

ESSAY

Write a 2,500 word essay (6-7 typewritten pages not including diagrams, footnotes or references) on one of the following topics or on another topic (provided that you obtain written approval of the instructor). You can choose to write the essay about a policy or proposed policy or about a (Canadian or foreign) competition policy case. Your essay should use the tools of the economist to assess the strengths and weaknesses of the policy or the different positions of the parties in the competition policy case.

If you select the policy, your introduction should identify what the problem is, whether there is scope for government to correct the problem, why the current actions (or non-actions) of the government are appropriate or inappropriate and, what, if anything, should be done. If you select to study a case, you should briefly review the facts of the case, the positions taken by the parties and the economic theory of the case, and provide a critique of the final judgment. In both types of essays, you should include original thought but your ideas must be supported with data and/or references to economic theory.

The main body of the paper is a close examination of the points you have made in your introduction. This section should be organized into several sub-sections to enable the reader to follow clearly the logic of your argument. The final section is a one page summary and conclusion that highlights the main points you have made. In addition to the content of your essay, you will be graded on the coherence of your argument.

Include a title page with the title, the course number, your name and student number, and the date. Number your pages. The format of the references is not so important, but you must give references and they must be complete (data, issue, publisher, etc.). All data reported must be attributed to its source. When you draw from some source in your text, cite the source at this point and do not just list it in the references at the end. Run a spell-check.

Possible Policy Topics

Ontario's price cap on electricity

Public versus private automobile insurance

Regulation of Canada's coastal fisheries

Privatization of Ontario's water and wastewater facilities

Privatization of LCBO

Business subsidies

Canada and the Kyoto Protocol

Limit on the number of taxi cab licenses in Canadian cities

Use of tolls as a means of reducing highway congestion and financing new construction

Possible Competition Cases

Collusion

Vitamins (international price fixing by major companies)

Lysine (international price fixing by major companies)

Clarke Transport (Canadian case testing limits of “unduly”)

Ottawa Hotels (Canadian case involving bidding for government business)

Ivy League Collusion (US major universities collude in setting financial aid)

Other Horizontal Issues

GM/Toyota Joint Venture (US: will cooperation in one dimension spillover into another?)

Ethyl Case (1984) (US: facilitating practices)

Abuse of Dominance / Monopoly / Predation

Interac (Canadian case: access to an essential network)

Nutrasweet (Canadian case: an assortment of techniques to extent patent monopoly)

Microsoft (two cases in 1990s)

Brooke (1993) (US case – most important recent case on predatory pricing)

DuPont (1956) (cellophane case – market definition issues)

Standard Oil (1911) (US case broke up Standard Oil monopoly)

Mergers

Air Canada / Canadian Airlines (merger to monopoly with failing firm)

Superior Propane (very recent Canadian case: importance of efficiency defense)

Proposed Bank Mergers (consolidation in financial services, very complex, many markets, market definition, government barriers to entry)

Hillsdown (Canadian case: meat rendering in Ontario, market definition issues, changing industry, what welfare standard?)

Staples / Office Depot (US case, market definition, interesting empirical work)

Kimberly Clark / Scott Paper (US case with unilateral market power analysis)

Refusal to Deal / Tying / Other Vertical

Xerox Canada (refused to sell photocopier parts to ISOs)

Kodak (US case involving photocopier parts to ISOs)

Standard Fashion (1922) (old US case on exclusive dealing)

Sealy (1967) (US case on exclusive territories)

Playmobil (1995) (US case on resale price maintenance)