

The Combines Investigation Act.—The Combines Investigation Act (R.S.C., 1927, c. 26) is designed, as its full title indicates, “to provide for the investigation of combines, monopolies, trusts and mergers”, and declares to be unlawful only such combines as “have operated or are likely to operate to the detriment or against the interest of the public, whether consumers, producers or others”. The penalty section of the statute provides that any person who is a party or privy to, or knowingly assists in, the formation or operation of a combine is guilty of an indictable offence and liable to a penalty not exceeding \$10,000 or to two years imprisonment, or, if a corporation, to a fine not exceeding \$25,000. Provision is also made in the Act for the reduction or removal of the customs duty on any article of commerce, among the manufacturers or dealers in which there exists a combine, the operation of which is facilitated by the tariff. Similarly, the Exchequer Court may revoke a patent if there is evidence to show that the holder of such patent has made use of his exclusive rights to limit production or competition unduly, to enhance prices unreasonably, or to restrain or injure trade.

The constitutional validity of the Combines Investigation Act was given final confirmation by the Judicial Committee of the Privy Council in a decision delivered in January, 1931. This judgment confirmed the unanimous decision of the Supreme Court of Canada, given in April, 1929, after a reference for determination of this question had been made to the Court by the Dominion Government. Both courts upheld also the constitutional validity of Section 498 of the Criminal Code, relating to combinations in restraint of trade.

Combines Legislation in 1935.—Legislation passed in 1935 relating to trade combinations and restraint of trade included The Combines Investigation Act Amendment Act, 1935; The Dominion Trade and Industry Commission Act, 1935; and Section 498A of the Criminal Code. These Acts were designed to carry out certain recommendations of the Royal Commission on Price Spreads, following the report submitted by the Price Spreads Commission to Parliament on April 12, 1934, at the conclusion of its extensive investigations.

The Dominion Trade and Industry Commission Act, 1935, establishing a Dominion Trade Commission with wide powers for investigation and recommendation with respect to trade practices, came into force on Oct. 1, 1935. This Act made provision for its administration by the members of the Tariff Board, who accordingly became also the members of the Dominion Trade and Industry Commission. The duties of the commission include the administration of the Combines Investigation Act and action by way of investigation and recommendation as authorized by the Trade and Industry Commission Act with relation to commodity standards, unfair trade practices, price and production agreements and fair-trade conferences.

Under the Combines Investigation Act Amendment Act, 1935, administration of the Combines Investigation Act was transferred from the jurisdiction of the Minister of Labour to the Dominion Trade and Industry Commission. This Act came into force on Oct. 1, 1935. It also added to the Combines Investigation Act certain provisions dealing with mergers, trusts and monopolies. These provisions were designed to widen or clarify the scope of the Act in the direction of inquiries into alleged injury to the public arising from trade policies or monopolistic tendencies of single firms occupying dominant positions in their respective fields of trade or industry. Such mergers, trusts and monopolies, if found on investigation to have operated to the detriment of the public, are subject to the penalties of the Act as unlawful combines.