

"In sum, then I think the conclusion is fairly self-evident that a decision by the Commission to allow negotiated brokerage rates would be in the best interest of competition in the brokerage industry."

The Toronto Stock Exchange opposes the change although some of its members favour it.

COMBINES DIRECTOR URGES LESS RIGID ANTI-DUMPING LAW

Mr. Lawson Hunter, Director of Investigation and Research under the Combines Investigation Act, appeared before the Sub Committee on Import Policy of the House of Commons Standing Committee on Finance, Trade and Economic Affairs to recommend that the proposed Canadian Import Tribunal or the existing Anti-Dumping Tribunal be empowered to take competition policy considerations into account in fixing the levels of anti-dumping and countervailing customs duties.

The Sub Committee has been holding hearings on the Department of Finance discussion paper of July, 1980 entitled Proposals for Import Policy. The paper proposes a strengthening of existing measures dealing with injurious imports in order to take full advantage of rights under the last round of GATT negotiations. Under both the existing and proposed legislation the levels of anti-dumping or countervailing duties which must be imposed are set by the degrees of dumping or subsidization respectively which are found. Also, authority is proposed whereby injury could be determined by reference to a "basic price" which would be in the nature of an average and not necessarily the actual price in any particular exporting country.

Mr. Hunter contended that the Anti-Dumping Tribunal is prevented from tailoring the additional duties it imposes to Canadian interests and that his office cannot make representations before it because competition is not a factor which it is authorized to take into account. Summarizing his concerns about the proposals, he stated:

- "(1) That penalties imposed as a result of dumping or export subsidization may confer a bonus to domestic manufacturers either -
 - (A) Directly as a result of being in excess of the actual margin of dumping or export subsidy or
 - (B) Indirectly by creating domestic market situations which allow the realization of monopoly profits;
- (2) That an arsenal of legislative provisions will be created which will go well beyond the need to offset dumping and export subsidization which could serve to encourage the expression of protectionist sentiments;

- (3) That there is an absence of a provision in the proposed legislation which would -
 - (A) Link the determination of the question of dumping as a cause of material injury to domestic manufacturers with that of the determination of the final margin of dumping;
 - (B) Allow consideration of the effects of the penalties on the full range of domestic interest."

Manufacturers have been generally supportive of the thrust of the proposals while the Canadian Importers Association has expressed opposition.

COMBINES DIRECTOR PROPOSES CONDITIONS TO ENSURE COMPETITION IN PAY TV

The Director of Investigation and Research under the Combines Investigation Act, in an intervention filed with the Canadian Radio-Television and Telecommunication Commission in September said that rivalry among pay television distributors would be the best means to ensure a steady flow of imaginative and innovative ideas. The Commission has been hearing applications for pay TV licenses from twelve national and sixteen regional groups.

Noting that pay TV does not have the characteristics of a natural monopoly, the Director recommended that the Commission:

"Allow open entry and competition in the provision of pay television programming services, subject to applicants meeting the Commission's Canadian content requirements and other conditions set out in Public Notice 1981-35."

The Director also emphasized the dangers to competition of vertical integration through ownership links of pay TV licensees with major sources of programming, with cable TV systems or with newspaper or broadcast media. He presented information showing that six of the applicants have such links. He recommended that the Commission require divestiture of pay TV systems from ownership with program production links where the number of competitors in particular pay TV markets is limited.

Pointing out that independent pay TV distributors could have their programming foreclosed from exhibition by operators of cable systems having links with particular distributors, he recommended that the Commission:

"Set in place long run policies to promote a lessening of concentration in the cable television sector; and in the interim, order compulsory access to the integrated cable operators' prime time viewing channel capacity for independent pay television distributors."