



From the Editor

Welcome to the first issue of *Competition Policy International*.

This inaugural volume begins with a colloquy about tying, an unsettled area in both economics and law. The Chicago School taught that even firms with monopoly power were not likely to find tying attractive because it could not augment their market power. Later writers, however, have identified conditions under which firms might tie to create an additional monopoly or protect their current one. But it has been hard to find robust methods for identifying anticompetitive ties. In most countries the law has taken a less forgiving approach to tying than the economics literature. To paraphrase U.S. Supreme Court Justice Frankfurter: there's nothing redeeming about tying. Such skepticism led U.S. courts for many years to make tying by firms with market power a per se violation. This doctrine has been relaxed slightly over time, but tying is still treated much more harshly than other unilateral practices. There is an ongoing debate in the competition policy community on whether tying with market power should remain essentially per se illegal, be made lawful as the Chicago School urged, or be subject to some sort of rule of reason analysis. The lead article by Jean Tirole and thoughtful comments by Dennis Carlton and Michael Waldman and by Barry Nalebuff offer recommendations for going forward from four economists who have made seminal contributions to the scholarly literature on tying and its effects.

This issue's next feature is a symposium on the legacy of former EC Competition Commissioner Mario Monti. Commissioner Monti, an eminent economics professor from Milan's renowned Bocconi University, was the EC Commissioner for competition policy from September 1999 until November 2004. He made headlines throughout his tenure. Reporters dubbed him "Super Mario," and he was said to strike "fear into the hearts of the most powerful corporations" for his efforts to take on all comers—from France, to Volvo, to Microsoft. He also came in for stiff criticism. He split with the U.S. Department of Justice by blocking the *General Electric/Honeywell* merger, and the EC's Court of First Instance reversed several Commission decisions that blocked other mergers. His tenure was also marked by important reforms, including the creation of the Chief Economist's office at the Directorate-General. Margaret Bloom, Claus-Dieter Ehlermann and John Ratliff, Nicholas Levy, David Evans and Carsten Grave, and William Kolasky, all active practi-

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tioners in the European Community, consider what Commissioner Monti's legacy means for several areas of EC competition policy.

The journal ends with two classic articles. Frank Easterbrook's skeptical "The Limits of Antitrust" laid the groundwork for many of the developments in antitrust thinking from the 1980s to the present. Although it was considered a radical cry from the Chicago School when it appeared, many of the ideas it contains have been adopted by wide swaths of the ideological spectrum in competition policy. Oliver Williamson's "Economies as an Antitrust Defense: The Welfare Tradeoffs" has sharpened the thinking of generations of analysts about mergers. Like many great works, its key points seem obvious in hindsight.

On behalf of the readers and the editorial team, I am delighted to extend my thanks to all of the contributors to our inaugural issue.

Richard Schmalensee
Editor-In-Chief