

effects of buying power are laws relating to anti-competitive agreements, mergers, abuses of dominant positions, and price discrimination.

The report stresses the danger that laws against price discrimination may restrict as well as promote competition. Reference is made to doubts which are now entertained in France, the United States and Australia about the desirability of their respective price discrimination laws. The report states:

"In the light of the experience of several Member Countries with a price discrimination prohibition, it must be questioned whether a strict ban on price discrimination would be a practical or effective means of dealing with buying power which is manifested as price discrimination. There would not seem to be sufficient empirical evidence of harmful effects, particularly on consumers and consumer prices, or evidence of a successful use of such a prohibition in curing the problems to run the risk of hampering competitive pressures exerted by powerful buyers. The anti-competitive effects of a rigid prohibition of discriminatory prices, added to the costs and problems of administration, would seem to outweigh the claimed benefits of such a policy. Therefore, if a law which deals with buying power by directly controlling certain forms of price discrimination is desired, it should concentrate on those forms of price discrimination which systematically favour large buyers or threaten to eliminate from the market firms that would otherwise be competitive. A discrimination should usually be acceptable, however, if it is based on an attempt to meet a competitor's price or if price discrimination is based on cost differences. In allocating the burden of proof, consideration should be given to the availability of evidence to the parties involved, recognizing that the firm applying the discrimination should be the one required to give reasonable estimates of the costs involved. Member countries whose price discrimination provision only covers products but not services might consider extending the provisions to certain services, such as transportation."

BOOKS AND ARTICLES RECEIVED

The Egg Marketing Board: A Case Study of Monopoly and its Social Costs, by Thomas Borcharding with Gary M. Dorosh, The Fraser Institute, Vancouver, 1981.

This study documents the high cost of the British Columbia Egg Marketing Board. It emphasizes the costs in terms of unnecessarily high prices

stemming from redistribution of income to producers and from the effect of the scheme in encouraging the maintenance of egg producers in the medium and least efficient size range. The author doubts that the stand of the Consumers Association of Canada and others which calls for representation of consumer and other non-producer interests on marketing boards would solve the problems. He leans more towards abolition and some form of compensation for affected producers.

Canada's Trade Challenge, Report of the Special Committee on a National Trading Corporation, Ottawa, June, 1981. The Committee, with the Progressive Conservative member dissenting, recommends the creation of a national trading corporation with up to fifty per cent ownership vested in the Canadian Government. It would have a capability to trade in all products, including the export of capital projects, and would have a complete set of general trade-related services. The report does not deal with any competition policy issues which might arise.

C. Green, Canadian Competition Policy at a Crossroads, Canadian Public Policy, Vol. VII, No. 3, 1981.

James P. Cairns, Merger Policy in Canada and the Supreme Court Decision in K.C. Irving Ltd., Alberta Law Review, Vol. XIX, No. 2, 1981.

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