

I. INTRODUCTION

Competition policy has traditionally played an important role in the achievement of the objective of the European Community (EC) to create a single "common market" for "the harmonious development of economic activities, continuous economic expansion and a faster rise in the standard of living."¹ The policy is seen within the Community as a strong force for the development of the common market through the control of private restraints of competition within the Community as well as barriers to competition resulting from industrial aid granted by the governments of the Member States. The high importance attached to competition policy for achieving the goals of the EC is reflected in the provisions of the EEC Treaty itself. Article 3 of the Treaty includes, as one of the principle activities of the Community, the establishment of a system which ensures that competition is not distorted. Further to this objective, Articles 85 to 94 of the Treaty outline rules of competition on relations between companies, and the granting of industrial assistance by individual Member States.

The initiative to remove the remaining intra-EC barriers to trade by 1992 has increased the significance attached to the role of competition policy in the development of the common market. In this regard, the 1985 EC Commission White Paper on Completing the Internal Market, stated:

A strong competition policy will play a fundamental role in maintaining and strengthening the internal market ... As the Community moves to complete the Internal Market, it will be necessary to ensure that anti-competitive practices do not engender new forms of local protectionism which would only lead to a re-partitioning of the market.²

The view "that progress towards meeting the 1992 target of a true internal market has made it even more important to have a vigorous and coherent Community competition policy" has also been endorsed by the European Parliament.³