

The International Aluminium Cartel: A History of Monopoly and Price Fixing

The International Aluminium Cartel was a powerful cartel that controlled the global aluminium market for over half a century. It was founded in 1931 by a group of major aluminium producers, including Alcoa, Pechiney, and Alcan. The cartel controlled the price of aluminium, the amount of aluminium produced, and the distribution of aluminium products. It also engaged in anti-competitive practices, such as price fixing and market division. The cartel was eventually broken up in 1991 by the United States Justice Department.



The International Aluminium Cartel: The Business and Politics of a Cooperative Industrial Institution (1886-1978) (Routledge International Studies in Business History Book 30) by Angelo Sommer

★★★★★ 5 out of 5

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Word Wise : Enabled
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Formation of the Cartel

The International Aluminium Cartel was formed in 1931 in response to the global economic crisis. The aluminium industry was suffering from

overproduction and falling prices. The cartel was designed to stabilize the industry and prevent further price declines. The cartel's members included Alcoa, Pechiney, Alcan, and Vereinigte Aluminium-Werke (VAW).

The cartel controlled the global aluminium market through a series of agreements. These agreements included production quotas, price fixing, and market division. The cartel also engaged in anti-competitive practices, such as boycotting and predatory pricing.

The Cartel's Impact

The International Aluminium Cartel had a significant impact on the global aluminium market. The cartel's control over production and prices allowed it to set artificially high prices for aluminium. This led to higher costs for consumers and businesses. The cartel also stifled innovation and competition in the aluminium industry.

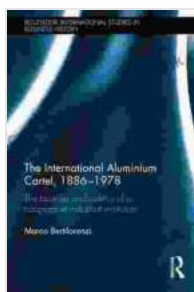
The cartel's activities were also harmful to the environment. The cartel's production quotas led to overproduction, which resulted in the accumulation of waste and pollution. The cartel's price fixing also discouraged the development of new and environmentally friendly aluminium production technologies.

Breakup of the Cartel

The International Aluminium Cartel was eventually broken up in 1991 by the United States Justice Department. The Justice Department filed an antitrust lawsuit against the cartel, alleging that it had violated the Sherman Antitrust Act. The lawsuit was successful, and the cartel was forced to dissolve.

The breakup of the cartel had a significant impact on the global aluminium market. Prices for aluminium fell, and competition increased. This led to lower costs for consumers and businesses. The breakup of the cartel also encouraged innovation and the development of new and environmentally friendly aluminium production technologies.

The International Aluminium Cartel was a powerful cartel that controlled the global aluminium market for over half a century. The cartel's activities had a significant impact on the industry, consumers, and the environment. The cartel's breakup in 1991 was a major victory for antitrust enforcement and led to a more competitive and innovative aluminium industry.



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