

mill products to give priority to materials for containers required for these essential products. With the easing of the situation in April, the use of metal containers was permitted for additional products but, at the same time, limitations were placed on the quantities of cans that would be used for packing some of these items. The priority system governing the production of tin mill products was discontinued in February, 1947.

Motor-Vehicles.—In August, 1946, the Department of Reconstruction and Supply withdrew its regulations respecting the distribution of new motor-vehicles. It had become increasingly difficult to decide the relative essentiality of various needs and, in addition, the interruptions to the production of new cars interfered with the operations of the priority system. The essentiality certificate system governing the sale of used cars was discontinued in May, 1946.

Section 2.—Combinations in Restraint of Trade*

Dominion legislative measures for aiding and regulating trade include specific prohibitions of operation against the public interest by monopolies and similar commercial combinations. Monopolistic trade arrangements tending to eliminate competition in price, supply or quality of goods, and thereby to increase unduly costs or prices, are illegal under laws including the Combines Investigation Act and Sect. 498 of the Criminal Code. These laws are designed to assist in achieving the widest desired use of the nation's economic resources by promoting reasonable competitive opportunities for the expansion of production, distribution and employment.

The first Federal legislation in this field was enacted in 1889 and is still effective in amended form as Sect. 498 of the Criminal Code. Legislation providing for investigation of trusts or combines was first enacted in 1897 as part of the Customs Tariff Act. In 1910 a separate Combines Investigation Act was provided and succeeding Acts were enacted in 1919 and 1923.

The Combines Investigation Act.—The Combines Investigation Act (c. 26, R.S.C. 1927, as amended in 1935, 1937 and 1946) 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. Organizations or commercial arrangements of this class which operate to the detriment of the public by enhancing prices, fixing common prices, restricting competition, limiting production or otherwise restraining or attempting to restrain trade, are defined in the Act as combines. Participation in the formation or in the operation of a combine is an indictable offence, subject to penalties up to \$25,000 or two years' imprisonment. Investigations of alleged combines under the Act are conducted under the direction of the Combines Investigation Commissioner who reports to the Minister of Justice. The Act provides for publication of reports of such investigations and for prosecution when a combine is found to exist.

An inquiry into the nature and effects of international cartels and other similar types of private monopolistic controls affecting Canadian trade was completed in 1945. This involved a survey of the principal kinds of international industrial combinations which had restrictive or monopolistic effects upon the production and distribution of commodities entering into Canada's foreign and domestic trade

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