

PUBLICATIONS RECEIVED

Richard Bird and Christopher Green, Government Intervention in the Canadian Economy, Institute For Policy Analysis, University of Toronto. Strongly critical of the allocation rather than of the size of total spending by governments in Canada. Notes that business-related tax exemptions plus business grants, loans and loan guarantees have risen rapidly as a percentage of GNE, and questions the value of such programs. Favours more spending on education and a different mix of welfare expenditures with emphasis on assisting the labour force to adjust to present economic circumstances.

Commission of the European Communities, Fourteenth Annual Report on Competition Policy (for the year 1984), Brussels, 1985. The Commission notes that since 1981 competition policy has been administered "in the shadow" of the recession, and there has been a consequent emphasis upon measures to promote structural change. In 1984, block exemptions relating to research and development and patent licensing agreements were adopted. There were a number of decisions seeking to clarify the limits within which state aids can be held not to distort competition contrary to Community interests, including decisions relating to steel, textiles and man-made fibres. Mention is made of a number of decisions involving price fixing and market sharing, including the wood pulp decision (See Canadian Competition Policy Record, Mar, 1985). With regard to the wood pulp decision, the Commission states:

"...this decision is important in that it represents the first time that concertation on prices for a relatively homogeneous product in a large oligopoly is dealt with and that concertation is proved by an economic analysis showing that under the given circumstances the similarity of prices was economically inexplicable unless there was concertation beforehand. It is also the first case in which the enterprises and trade associations involved all have their headquarters outside the EEC, while doing business on a regular basis within the EEC."

That decision is under appeal.

The Commission notes certain policy areas where its efforts have "so far frankly been a failure", including the proposed merger control regulation and the lack of progress towards liberalization of the air transport market. Also, it comments upon the difficulties of implementing the state aids policy as follows:

"First of all, the Commission has difficulty in ensuring that all notifiable aid and proposals are actually notified, especially where decentralized government agencies are involved. Secondly, when the Article 93(2) EEC procedure is opened against an aid proposal, Member states do not always observe the rule that while the procedure is pending the aid should not be paid out; in this respect, ordering the recovery of illegally paid aid represents a mixed success

for the Commission, since this merely rectifies a breach of Community law. Also, the information the Commission has so far elicited under the directive on the transparency of financial relations between Member states and public undertakings has also regularly failed to match up to expectations."

Organization for Economic Co-operation and Development, Competition Policy and the Professions, OECD, Paris, 1985. This study by the Committee of Experts on Restrictive Business Practices favours extending the principles of free competition to the market for professional services to the extent consistent with preservation of quality and integrity. Entry restrictions should be based upon objective criteria relating to qualifications. Professional monopoly could be limited by permitting more simple and routine services to be provided by competent para-professionals. Existing advertising restrictions should be eased. Where fee scales continue to be used, they should be authorized and supervised by government agencies. Efficiency might also be improved by relaxing restrictions on the types of business structure which professionals are permitted to adopt.

W.T. Stanbury, Half A Loaf: Bill C-29, Proposed amendments to the Combines Investigation Act, Canadian Business Law Journal, February, 1985. As the title of this article suggests, Stanbury regards former Bill C-29 of April 2, 1984 to be inadequate, yet describes it as a modest but desirable improvement over what now exists.

CANADIAN COMPETITION POLICY RECORD

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