

The maximization of economic surplus, which is the sum of consumers' surplus and producers' surplus, is conventionally stated as the goal of Chicago School antitrust policy.<sup>48</sup>

#### 4.2.2 The Chicago School

Chicagoans noted the equity-based goals that antitrust was trying to achieve, but proposed that the pursuit of efficiency itself would best achieve these goals.

Rather than directly confronting equity issues such as power, the Chicago School directly looked at prices. Rather than zero in on the struggle between small business and large, the Chicago School tightened the focus to the struggle between producers and consumers. Producers are concerned with one thing: profits. Consumers are concerned with one thing: prices. Producers want prices to go up; consumers want them to go down.

Efficiency was seen as a means towards reaching other ideals too, such as freedom of choice and the equitable distribution of resources. Inefficient arrangements were also inequitable. Consequently, a direct attack on inefficiency would promote equity.

Efficiency is not an ultimate goal. It is an intermediate goal pursued in order to facilitate freedom of choice, to serve other interests of consumers and to make the best use of society's resources.<sup>49</sup>

In sum, the pursuit of efficiency goals through antitrust enforcement is consistent with the objective of equitable distribution of income...Equity goals...are indirectly and costlessly promoted by a direct attack on inefficient, anti-competitive market structures and practices.<sup>50</sup>

The Chicago School argued that the interaction of competitors in the marketplace would lead to efficient outcomes. Market forces help achieve allocative efficiency and lead to distributional equity. Bigness and inter-corporate arrangements should be viewed through the lens of efficiency. This

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<sup>48</sup>Hovenkamp, "Chicago and its Alternatives", *Duke Law Journal* (1986), 1018.

<sup>49</sup>E.M. Fox, "The Modernization of Antitrust: A New Equilibrium", 66 *Cornell Law Review* (1981), 1180.

<sup>50</sup>K.G. Elzinga, "The Goals of Antitrust: Other than Competition and Efficiency, What Else Counts?", 125, *University of Pennsylvania Law Review*, 1195 and 1202.