

# Editorial

## RTP White Paper

One of the last ministerial acts of Lord Young, before his departure as Secretary of State for Trade and Industry in the July reshuffle, was to launch the Government's White Paper, *Opening Markets: New Policy on Restrictive Trade Practices* (Cm. 727). The White Paper, preceded by a Green Paper, promises major new legislation to replace the Restrictive Trade Practices Act and bring UK law into line with that of our European partners in readiness for 1992.

Price fixing cartels and anti-competitive agreements are to be made illegal, with delinquent firms (and individual directors of such firms) rendered subject to substantial fines. The legislation will also extend to the professions, including the legal professions, already, of course, facing a major upheaval at the hands of the Lord

Chancellor. (The latter's own White Paper which appeared a day or two later makes clear, at para 11.2, that although the providers of legal services will be affected by the new RTP Act, the latter will not apply to rules made by the professional bodies and organisations to regulate advocacy in court, the conduct of litigation, etc.). Fines will be levied by a Restrictive Trade Practices Tribunal, consisting of ten members of the Monopolies and Mergers Commission; jurisdiction to impose fines of more than £1m will be vested in the High Court. The OFT will acquire a new investigation and enforcement division, equipped with powers to enter and search business premises.

All of this is welcome if not unexpected news. Many areas of industry (the supply of building materials, including ready-mixed concrete and glass, is a particularly notable instance) are notoriously riddled

with consumer-unfriendly "bid-rigging" and price fixing practices. The professions, too, have had it too easy for too long. However, those affected are not likely to take the reforms lying down. Most of the 32 professional bodies who responded to the Green Paper (there were 160 responses in all) claimed that the reforms were unnecessary, and that the cost of compliance would be unwarrantably high. The new Secretary of State faces an uphill struggle against a formidable professional lobby in his attempts to get the reforms onto the statute book at an early date. He will also be confronted by some justified cynicism (foreshadowed in a well-aimed leading article in *The Independent* on July 19) about the Government's own patchy record on the privatisation front in failing to tackle monopolistic practices in its own backyard.