

"498. Every one is guilty of an indictable offence and liable to a penalty not exceeding four thousand dollars and not less than two hundred dollars, or to two years' imprisonment, or, if a corporation, is liable to a penalty not exceeding ten thousand dollars, and not less than one thousand dollars, who conspires, combines, agrees or arranges with any other person, or with any railway, steamship, steamboat or transportation company—

- (a) to unduly limit the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article or commodity which may be a subject of trade or commerce; or,
- (b) to restrain or injure trade or commerce in relation to any such article or commodity; or,
- (c) to unduly prevent, limit, or lessen the manufacture or production of any such article or commodity, or to unreasonably enhance the price thereof; or,
- (d) to unduly prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation or supply of any such article or commodity or in the price of insurance upon person or property.

2. Nothing in this section shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees. 63-64 Vict., c. 46, s. 3."

*Customs Tariff Provisions regarding Combines.*—Sec. 12 of the Customs Tariff became legislation in 1897, and provides that the Governor in Council may commission a judge to inquire into "any conspiracy, combination, agreement or arrangement alleged to exist among manufacturers or dealers in any article of commerce to unduly promote the advantage of the manufacturers or dealers in such articles at the expense of the consumers". If such a combine is found to exist, the Governor in Council "may admit the article free of duty, or so reduce the duty thereon as to give to the public the benefit of reasonable competition in the article". These provisions are also embodied in the Combines Investigation Act, 1923, as sec. 23.

*Provisions of the Excise Act.*—Sec. 32 of the Excise Act (formerly the Inland Revenue Act) was passed in 1904. It provides that manufacturers of goods subject to excise duty may not require dealers to sell such manufacturers' goods to the exclusion of goods of a like kind to be obtained from other manufacturers.

*The Patent Act.*—Sec. 40 of the Patent Act provides for the forfeiture of a patent if the patentee does not meet the reasonable requirements of the public with respect to the patented article. Sec. 24 of the Combines Investigation Act, 1923, also provides for the revoking of a patent if the patentee makes use of his exclusive rights to restrain trade in any respect as outlined in sec. 498 of the Criminal Code.

*Former Anti-Combines Legislation.*—The anti-combines legislation and regulations which were passed between the years 1910 and 1923 have since been repealed. Briefly reviewed this legislation includes the following:—

The Combines Investigation Act, 1910, provided machinery for the investigation of alleged combines, and the prosecution of such combines as were found to be operating against the public interest. The definition of a combine was substantially that contained in sec. 498 of the Criminal Code, but different penalties were provided. Under this Act applications for investigation could be made to a judge by any six citizens. If the judge found reasonable ground for believing that a combine existed, a board of three members would be appointed to conduct the investigation, such board to consist of three persons, one nominated by the complainants, one by the parties complained of, and the third to be a judge chosen by the other two. The only investigation under this Act related to the United Shoe Machinery Company. The board reported in this case that the Act had been violated by an undue limiting of competition. Publicity was given to its findings, but no further proceedings