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### Antitrust Laws

The United States has several laws that are intended to further fair, balanced, and competitive business practices. The antitrust laws have been in place for quite a long time. The concept emanated from the Great Britain where there were increased incidences of monopoly thus forcing small businesses out of the market. To prevent this, the legislators then imposed laws that did seek to protect both the customers and small businesses from the giant corporations. The large business entities did seek to control the market through scrupulous means that include unlawful mergers of the large cooperates. By merging, the large cooperates by default had control of the market for they ended up being sole producers of specific commodities. Hence leading to price discrimination and at times predatory pricing to create a non sustainable environment for the small businesses (Stucke, 2012).

There are quite number laws in the United States with the intent of ensuring that the marketplace is fair, competitive and balanced. The laws are control measures geared towards ensuring that business practices are conducted in the fairest manner. Evaluation of the success of the laws put in place can be determined by increased equal participation of business men. The antitrust laws in place cushion the public and other business partners from unfair pricing and

fostering competitive business practices. Always upon introduction of laws in the public domain, they receive the initial skepticism on their impact and purpose in the bid to improving the business practices. It is rare for the public to realize that the antitrust laws affect them in one way, or another, but in the real sense, then antitrust laws have a tremendous impact on the customer's daily activities.

### **Federal Antitrust Laws**

The antitrust laws have been developed in the United States to ensure fair competition and business in the market. The antitrust laws protect both the customers and the small businesses from the big corporations that can affect their performance. The laws control merging of businesses and prevent the various business companies from dividing the various market divisions. There are various experienced actions or occurrences that led to the formation of the various acts to deal with the different business practices termed as unlawful. The Sherman act like mentioned earlier was formulated to curb unfair cartels and collisions that are geared towards compromising the fair playing ground for the businesses at large. The law stipulates that each company should operate independently so as to provide better prices than its competitors (Ghosal, 2011).

The Sherman antitrust act was developed to protect the small businesses from the large corporate sectors that led to their extinction. The monopoly was developing in a large rate, which also led to unfair pricing of commodities since there is no competition. The law punished business entities that broke it through the court of law. The act was stated that all combinations, conspiracies and combinations that blocked the interested trade summed to the illegal practice.

The primary intention of the act was majorly on protecting the customers from the monopolistic business that set prices at their convenience hence sourcing unfair income from the public. In the year 1914 the Clayton, an act was put in place to ensure that there was a healthy competition between businesses. The law worked towards ensuring that there was inhibition of the acquisitions and mergers of large businesses that are anticompetitive in nature. In the year 1936, the Robinson-Pitman act was passed to forbid price discrimination in selling of commodities and provision of promotional assistance. The main direction of the law was to protect the customers from being exploited (Scremin, 2005). It also serves to deter big companies from conspiring to push the small enterprise out of business.

The act of Sherman has been effective in obtaining the set objectives in the initial act. There are various suites that have been reported in the courts. The judgment has seen the public and small companies saved from either exploitation or collapse respectively. For instance, when there were raised concerns on the joint venture between Texaco and Shell Oil. The two companies set prices, jointly; however, the Supreme Court at the end of the case upheld the decision of the two companies.

### **Predatory Pricing**

Predatory pricing an act by the already developed industries to push out the small competitions out of the market for the fact that they cannot bear the loss they are making. The predatory pricing process starts with big companies identifying the small entrepreneurs in their line of business. Upon identification of the small businesses and their pricing, the company goes ahead to sell the same products at a loss with the intent of pushing the smaller players out of the market. However, the antitrust laws cushion both the customer and the small enterprises against exploitation and mistreatment. The law has been used in the recent past to prosecute the

companies thought to behave in a manner to use the predatory pricing approach to gain market base.

In the year 1993 Brooke group limited together with brown and Williamson tobacco corporation took over the tobacco industry. To ascertain that one has performed the predatory pricing, there are three issues to be addressed. One the prices must be lower than the costs of the rival. Further, it is illegal if the competitor had prospects of recouping its investment in the scheme alleged. Until the claims are null, therefore, protecting the large companies as well. Therefore, in recollecting the lost cash in scrupulous means like scaling high prices after gaining a monopoly.

### **Monopolization**

The market is usually affected a great deal with monopolization of a particular industry. Monopoly gives room for a company to produce the same products and decide on the price for each product. Therefore poses a risk of exploitation of the public and further suppressing of potential competitors who can help in the development competition and improvement of the market at large. On that note, various reports reported on attempted or successful monopolization have received stern judgment that can be used as an example to the other companies. A good example is the northern securities corporation in 1904, there was a merger to form a railway monopoly. However according to the rules and regulations, entailed in the antitrust, the company was forced dissolve, and each of them run independently (Ghosal, 2011). Of recent, the standard oil company was dismantled in the year 2011. It was kind of a monopoly hence subdivided into geographical entities with each of them operating independently like different businesses.

### **Conclusion**

The public and the small businesses for a fact need to be cushioned by the government against the malicious entities. So far the government has managed to dissolve various companies that have come together with the aim of ensuring that the small entrepreneurs do not get the market. Therefore forcing them out of the market by ensuring that they are frustrated with minimal profits to make them run the business. Further, the various companies that have conspired to hike the prices and get undue money from the soliciting customers have been prevented from going on with the activities, hence saving the customers from the unnecessary expenditures from price hiking. The state laws, therefore, are crucial in that they ensure a well-coordinated serene business environment. The fair business within an economy helps in the development of the country's economy and drawing of investor to bring in new advances in business from the different parts of the world. Investors are more drawn to a free and fair market that allows for advances in any sector of the market.

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