

- Instructions to journalists shall be given only by the Editor or those to whom he has delegated authority
- The Editor shall retain control over the appointment, disposition and dismissal of journalists on his newspaper and of all other content of his newspaper, subject only to any annual budget for editorial space and expenditure
- Disputes between the Editors and the directors of the companies are to be settled by the independent national directors

BREACH OF UNDERTAKINGS TO U.K.  
RESTRICTIVE PRACTICES COURT  
MAY LEAD TO IMPRISONMENT

Mr. Gordon Borrie, U.K. Director General of Fair Trading, has warned that defiance of orders of the Restrictive Practices Court could lead to imprisonment of company directors.

The Restrictive Trade Practices Act requires registration of restrictive agreements and for their discontinuation if the Court so orders. Failure to observe such an order constitutes contempt. Mr. Borrie stated on October 24, 1980:

"Company directors may also face fines and imprisonment if they defy orders of the Restrictive Practices Court. This summer I challenged a prices agreement by certain pipe manufacturers. They were found guilty of contempt and fined £186,000. In his summing up Mr. Justice Mocatta indicated strongly that in future I should consider proceeding in such cases not only against the companies but against individual directors. Clearly this is something I shall have to investigate in any future case and the penalties might well in future not only be company fines but fines on or imprisonment of directors."

On December 17, 1980, British Steel Corporation was fined £50,000 for breach of the same undertaking, which was not to fix prices or tender collusively in the manufacture of concrete pipes. According to the Financial Times of December 18, the Chairman of British Steel informed the Court that British Steel may have been involved in other unlawful agreements, and he undertook to register such agreements. Failure to register does not in itself bring criminal penalties although the agreement becomes void in law. As reported in the Record of December, 1980, the U.K. Government is considering whether criminal sanctions should be introduced for collusive tendering. Such agreements would be unlikely to be registered because they would normally be disallowed by the Restrictive Practices Court.

### FRANCE ENACTS STATUTE TO COUNTER ANTITRUST EXTRATERRITORIALITY

France has prohibited both the seeking and the giving of business information for the use of foreign public authorities. The object of the law is to safeguard French sovereignty and protect French firms from extraterritorial application of foreign competition laws.

The Act of July 16, 1980 prohibits, subject to international treaties or agreements, the communication of documents or information of an economic, commercial, industrial, financial or technical nature, to foreign authorities, where such communication may be prejudicial to sovereignty, security, the essential economic interests of France, or law and order. The Act also prohibits the search for or communication of information to be used as evidence in foreign legal or administrative proceedings. Imprisonment and fines are provided, including for those who seek such information for use as evidence abroad.

In 1977 the United States Federal Trade Commission served a investigatory subpoena on Compagnie de Saint-Gobain in Paris by registered mail and the French Government protested. The company refused to comply and the F.T.C. obtained an enforcement order from a U.S. court. On November 17, 1980 the U.S. Court of Appeals for the District of Columbia ruled that the service by registered mail was improper.

Canada, the U.K., Australia and New Zealand have all proposed or enacted blocking statutes in the recent past (See the Record, September, 1980).

### E.E.C. COMMISSION CLAMPS DOWN ON COMMUNITY TRADE RESTRICTIONS

Two recent decisions of the Commission of the European Communities mark the introduction of a much tougher attitude towards restrictions imposed by companies on the free movement of their products within the Community.

In November, 1979 a large Japanese-owned firm, Pioneer Electronic Europe, and some of its distributors were fined the equivalent of about \$U.S.10 millions for preventing the export of consumer electronic equipment from Germany and the U.K. to France.

On November 11, 1980 the Commission fined a U.S. drug firm, Johnson and Johnson and some of its European subsidiaries about \$U.S.300,000 for preventing chemists in the U.K. from exporting one of its products to Germany where the price was