

editorial

Companies Registry Cuts

The Government has now published its consultative document on the proposed expenditure cuts regarding companies registration and business names.

As anticipated, the abolition of the Business Names Registry is a major feature of the proposals, though apparently the Government would be prepared "to consider any approaches from the private sector" to continue some or all of the functions of the Registry. How this would work seems clouded in mystery — would it not be simpler to restore the Registry to financial viability by increasing the present purely nominal fee of £1 per registration?

As also anticipated, the detailed checking of proposed company names is to be relaxed — the dangers in this were mentioned in a previous editorial (*BLR*, March 1980, p 61). There will, however, be a statutory list of words restricting the use of certain names; for example, businesses carrying on business in Windsor will find difficulty in including the word "Windsor" in their corporate names because this is the family name of the Royal Family).

It had been feared that the power to grant exemptions from printing directors' names on letterheads would be abrogated. It is now clear that, on the contrary, the obligation to print directors' names will be dropped. This seems a useful reform, likely to lead to savings for commerce and industry as well as for Government.

Further details of the proposals are given at page 131, post. It is hoped that all those professionally concerned with these issues will study the proposals carefully and pass on to the Government their views on the practicability and desirability of the new changes in practice.

Monopolies and Mergers Commission

The Competition Act received the royal assent on April 3. The general approach of the Act is to give powers for the investigation of "anti-competitive practices". Section 11 goes so far as to

authorise these investigations in relation to nationalised industries and other public utilities. The Secretary of State is empowered to refer to the Commission the efficiency and costs, service provided and possible abuses of a monopoly situation by these bodies. The scope of any investigations would, however, exclude consideration of financial obligations or objectives imposed or recommended by a Minister.

The first investigation to be held under the new powers was announced in advance of the passing of the Act. The Commission will be asked to look into British Rail commuter services in London and the south-east. The terms of reference of the inquiry will include the extent to which deficiencies in services are due to inefficiency, the scope for improved efficiency and manpower productivity, efficiency in adjusting services to match demand and whether greater efficiency would increase revenue. It remains to be seen whether the Commission (and the Government in their turn) is prepared to challenge trades union restrictive practices and resultant over-manning.

It also seems likely that the electrical industry and its price levels could be the subject of an investigation. These may be the first of many such examples of questioning existing state monopolies. The Energy Secretary is presently considering proposals from the Chemical Industries Association that the private sector should be permitted to supply gas to industrial users in view of concern over the inability of British Gas to meet industry's needs.

The Commission recently published a most critical report on letter posts in the London area. The Commission did not go so far as to recommend that the Post Office monopoly should be abolished but did recommend modifications. It reports that ways must be found to make the Post Office more accountable; and that additional performance targets are needed such as productivity. This more critical approach is to be welcomed though it is to be hoped that vital public utilities will not become "political footballs" for succeeding administrations.