

the fullest desired use of the nation's economic resources by promoting reasonable competitive opportunities for the expansion of production, distribution and employment.

The first Dominion legislation making statutory provision against unlawful restraint of trade was the Act for the Prevention and Suppression of Combinations Formed in Restraint of Trade, passed in 1889 and now effective in amended form as Section 498 of the Criminal Code. Legislation providing special facilities for the investigation of trusts or combines was first enacted in 1897 and was included in the Customs Tariff. In 1910 a separate Combines Investigation Act was provided, administered under the Minister of Labour. Succeeding Combines Investigation Acts were enacted in 1919 and 1923. Summaries of public proceedings respecting combinations in restraint of trade, including principal prosecutions and investigations, have appeared since 1900 in the *Labour Gazette* published monthly by the Department of Labour.

The Combines Investigation Act.—The Combines Investigation Act (R.S.C. 1927, c. 26, as amended in 1935 and 1937) provides for investigation of trade combinations, mergers, trusts and monopolies alleged to have been formed or operated in restraint of trade and to the detriment of the public. Participation in the formation or operations of such combines is an indictable offence. Methods of unlawfully lessening competition and controlling trade include arrangements among competitors or others to enhance prices, to fix common selling prices or resale prices, to exclude competitors from business or otherwise to unduly limit production or facilities for manufacturing or distribution. Business combinations and associations for most other purposes are not contrary to public policy, including associations to assemble and supply information on trade operations or to effect useful standardization or simplification of products or services.

Court proceedings following investigations under this statute, completed since the commencement of the War, have included prosecutions of alleged combines of manufacturers and wholesalers of tobacco products, and manufacturers of corrugated and solid fibreboard shipping containers and materials for the manufacture of such containers. In the shipping container cases a total of 21 companies and one individual were sentenced at Toronto to pay fines amounting in all to \$176,000. All 22 accused were found guilty of offences relating to undue lessening or prevention of competition in the manufacture and sale of corrugated and solid fibreboard boxes or shipping containers, or of liner board and other materials used in the manufacture of shipping containers. Appeals against a number of these convictions were dismissed by the Supreme Court of Canada in 1942.

Thirty-six companies and individuals engaged in the tobacco business, including wholesalers and 7 manufacturers, were convicted by a jury at Edmonton in 1941, of offences of participation in a combination to fix and enhance prices of tobacco products and in operations of a merger, trust or monopoly allegedly controlling tobacco distribution throughout Canada to the detriment of the public. Fines imposed by the Alberta Supreme Court totalled \$221,500 and ranged in individual amounts from \$250 to \$25,000. Appeals against conviction by 35 of these accused were allowed by 4 members of the Alberta Court of Appeals in 1942 on the ground that certain of the accused had been previously charged under Section 498 of the Criminal Code and on other grounds of procedure at the trial. Reductions of some 10 p.c. in prices of a number of leading brands of tobacco products, exclusive of tax changes, became effective after institution of these proceedings.