

## **They run the venture capital industry, CNN, Sony Pictures, all Hollywood and Silicon Valley media companies and part of Congress. Who are these frat boys?**

By Franklin Porter

They can blacklist you from all jobs, all financing, social clubs, media coverage and opportunities.

They control 80% of government policy making.

They have nothing to do with any religion and everything to do with organized crime, stock market manipulation and the strategic control of social interaction.

They own companies that spy on American's and collect their data in massive shared databases. They use this spy data to manipulate political opinion, elections and the news.

They want you to think that they are part of a social dynamic that you are never supposed to talk about out-loud. This is their trick. The only social dynamic they are part of is the mobster dynamic shown in the feature film: ***The Godfather***.

They are all male and they went to the same 'elitist' fraternity houses at one of six snooty colleges.

How much do you know about their cartel? Should you educate

yourself and know more?

A **cartel** is a group of apparently independent producers whose goal is to increase their collective profits by means of **price fixing**, limiting supply, or other **restrictive practices**. Cartels typically control selling prices, but some are organized to control the prices of purchased inputs. **Antitrust laws** attempt to deter or forbid cartels. A single entity that holds a **monopoly** by this definition cannot be a cartel, though it may be guilty of abusing said monopoly in other ways. Cartels usually occur in **oligopolies**, where there are a small number of sellers and usually involve **homogeneous products**. **Bid rigging** is a special type of cartel.

People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.

— Adam Smith, *The Wealth of Nations*, 1776

A survey of hundreds of published economic studies and legal decisions of antitrust authorities found that the median price increase achieved by cartels in the last 200 years is about 23%.<sup>[1]</sup> Private international cartels (those with participants from two or more nations) had an average price increase of 28%, whereas domestic cartels averaged 18%. Less than 10% of all cartels in the sample failed to raise market prices.

In general, cartel agreements are **economically** unstable in that there is an **incentive** for members to cheat by selling at below the agreed price or selling more than the production quotas set

by the cartel (see also [game theory](#)). This has caused many cartels that attempt to set product [prices](#) to be unsuccessful in the [long term](#). Empirical studies of 20th century cartels have determined that the mean duration of discovered cartels is from 5 to 8 years. However, once a cartel is broken, the incentives to form the cartel return and the cartel may be re-formed. Publicly-known cartels that do not follow this [cycle](#) include, by some accounts, the [Organization of the Petroleum Exporting Countries](#) (OPEC).

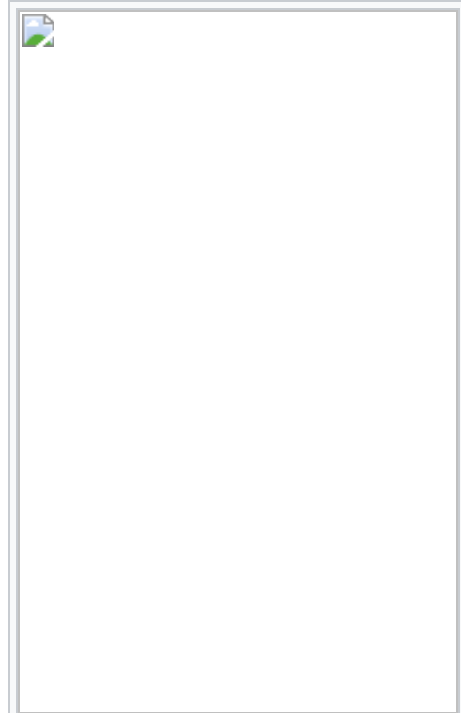
[Price fixing](#) is often practiced internationally. When the agreement to control price is sanctioned by a multilateral [treaty](#) or protected by national sovereignty, no antitrust actions may be initiated. Examples of such price fixing include oil whose price is partly controlled by the supply by OPEC countries. Also international airline tickets have prices fixed by agreement with the [IATA](#), a practice for which there is a specific exception in antitrust law.

Prior to World War II (except in the United States), members of cartels could sign contracts that were enforceable in courts of law. However, today price fixing by private entities is illegal under the antitrust laws of more than 140 countries. Examples of prosecuted international cartels are [lysine](#), [citric acid](#), [graphite electrodes](#) and bulk [vitamins](#).

[OPEC](#): As its name suggests, OPEC is organized by [sovereign states](#). It cannot be held to antitrust enforcement in other [jurisdictions](#) by virtue of the [doctrine of state immunity](#) under [public international law](#). However, members of the group do frequently break rank by exceeding their agreed production quotas.

Many [trade associations](#), especially in [industries](#) dominated by only a few major companies, have been accused of being fronts for cartels or facilitating secret meetings among cartel members.

Although cartels are usually thought of as a group of [corporations](#), some<sup>[who?]</sup> consider [trade unions](#) to be cartels, as they seek to raise the price of labor ([wages](#)) by preventing [competition](#). For example, [negotiated cartelism](#) is a labor arrangement in which labor prices are held above the market clearing level through union leverage over employers.



The printing equipment company [ATF](#) explicitly states in its 1923 manual that its goal is to 'discourage unhealthy competition' in the printing industry.

An example of a new international cartel is the one created by the members of the [Asian Racing Federation](#) and documented in the [Good Neighbor Policy](#) signed on September 1, 2003.

- [British Valve Association](#)
- [Business oligarch](#)
- [Central bank](#)
- [Collusion](#)
- [Competition law](#)
- [Competition regulator](#)

- Content cartel
  - De Beers
  - Drug cartel
  - Dairy cartel
  - Economic regulator
  - Industrial organization
  - Maple Syrup cartel
  - Monopsony
  - Organized crime
  - Phoebus cartel (1925–1955), for light bulbs
  - Robber baron
  - Standard Oil
  - State cartel theory
  - Tacit collusion
  - Trust
  - Zaibatsu
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