

Letter

Letter: US antitrust and the moral justification for capitalism

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It is worth pointing out that the more holistic approach to antitrust taken by the US Federal Trade Commission is consonant with the moral justification of a capitalist market order (“US antitrust has reached a turning point”, [Opinion](#), October 10).

The foundational elements of a market economy are the protection of property and freedom of contract. The moral argument is that all exchange is voluntary.

Party A cannot coerce party B into providing labour or goods at a price that does not command party B’s unforced consent.

However, for party B’s freedom of contract to be meaningful, it must have alternatives to trading with party A. If party B’s options are restricted, the voluntarism of its trading is illusory. Adam Smith, the 18th-century Scottish economist and philosopher, addressed this in his conception of natural liberty and his advocacy of competition in his book *The Wealth of Nations*: “In general, if any branch of trade, or any division of labour, be advantageous to the public, the freer and more general the competition, it will always be the more so.”

This stands in contrast to the prevailing focus on consumer welfare, where the cost of goods is the main criteria for antitrust enforcement. There are undeniably trade-offs between economies of scale, which can deliver goods at lower cost in some industries, and an abundance of choice, and there may be instances where the former is preferable.

But it is sensible to recognise the trade-off and reconnect competition policy with the moral roots of the system it is regulating.

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