

The House of Commons Special Committee on a National Trading Corporation has been considering whether a national trading corporation should be created and, if so, in what form. Its final report is expected to be tabled in July.

DEVELOPMENTS IN THE UNITED KINGDOM

The Office of Fair Trading has continued its attacks against unregistered agreements. On April 27 it declared void a previously unregistered price fixing agreement among leading producers of polyester resins. Also, according to the Financial Times of March 10, it is conducting an investigation to determine if there is an unregistered agreement among steel wire manufacturers. Unregistered agreements only bring penalties after they have been enjoined and the injunction has been breached.

On February 27 the Director General of Fair Trading released his first report under his new powers to conduct preliminary investigations of practices by single companies which have the effect of restrictions preventing or distorting competition. It concerns the refusal of Raleigh Industries to supply bicycles to certain discount-prone retail outlets. He concludes that the refusal constitutes an anti-competitive practice. Having failed to obtain a satisfactory undertaking from the company, he has referred the matter to the Monopolies and Mergers Commission. The final results of that case will have an important bearing on the position of sellers in the U.K. who seek to maintain resale prices by refusing to sell to discounters.

A report by the Monopolies and Mergers Commission on full-line forcing and tie-in sales was released on March 19. The Commission does not recommend new legislation but offers guidelines to assist in identifying cases which might warrant investigation under existing legislation.

Recent large mergers have been matters of public concern in the U.K. and four of them are under investigation by the Monopolies and Mergers Commission. One of them is a bid by Lonhro, which already has the Glasgow Herald, to acquire the Observer, a prestigious Sunday paper. A bid by Lonhro for House of Fraser has also been referred to the Commission, and the results of that reference are expected to assist in clarifying Government's position respecting large conglomerate mergers. Lonhro is a conglomerate with widespread interests including hotels, mining, agriculture and textiles whereas Fraser is in department stores.

The U.K. is clearly moving towards a weakening of the state monopoly over telecommunications now held by British Telecom. A bill now before Parliament will provide the Secretary of State for Industry with wide powers to license private firms to compete with British Telecom. The first

stage of implementation will be to permit attachment of competing equipment such as telephones (after British Telecom had supplied the first one) and private automatic branch exchanges. One feature of the bill which has upset potential competitors, however, is that British Telecom will retain its monopoly over the servicing of attached equipment. Subsequent stages envisaged by the bill would allow the Secretary of State to permit private companies to lease lines from British Telecom and to offer services on them to others, and eventually to permit private companies to build and operate competing telecommunications systems.

To help decide how far to go under his proposed powers, the Secretary of State commissioned a study by Professor Michael Beesely of the London Business School, whose report was published in April ("Liberalization of the Use of British Telecommunication Network", HMSO). The report came out strongly in favour of eventually permitting competition in all the areas envisaged by the bill. The Secretary of State, Sir Keith Joseph has welcomed the report while Labour Party spokesmen and British Telecom have reacted negatively.

FUTURE CLOUDED FOR U.N. TECHNOLOGY TRANSFER CODE AS CONFERENCE ADJOURNS

The Fourth Session of the United Nations Conference on an International Code of Conduct on the Transfer of Technology met in Geneva from March 23 to April 10, 1981 but made no significant progress. Its closing resolution calls for transmission of the uncompleted draft code to the U.N. General Assembly and:

"Requests the General Assembly to take the measures necessary, as appropriate, for further action on an international code of conduct on the transfer of technology, including the reconvening, under auspices of UNCTAD, of the United Nations Conference on an International Code of Conduct on the Transfer of Technology, and the necessary preparations therefor."

The General Assembly is expected to consider that resolution along with other UNCTAD matters in the autumn. It might well decide against reconvening the Conference unless there are indications that substantial progress is possible. In any event, the issues dividing the North and the South on the code are unlikely to disappear and will certainly be subject of continuing debate within the United Nations system.

The part of the code dealing with restrictive business practices associated with technology transfers has presented some of the most difficult problems. The South, while willing to negotiate in terms of a non-mandatory