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EDITORIALS & OPINION

LETTERS TO THE EDITOR

Sometimes, It Is Just Plain Market Abuse

Ronald Cass's rather intemperate charges against EU antitrust enforcer Neelie Kroes seem to me too far off the mark to go unanswered ("Cowboy Socialism," Business Europe, March 6).

I have studied, taught and written about antitrust enforcement for a half century and share Professor Cass's nervousness about the wanton expansion of enforcement authority. But to leap to the conclusion that Ms. Kroes's enforcement activities are aimed at "highly successful" firms, that she sees "sustained success as a sign of abuse," and that she therefore is introducing socialism by the backdoor ignores the very difficult problem that faces all antitrust enforcement agencies.

Successful firms might indeed at times owe their success more to the unlawful exercise of market power than to sheer efficiency, and especially in the high-tech industries it is a difficult task to separate good, hard competition from anticompetitive business practices.

Some price cuts result from competition, and benefit consumers; others are part of a

plan to create barriers to the entry or prosperity of new entrants.

Pricing practices that have the effect of forcing buyers to take all of their supplies from a dominant firm, and are not justified by the cost structure of the industry, surely cannot benefit consumers in the long run. Nor can the use of intellectual property rights to prevent entry into related markets to which those rights do not apply—a form of tying a competitive product to one in which there is legitimately earned monopoly—be defended as good, old-fashioned competitive behavior.

I have no knowledge of the facts of the specific cases to which Neelie Kroes's department has turned its attentions. But it would be poor policy indeed were she precluded from investigating instances in which competitors or customers complain that a dominant firm is using muscle rather than talent to win business.

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