Dick, A. 60
- Dixit, A. 17
- dumping claims 11–13, 18, 51, 70–71
- DuPont de Nemours & Co. v. Federal Trade Commission* 8–9, 33, 88
- Dyestuffs (ICI v. European Commission)* 95, 96, 99
- Easterbrook, F. 123, 124
- Eckard, E. 57, 73, 119, 122, 150
- economics of collusion 1–19
- Edwards, C. 28
- efficiency
 - and antitrust policy 25
 - inefficiency protection in inter-war years 40–41
- Eisai, Vitamins Inc. *see* Vitamins Inc.
- Electrical Conspiracy, US 6, 116
- Elzinga, K. 113, 114, 116, 117, 118, 124
- EU
 - Ahlstrom Oy and others v. European Commission (Wood Pulp)* 97, 103–4
 - Aluminium Alliance 38
 - antitrust policy 88–101, 106–7
 - block exemption system 91–2
 - Cartonboard Cartel* 61, 99–101
 - citric acid conspiracy *see* citric acid conspiracy
 - competition policy 43, 91, 92–4, 96
 - Damages Actions for Breach of the EC Antitrust Rules White Paper 142–3
 - Davignon Plan 102–4
 - Directorate General for Competition (DG Comp) 91, 92, 96
 - dumping and chemicals industry 12, 18, 51
 - EC Treaty, Articles 81 and 82 89–94, 96, 99, 103, 104, 130
 - European Coal and Steel Community (ECSC) 88–9
 - European Competition Network (ECN) 92–3, 147, 148–9
 - Graphite Electrodes* 56–7, 131
 - ICI v. European Commission (Dyestuffs)* 95, 96, 99
 - information exchange and competition policy 93–4
 - international cartels and antitrust 46, 48–51
 - leniency strategy *see* leniency strategy

- Low Density Polyethylene* 61, 103–4
 lysine cartel *see* lysine cartel
 patent licensing 91
 penalties for antitrust offences
 115–16, 120, 122, 127, 129–31
Polypropylene Cartel 98–9, 103–4
 price-fixing and market-sharing
 agreements 24, 94–5
Quinine Cartel 94–5
 registration system and negative
 clearance 90–91
 research joint venture (RJV) 104–5,
 120
 soda ash case 99, 103–4
 special treatment and exemptions
 102–4
*Suiker Unie v. Commission (Sugar
 Cartel)* 96
 trade associations and dumping
 claims 70–71
*Wood Pulp (Ahlstrom Oy v. European
 Commission)* 61, 97, 102–3,
 103–4
see also individual countries
 Evenett, S. 44, 45
 evolution of cartel policy 76–110
 and antitrust laws, powers of 76–7
 antitrust, spread of 106–8
 and block exemption system (EU)
 91–2
 collusion evidence by firms
 100–101
 collusion and information exchanges
 83–4
 and game theory 100
 and Great Depression 80
 and information exchange 83–5,
 93–4
 oligopolistic markets and changed
 market conditions 85–8, 96,
 105–6
 and parallel behaviour 86–8, 96,
 97–8
 and price leadership 88, 95–6
 price-fixing and market-sharing
 agreements 94–100, 102–4
 price-fixing and naked cartels 78–81,
 89–90
 research joint venture (RJV) 25–8,
 104–6, 120
 restrictive agreements and rule of
 reason 81–3, 90, 102
 special treatment and exemptions
 102–6
 trade associations and information
 exchanges 83–5
 see also persistence of cartels
 executive imprisonment 115, 116–19,
 120–21
 and sentence length 121, 127
 and leniency programmes 145
 Feuerstein, S. 150
 Fides 61
 financial recession, effects of 158
 fines *see* penalties, financial
 Finland 57
 France 36, 57
 Gallo, J. 131–2
 game theory, and evolution of cartel
 policy 100
 General Agreement on Tariffs and
 Trade (GATT) 44
 General Electric 41
 Germany
 antitrust regulations 43
 cartel rationalisation programme 41
 Graphite Electrodes 57
 inter-war cartels 36, 37, 40–41
 international steel cartel 34
 leniency programmes 146
 manufacturers and exclusive
 agreements, history of 34–5
 patent rights, history of 37
 Quinine Cartel 95
 Gibbs, A. 129
 globalization *see* international cartels
 Goyder, D. 101, 103
Graphite Electrodes 56–7, 131
 Green, E. 59, 63
 Grossman, G. 25, 26, 27, 28
 Haberler, G. 36
 Harding, C. 95, 98, 99, 125, 129, 135,
 136, 149
 Hay, G. 17, 60
 Hexner, E. 38, 41, 64
 Hoffmann-La Roche *see* citric acid
 conspiracy; Vitamins Inc.

- Hovenkamp, H. 22, 23, 30
Hungary 37
- ICI v. European Commission (Dyestuffs)* 95, 96, 99
imprisonment *see* executive imprisonment
incentive schemes 61–2
information disclosure
 and leniency programmes 135, 137, 138–9, 140, 143, 145–6, 148
 whistleblowers, financial rewards to 149–50, 155
information exchange
 and evolution of cartel policy 83–5, 93–4
 knowledge creation and free-rider problems 25, 26
innovation *see* R&D
inter-war cartels
 and antitrust laws, US 37–8
 and Great Depression 23, 31, 80
 and inefficiency protection 40–41
 and inflation 42
 policy effects of 39
 R&D, and negative effects of cartels 41
 spread and effects 35–42
 welfare effects of 38–9
international cartels 36, 40, 41
 and antitrust 45–51, 69–70
 conspiracies, recent 42–58
 global price fixing 43–4
 and predatory pricing 47–51
Interstate Circuit Inc. v. United States 86
Ireland 146
Italy 24, 57, 102–3, 106
- Jacquemin, A. 1
Jang, Y. 105
Japan 43, 56–7
 lysine cartel *see* lysine cartel
 Vitamins Inc. *see* Vitamins Inc.
Jephcott, M. 133, 139
Jones, A. 89, 92, 104
Jorde, T. 25
Joshua, J. 95, 98, 99, 125, 135, 136, 149
Jungbunzlauer 49–51
- Katz, M. 28
Kekelekis, M. 94
Kelly, D. 60
Keynes, J. 23
Klawiter, D. 136, 137
Korea 52–4, 57, 149–50
Kovacic, W. 155
Kroes, N. 145
Kyowa 52–4, 55
- Lande, R. 73, 77, 123, 128, 152, 158
leniency programmes 134–51
 ‘amnesty plus’ provision 136, 137, 140
 collective redress 143
 confidentiality undertaking 136, 140, 144, 145–6
 degrees of 138–40
 discounts to first firm coming forward 135, 137, 138–9, 140
 EU 54, 57, 101, 129–30, 138–49
 financial rewards to whistleblowers 149–50, 155
 fines imposed (EU) 141
 and imprisonment 145
 and information disclosure 135, 137, 138–9, 140, 143, 145–6, 148
 ‘marker system’ 139–40
 ‘penalty plus’ provision 136
 plea bargaining 144–5
 private suits for damages 136–7, 141–2, 144, 145
 simultaneous submissions 147–8
 uniformity, lack of 146–8
 US programmes 135–7, 144, 145
 victim compensation 142–4
 see also penalties for antitrust offences
- Levenstein, M. 38, 44, 45, 59, 60, 61, 63, 75, 83, 129
Low Density Polyethylene 61, 103–4
lysine cartel 51–8
 dead weight loss 73
 fines imposed 55, 132
 markups and welfare losses 69–70
- Mann, F. 96
Maple Flooring Manufacturers Association v. United States 84

- market power 60, 71–2
 and changed market conditions
 85–8, 96, 105–6
- markups and welfare losses 65–75
 before-and-after comparison 66–7
 and citric acid conspiracy *see* citric
 acid conspiracy
 and dead weight loss 73
 lysine cartel *see* lysine cartel
 and market power 71–2
 markups and resultant welfare losses
 69–74
 measurement of 66–8
 and overcharging 72–3
 price competition elimination 74
 price margin measurement 67
 and resource allocation mechanism
 73–4
 trade associations and dumping
 claims 70–71
 Vitamins Inc. *see* Vitamins Inc.
see also welfare
- Mason, E. 36, 39
- Messerlin, P. 12, 19, 51, 70, 71, 73,
 75
- Miranda, J. 13
- Miwon 52
- monopoly
 Monopolies and Restrictive
 Practices Act (1948), UK 11,
 42, 43, 74
 profit 1–2, 3–4
 and research joint venture (RJV)
 27
see also oligopoly
- Monti, M. 109
- Motta, M. 125, 126
- Nalebuff 17
- Neale, A. 77, 78, 79, 80, 84
- Nedchem 94–5
- Neven, D. 101, 104
- oligopoly
 Cournot 14–15, 18, 63
 and limit pricing 10
 markets and changed market
 conditions 85–8, 96, 105–6
 price maintenance and competition
 14–18
 theory, and collaboration, case for
 29
see also monopoly
- Ordovery, J. 25, 28
- Palim, M. 106, 107
- parallel behaviour 13–18, 86–8, 96,
 97–8
- patents
 and collaboration, case for 25, 27
 licensing 8–9, 91
 rights, history of 33, 37, 40
- penalties for antitrust offences 111–33
 and ability to pay 119–20
 and bankruptcy 125, 130–31
 and cartel leaders 129
 cheating, prevention of 8, 9–11,
 16–17, 29, 61–2, 63
 company management and risk 114,
 115–16
 damages claims 122–5
 dead weight loss and income transfer
 115, 119, 120–21, 122–3
 dead weight loss and restitution 115
 discovery and conviction, likelihood
 of 114–15
 executive imprisonment *see* executive
 imprisonment
 and limited participation of firm 130
 negligence as mitigating factor 129
 and optimal levels of antitrust 113
 optimal penalties 112–25
 penalties in practice 125–32
 and public authority authorization
 130
 and recidivism 118, 129
 and resource costs 112–13
 share price impact 126
see also leniency programmes
- penalties, financial
 citric acid conspiracy 55
 and consumer disadvantage 125–6
 history of 34
 imposition of 118–21, 127–9, 130–32
 and leniency programmes 141
 lysine cartel 55, 132
 fines imposed 54–5, 132, 135
 Vitamins Inc. 54–5, 132, 135
- persistence of cartels 31–64
 and antitrust policies 44–57

- cartel success, factors favourable to 58–63
- and cheating, avoidance of 61–2, 63
- and duration, recorded 59, 60
- financial penalties *see* fines
- and global price fixing 43–4
- history of 32–5
- incentive schemes 61–2
- inter-war cartels *see* inter-war cartels
- international cartels *see* international cartels
- market concentration and propensity for collusion 60
- and patents *see* patents
- trade associations *see* trade associations
- and trust companies 61
- see also* evolution of cartel policy
- Pfizer 49, 50
- Phlips, L. 1
- Pierce, R. 13, 19
- Poland, inter-war cartels 37
- Polypropylene Cartel* 98–9, 103–4
- Porter, M. 18
- Porter, R. 59, 63
- Portugal 106
- Posner, R. 60, 68, 124
- price cooperation
 - and collaboration, case for 22, 23–4
 - competition elimination 74
 - and focal point 17
 - increase considerations 7, 10
 - maintenance and competing oligopolists 14–18
 - margin measurement 67
- price-fixing
 - and market-sharing agreements 24, 94–100, 102–4
 - and naked cartels 78–81, 89–90
- public authority authorization 130
- Quinine Cartel* 94–5
- R&D
 - antitrust laws and 25
 - and independent research centres 27
 - and innovation 24–8
 - in inter-war years 41
 - and multi-market contacts 28–9
 - research joint venture (RJV) 25–8, 104–6, 120
- Rahl, J. 43, 45
- restrictive practices
 - and collective rebates 10–11
 - and competition policy 2–3, 9, 10–13
 - Monopolies and Restrictive Practices Act (UK) 11, 42, 43, 74
 - Restrictive Trade Practices Act (UK) 20–21, 74
 - and rule of reason 81–3, 90, 102
- Reynolds, M. 139, 141
- Rhône-Poulenc *see* lysine cartel; Vitamins Inc.
- Richardson, G. 22, 23
- Riley, A. 94
- Roche *see* Vitamins Inc.
- Ross, D. 8–9, 14, 17, 27, 82, 84, 87, 106
- St Gobain 57
- sales agencies 9, 33–4, 61
- Salop, S. 14
- Sandhu, J. 140
- Schelling, T. 17
- Scherer, F. 8–9, 14, 17, 27, 82, 84, 87, 106
- Schröter, H. 36, 37
- Scott, J. 28–9, 105
- Sewon 53–4, 55
- SGL Carbon 57, 129, 131
- Shapiro, C. 25, 26, 27, 28
- share price impact 126
- Shaw, R. and S. 102–3
- Simon, M. 118, 119–20, 121, 123
- Skidelsky, R. 23
- Slade, M. 1
- Smith, A. 1, 28
- soda ash case 99, 103–4
- Solvay 99
- Spain, antitrust policy 106
- Stephan, A. 141, 156
- Stigler, G. 7–8, 9, 15–16, 18, 29, 30, 59
- Stocking, G. 34, 38, 40, 41
- Sufrin, B. 89, 92, 104
- Suiker Unie v. Commission (Sugar Cartel)* 96
- Suslow, V. 33, 35, 37, 38, 44, 45, 59, 60, 61, 63, 75, 83, 129
- Sweden 12
- Switzerland 37, 57

- Takeda 54
 Teece, D. 25
Theatre Enterprises v. Paramount Film Distribution Corp 87–8
- trade associations
 and dumping claims 70–71
 and information exchanges 83–5
 role of 61
Triangle Conduit and Cable Co. v. Federal Trade Commission 87, 110
- trust companies 61
- UCAR International 57
- UK
 antitrust policy 106
 cartel conspiracy cases 57
 cartel history 32–3, 39
 centralised sales agencies, history of 33–4
 collective rebates and restrictive practices 10–11
 ‘distress cartels’, government support for 20
 Enterprise Act 133
 financial rewards to whistleblowers 149–50, 155
 Great Depression and cartel promotion 23
 inter-war cartels, spread and effects 35–6, 37, 39–40, 41–2
 international cartels 36, 40, 41
 leniency programmes 140, 146
 Monopolies and Restrictive Practices Act (1948) 11, 42, 43, 74
 patent rights, history of 33, 37
 Restrictive Trade Practices Act (1956) 20–21, 74
- United Nations Conference on Trade and Development (UNCTAD), competition policy 108
- US
 Aluminium Alliance 38
American Column and Lumber Company v. United States 83–4
American Tobacco Co. v. United States 86–7
 Antitrust Criminal Penalty Enhancement and Reform Act 137
 antitrust policy 77–88
 Antitrust Procedures and Penalties Act 116
Appalachian Coals, Inc. v. United States 79–80
Broadcast Music Inc. v. Columbia Broadcasting 82
Chicago Board of Trade v. United States 81–2
 and citric acid conspiracy 50
 Clayton Act 114, 122
Columbia Broadcasting System, Inc. v. ASCAP 82
 dumping and chemicals industry 12–13, 18
DuPont de Nemours & Co. v. Federal Trade Commission 8–9, 33, 88
 Electrical Conspiracy 6, 116
 Federal Trade Commission Act 78
Federal Trade Commission v. Cement Institute 87
Graphite Electrodes 56–7, 131
 Great Depression and cartel promotion 23
 Industrial Recovery Act 23
 inter-war cartels and antitrust laws 37–8
 international cartels and antitrust 45–8, 51, 69–70
Interstate Circuit Inc. v. United States 86
 leniency programmes *see* leniency programmes
 lysine cartel *see* lysine cartel
Maple Flooring Manufacturers Association v. United States 84
 National Co-operative Research Act 104, 105
 National Industrial Recovery Act 38, 80
 oligopoly and limit pricing 10
 penalties for antitrust offences *see* penalties for antitrust offences
Quinine Cartel 94–5
 research joint venture (RJV) 28, 104–5, 120
 ‘ruinous competition’ debate 20, 22
 Sentencing Guidelines (USSG) 126–7, 136

- Sherman Act 1, 22, 77–80, 84, 85, 86, 102, 116, 122, 126–7
- Steel Exports Association of America 38
- Theatre Enterprises v. Paramount Film Distribution Corp* 87–8
- Triangle Conduit and Cable Co. v. Federal Trade Commission* 87, 110
- United States v. Addyston Pipe and Steel Co* 30, 78
- United States v. Socony-Vacuum Oil Co.* 80–81
- United States v. Trans-Missouri Freight Association* 30
- United States v. Trenton Potteries Co.* 78–9
- United States v. United Harvester* 85, 110
- Vitamins Inc. *see* Vitamins Inc.
- Webb-Pomerene Act 38
- Vitamins Inc. 46–8, 51
- damages paid 55
 - dead weight loss 73
 - executive blame 117, 118
 - finances imposed 54–5, 132, 135
 - and leniency programme 135, 136, 137
 - markups and welfare losses 70
 - predatory pricing allegations 47–8
- Voigt, F. 36, 37
- Vonortas, N. 105
- Walsh, D. 141, 144
- Watkins, M. 34, 38, 40, 41
- welfare
- consumer adverse effects 2–3
 - consumer disadvantage, and fines 125–6
 - damages claims 122–5
 - effects of inter-war cartels 38–9
 - losses *see* markups and welfare losses
 - victim compensation 142–4
- Werden, G. 118, 119–20, 121, 123
- Whish, R. 118
- whistleblowers
- financial rewards to 149–50, 155
 - see also* information disclosure
- Williamson, O. 120
- Wils, W. 127, 128, 129, 140, 144
- Wood Pulp (Ahlstrom Oy v. European Commission)* 61, 97, 102–3, 103–4
- World Trade Organization 44
- antidumping measures 11–12
 - and call for international organization to oversee 157
 - competition policy 108
 - and international cartels 45
 - punishment strategy for cheating 16
- Wurm, C. 32

