already in place. The exposure of illegal price-fixing by market regulators such as the European Union Competition Commission and the UK's Competition and Markets Authority is common and often stops potentially harming oligopolies. However it is often difficult to prove firms are colluding especially if it's tacit which means they organised it informally. This year in America a court case heard publishers (Hachette Book Group, HarperCollins Publishers, Penguin Group (USA) Inc, Macmillan and Simon & Schuster Inc) had agreed with Apple to move to an "agency model," in which the publishers agree a minimum retail price with distributors, thus preventing them from offering titles at a loss. However Apple denied that it was involved in price-fixing, accusing plaintiffs of "false accusations", and is in the process of challenging last July's ruling. The publishers agreed to pay more than $166m to settle charges brought against them.

On the contrary the government should only regulate business activities to a minimal extent as government intervention can sometimes fail to correct instances of market failure, and can even make existing problems worse. Such instances would include the use of taxation and subsidising institutions gone wrong. Government subsidies to particular industries could distort the proper functioning of markets and lead to inefficiencies in the economy. For example short term financial support to coal producers to keep open loss-making coal pits might prove to be a waste of scarce resources if the industry concerned has little realistic prospect of achieving a viable rate of return in the long run given the strength of global competition. Additionally a decision by the government to raise taxes on goods such as cigarettes to prevent people from using them might lead to an increase in attempted tax avoidance, tax evasion, smuggling and the development of grey markets where trade takes place between consumers and suppliers without paying tax. Many companies are so put off by the US' government tax impositions on them that they reallocate in European countries as to avoid it or become so determined to avoid the tax through loopholes that they end up paying less. From a US perspective this could bring harmful effects on their economy more worse so if they didn't have such high tax. Investigation into Apple's tax practices, which found that Apple had paid just two per cent - or around $1.48 billion - on $74 billion in overseas income.This was largely due to Irish tax laws, which allows companies to be incorporated in the country without being a tax resident. Another reason why governments regulation on businesses activities should be minimal is because businesses benefit through less interference in their activities. Government intervention tends to raise costs (insisting on the employment of safety officers for example) reducing the competitiveness of UK businesses.This can be a major handicap for firms operating in highly price-competitive markets where small cost differentials can lead to substantial loss of sales. By removing the requirement to pay national rates of pay, wages may fall in poor regions such as the north of England and Wales, attracting new businesses and making existing businesses less competitive. Supporters of this laissez-faire approach argue that the UK has been extremely successful in attracting overseas producers because of the lack of regulation of businesses. Finally, the laissez - faire approach helps to promote an entrepreneurial society in which individuals take responsibility for their own economic welfare and are more creative and hard working as a result, to the benefit of all in society. However the purpose of raising costs is valid, it enforces safety and prevents losses in jobs and health.