

# Sherman anti-trust act and other anti- trust laws

[Business](#)



Business History Sherman Anti-Trust Act and other anti-trust laws More considerably, the main function of the anti-trust law was to eliminate the illegal conduct among the dealers in the market as it intended to promote free and fair marketplace competition (Kolko 126). The regulation by the anti-trust law was to curb the upcoming trends in, which several businesses in the US intended to eliminate competition that involved illegal means of businesses fixing prices before assigning specific market domains to different competitors within an industry. Even though, the intent reason behind Sherman Act formulation was to forbid the existence of monopolies, its failure began with the courts lack of uniformed definition of how monopolies could be attained through abused power. This is because, the formulation of the anti-trust law by congress was made in broad common law concepts as it lacked details that clearly defined monopoly and trust that would guide the court's interpretation. However, it is unfortunate that President Teddy Roosevelt's approach towards regulating big business and enforcing the antitrust laws is that he sided with the growth of trusts that lead to high price setting and increased monopoly power (Kolko 128). This is because he showed continued support for trust combination as he described it as the key to success in big business he further shows his support for the Morgan's case that conflicted with the anti-trust laws. More significantly, the act failed to prevent illegal consolidation of industries because the earlier courts that made rulings based on the act limited the scope of the act as it made interpretations that created ambiguities of law (McCraw 68).

Considerably, the failure of the Sherman Act that was focused on providing intent foundation of positive government action against business monopolies failed because there was no clear understanding of monopoly structures that <https://assignbuster.com/sherman-anti-trust-act-and-other-anti-trust-laws/>

were legal or illegal as per the court's interpretation. As a result, the anti-trust law failed to curb the emergence of powerful trusts that created a high level of oligopolistic and monopolistic industry structures that posed high levels of threat to the U. S. business climate. This is because, although the trusts were formed were mainly in the form of mergers even though, the companies were shielding themselves from competition as a result, of increased industrialization (McCraw 65). Nonetheless, the outcome of enforcement of the anti-trust policy in the courts proved to be a failure as it failed to manage the transition in the American economy and society founded on big business. This is because, the big companies still domineered the industry leaving consumers, other manufacturers and suppliers with heavy financial costs as they set high prices in their target markets thus, threatening the existence of equal opportunity for all businesses in the US (McCraw 65). Nonetheless, the existence of the antitrust law is still relevant, as it requires enforcement of law against combinations that cause harm to the public as compared to those that were clearly structured. National Business Survey Conference (NBSC) and National Recovery Act (NRA) More considerably, the national recovery act was set to grant the striking workers who were suffering from slashed wages during the depression era the right to organize their own labor unions. The national recovery act faced opposition from business owners as they saw that the act protected over-regulation as recovery began to take hold after the depression era (Romasco 18). In addition, the initialization of the national industrial recovery act by President Hoover remained as a short-lived program, because as an initial strategy of government supervision of controlling business leaders and workers, it shortly resolved conflicts of wage rate and thereby increase <https://assignbuster.com/sherman-anti-trust-act-and-other-anti-trust-laws/>

productivity and efficiency. The securities stock exchange also sought to control trading of shares as rules and regulations that monitor stock exchanges were formulated. The national business survey conference was an initiative in which President Hoovers act of increasing construction projects in Federal states while he reduced tax cuts from the economy. As a result, the businesspersons joined the project voluntary as the federal government gave loans to corporations as a way of providing stability and increased new workers being hired through the secretly operated Reconstruction Finance Corporation. Nonetheless, efforts carried out by the government played a big role in assisting in economic recovery but did not improve the conditions as economic growth of the US continued to decline (Hawkins 195). More considerably, Americans came to understand that the depression era was because of increased lending because of high amounts of money supply and lower interest rates that attracted the lenders to borrow. More so, the increased spending had led the country into increased inflation rates that later on landed the economy into the recession and later on the depression era. Work Cited Hawkins, David. The Development of Modern Financial Reporting Practices Among American Manufacturing Corporations. Cambridge: Harvard Graduate School of Business Administration, 1963. Print. Kolko, Gabriel. The triumph of conservatism: a re-interpretation of American history, 1900-1916. New York: Free Press, 1977. Print. McCraw, Thomas. Prophets of regulation : Charles Francis Adams, Louis D. Brandeis, James M. Landis, Alfred E. Kahn. Cambridge, Mass: Belknap Press of Harvard University Press, 1984. Print. Romasco, Albert. The poverty of abundance; Hoover, the Nation, the depression Galaxy books. Oxford: Oxford University Press, 1965. Print.

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