

You rely on the Arabs for about a tenth of your consumption. We are entirely dependent on them. We can't afford the luxury of three or four years of worry and misery waiting for the Arabs to understand the problem. (II, 897)

At this point Dr. Kissinger signally failed to give a pledge that in the event of a prolonged oil cutoff the Americans would be prepared on an indefinite basis to pool their oil stocks and supplies with their allies for equal distribution on a *per capita* basis. Perhaps, given that the United States is a democracy, no such pledge could have been made or, if made, have been found credible. But the Europeans were entitled to take the point into account and they evidently did so.

Poor Ronald Reagan! What a *damnosa hereditas* awaited him. But though no more experienced in international economics than Mr. Nixon, he has at least had the good sense not to make his principal adviser in world affairs an old-fashioned diplomatic historian. And now he has turned for salvation to the eminently-qualified George Shultz. Ironically, Dr. Kissinger himself pays this tribute in his memoirs: "If I could choose one American to whom I would entrust the nation's fate in a crisis, it would be George Shultz." (II, 81) This was written, of course, before Mr. Shultz became Secretary of State. Dr. Kissinger is thus left in a tantalizing situation. For if Mr. Shultz should fail to save the world from economic catastrophe, Dr. Kissinger is likely to be accorded the larger portion of blame at the bar of history. But if Mr. Shultz should succeed in his perilous mission, it will be he, and not Dr. Kissinger, who will be hailed as the greatest American statesman of the age.

David Carlton

Short Shrift

Dominick T. Armentano

Antitrust and Monopoly: Anatomy of a Policy Failure. (John Wiley & Sons, New York) 1982.

Is antitrust necessary? That's the question raised by Dominick T. Armentano in his challenge to what has been well described by a recent writer in the *Georgetown Law Review* as the "antitrust industry"—bureaucrats in the Justice Department and Federal Trade Commission, teachers of industrial organization and antitrust economics, competitors unable or unwilling to compete, and lawyers, lawyers galore.

After all, who's protected by antitrust? Certainly not the consumer, says Dr. Armentano of the University of Hartford, author of a hard-hitting, well-reasoned, and fully-documented book appropriately subtitled *Anatomy of a Policy Failure*. He argues by logic and evidence.

On logic he attacks the neoclassical and social welfare models of perfect, pure, or atomistic competition. These models see "equilibrium" as the norm and find fault with such common business practices as advertising, price-discounts, product differentiation, purchasing resources cheaper than rivals, locating in areas convenient to con-

sumers, and so on. Clearly such “deviations” have led to the common view that modern-day commerce can only be characterized as imperfect or monopolistic competition—per the work of Joan Robinson of Cambridge and Edward Chamberlain of Harvard. Citing work by Schumpeter and Hayek, Dr. Armentano declares:

Far from being useful or predictive, as has often been maintained, the atomistic model leads to incorrect expectations concerning socially desirable structure, conduct, and performance. To attempt to apply the model as a standard in antitrust for determining competition or monopoly power would be nothing short of disastrous.

Evidence against antitrust is presented by a raft of federal cases, few of which do not leave the consumer worse off. Take, for example, the famous Alcoa case. Alcoa reduced the price of aluminum from \$8 a pound in 1887, to \$3 in 1889, to 50¢ in 1899, to 38¢ in 1910, and to 22¢ in 1937—all these price reductions being accompanied by vast increases in production and demand. In 1937, however, the Justice Department brought suit against Alcoa, charging Sherman Act violations of illegal monopolization, conspiracy, and “other misconduct.” The U.S. District Court trial lasted four years, with Alcoa winning a clean bill of health on every count.

The government, however, appealed the decision in 1941, when the price of aluminum had fallen further, to 15¢ a pound. Government attorneys recast their strategy in the U.S. Court of Appeals and won their case in 1944. Judge Learned Hand handed down the opinion that Alcoa had gained its top competitive position “by virtue of [its] superior skill, foresight and industry.” Yet, in the next breath, Judge Hand condemned these qualities as “exclusionary” and hence, illegal. He further charged that Alcoa “forestalled” competition by stimulating demand and then, with its usual efficiency, supplied that demand which “it had evolved.” In short, Alcoa was condemned for being efficient in serving the obviously pleased consumer.

So, too, in the United Shoe Machinery Case in 1954, the Supreme Court bought the arguments of the Justice Department and found the company guilty of monopolization under the Sherman Act. The Court conceded that the prices of United Shoe Machinery’s goods were competitive, nonpredatory, and nondiscriminatory. The court found that the corporation’s research facility reflected “efficiency, intelligence and vision.” It further found that the customers of United Shoe Machinery were well satisfied with the speedy and efficient service provided by the company. Thus, in spite of the fact that its prices were competitive and its customers happy, the Supreme Court nonetheless declared United Shoe guilty of monopolization and ordered it to divest itself of a significant share of its shoe machinery business. Again, the competitors of the antitrust defendant corporation were gleeful, while the consumer got the short end of the stick.

William H. Peterson

Avraham Shifrin

The First Guidebook to Prisons and Concentration Camps of the Soviet Union (Bantam Books, New York) 1982.

In this book, Avraham Shifrin, an exiled Jew who spent fourteen years in the Soviet penal system for anti-Soviet activities, has produced a work that might sardonically be called "The Gulag on 5-to-10 Rubles a Day." The book documents many of the 2,000 known prison, slave-labor, and extermination camps within Soviet borders giving location, size, and condition. Special maps and photographs, many of which were taken at great risk and smuggled to the West, illustrate the harsh and brutal reality of the Soviet penal system.

Signs proclaiming "Honest Labor, the Road Home" can be seen hanging above the entrance to many of the camps. From Lefortovo, the special K.G.B. prison in Moscow, where nets hang in the stairwells to prevent desperate prisoners from jumping to their death and "isolation cells" serve as holding areas, to Novosibirsk City in Siberia, where fifteen concentration camps and four prisons "service" the area, the tales of despair and brutality are the same. In the frigid outer reaches of the Siberian camps come reports of prisoners driven to self-mutilation by the brutal working conditions in the logging camps. Prisoners who chop off a finger, swallow a nail, or stitch a dirty thread through an arm or leg are common.

Approximately 60 million innocent people have died in the last sixty years in the camps, people whose crimes include a belief in God, reading literature not approved by the state, or disagreement with the regime. One "patient" in Psychiatric Hospital No. 7 was arrested for carrying a placard saying "I want to leave the U.S.S.R." The diagnosis of the "physicians" was "Misjudgement of the surrounding reality."

To help build the Soviet war machine, thousands of prisoners in the Cherepovets region mine uranium used in atomic bombs, others on Paldiski Bay are assigned to clear the exhaust nozzles of atomic submarines. These are the death camps. There is no protective clothing so most die from radioactive contamination.

In many of the 119 prisons and camps for women and children, trinkets and souvenirs are made for tourists. Even the mascot of the Summer Olympic Games in Moscow 1980, the cute little bear Mishka himself, is a product of prison labor. Women in a concentration camp on Shikotan Island process much of the caviar sold to the Free World.

Mr. Shifrin's book is not light reading; in fact, it is horribly depressing. However, its superb documentation makes it a necessary resource for every person who cares about freedom and human rights. And for students of politics and international affairs, the *Guidebook* further illuminates the nightmare of the U.S.S.R.

Candace L. Strother