

The Assistant Attorney General in charge of antitrust has expressed some dissatisfaction with the bill. However, there is no doubt that when legislation is finally agreed upon the Antitrust Division will drop its AT&T suit seeking divestiture of AT&T's local regulated telephone monopolies from those portions of AT&T including Western Electric which engage in competitive and potentially competitive activities.

### **CANADIAN PULP PRODUCERS FACE E.E.C. COMPETITION CHARGES**

A despatch by Giles Merritt in London's Financial Times of September 25 reports that the European Economic Community's Competition Directorate has launched a major case against leading Nordic, North American, Spanish and Portuguese paper pulp producers. He states:

"All have received notification from the Commission's competition authorities alleging that they have acted in collusion before posting their prices. Commission sources suggest that the effect of the 65 producers' pricing policies has been to push prices in the EEC to a point where European producers could not compete."

According to other sources, Canadian producers are included in the case. It is not yet clear whether the case, if it proceeds, will be conducted under Article 85 (collusion) of the Treaty of Rome or under Article 86 (abuse of a dominant position).

### **U.N. ANTITRUST GROUP HOLDS FIRST MEETING**

The United Nations Intergovernmental Group of Experts on Restrictive Business Practices (I.G.E.) held its first annual meeting on November 2-11 in Geneva.

The formation of the IGE which is within the framework of UNCTAD, was one of the recommendations in the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices which was adopted by the U.N. General Assembly in December, 1980 (the text of the Principles and Rules is reproduced in the June 1980 issue of Canadian Competition Policy Record). The mandate of the IGE is basically to provide a forum for exchanges of views on matters related to the Principles and Rules and to make studies and recommendations. Those represented at the meeting included some 68 countries along with a number of specialized agencies, intergovernmental groupings including the European Economic Community, and non-governmental agencies including law associations, the International Chamber of Commerce and the International Organization of Consumer Unions. The Canadian delegate acted as the Coordinator for Group B (the OECD countries).

Much of the time of the Group was devoted to the preparation of a resolution, the text of which is reproduced below. The Group also had before it a study of exclusive dealing by the UNCTAD Secretariat but it did not complete its consideration of that document. The text of the resolution which was agreed upon was as follows:

"The Intergovernmental Group of Experts on Restrictive Business Practices, Recalling the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, as adopted by the General Assembly in resolution 35/63, and the mandates given to the Group by the Trade and Development Board, at its twenty-second session, in resolution 228 (XXII), to perform the functions designated in Section G of the Set.

1. Expresses concern about the persistent resort to the use of restrictive business practices by enterprises, including transnational corporations, in international trade transactions and calls upon countries to institute effective controls of such practices, and to refrain from legislation and administration measures which do not adequately take into account the objectives of the Set of Principles and Rules, and calls upon countries, particularly developed countries, to take into account in their control of restrictive business practices the development, financial and trade needs of developing countries, in particular of the least developed countries;
2. Stresses the call to States to take appropriate steps at the national or regional levels to meet their commitment to the Set of Principles and Rules, and to communicate annually to the Secretary-General of UNCTAD appropriate information in this regard;
3. Takes note with appreciation of the Annual Reports on legislative and other developments in developed and developing countries in the control of restrictive business practices;
4. Requests the Secretary-General of UNCTAD to undertake appropriate steps for achieving more expeditious dissemination of information concerning major developments in the area of restrictive business practices, such as by issuance periodically of newsletters;

5. Emphasizes the need for further study and research on restrictive business practices with a view to increasing exchange of experience and to contribute to more effective application of the provisions of the Set of Principles and Rules and with the view to assist the Group of Experts in carrying out its task of making proposals for the improvement and further development of the Set;
6. Decides, accordingly, in line with its mandate in paragraph 3 of Section G of the set, to request the Secretary-General of UNCTAD to prepare, for the consideration and dissemination by the Group, the following studies in the field of restrictive business practices, including those of transnational corporations, adversely affecting international trade, particularly that of developing countries and the economic development of these countries:
  - (a) collusive tendering as identified in Section D3(b) of the Set;
  - (b) tied purchasing practices as identified in Section D4(g) (ii) of the Set, particularly in respect of replacement equipment and components for imported capital goods;
  - (c) the effects on international trade transactions of restrictive business practices in the services sector by consulting firms and other enterprises in relation to the design and manufacture of plant and equipment;
7. Decides that the continued work on a model law or laws on restrictive business practices should have as its aim to assist States or regional groupings not having legislation on restrictive business practices to devise such legislation, as well as to assist those having such legislation to strengthen and improve controls over restrictive business practices, and requests the Secretary-General of UNCTAD to prepare and submit to the Group's second session a revised draft of a model law or laws, in accordance with the provisions of the Set of Principles and Rules;
8. Requests, in order to facilitate the work of the Group, the Secretary-General of UNCTAD to consult with the secretariats of other United Nations organs, including the Centre on Transnational Corporations, to achieve closer co-operation and to ensure that studies and other activities relevant to the work of the Group are brought to its attention, and to inform the Group at an early stage of proposals for studies or other activities in other United Nations organs related to its work;

9. Requests the Secretary-General of UNCTAD, in co-operation with other relevant organizations of the United Nations system and financing programmes to provide technical assistance, advisory and training programmes on restrictive business practices, particularly for developing countries, as called for in Section F, paragraph 6, of the Set of Principles and Rules, and notes, in this regard that the Governing Council of the United Nations Development Programme at its twenty-eighth session recognized that "...the recent agreement in the General Assembly on a code governing restrictive business practices identified a need for training and advisory services";
10. Invites, accordingly, the United Nations Development Programme, taking into account the decision of the General Assembly that the necessary resources should be made available to UNCTAD to carry out the tasks embodied in the Set of Principles and Rules, to ensure that adequate resources are allocated for such technical assistance activities and requests the Secretary-General of UNCTAD in furtherance of the invitation in the Set of Principles and Rules to approach all States, in particular the developed countries, to make voluntary financial and other contributions for such activities."

#### BOOKS AND ARTICLES RECEIVED

Donald Armstrong, Competition Versus Monopoly; Combines Policy in Perspective (forthcoming), The Fraser Institute, Vancouver, \$9.95 paperback.

Joel Davidow, International Antitrust Codes: The Post-Acceptance Phase, The Antitrust Bulletin/Fall 1981.

P.K. Gorecki and I. Henderson, Patent Licensing of Drugs in Canada, Canadian Public Policy, Autumn/1981.

Donald J. Lecraw, Proposals for Amending the Combines Investigation Act - A Business Economist's Views, Canadian Business Law Journal, Sept., 1981.

W.T. Stanbury and G.B. Reschenthaler, Reforming Canadian Competition Policy: Once More Unto The Breach, Canadian Business Law Journal, Sept., 1981.