The first federal legislation in this field, enacted in 1889, is still effective in amended form as Sect. 411 of the Criminal Code and is the mainstay of Canadian anti-combines legislation. Generally speaking, this Section forbids suppliers (manufacturers, wholesalers, retailers) to arrange among themselves to eliminate competition over a substantial part of any market by limiting production, restricting distribution or fixing prices.

Sect. 411 of the Criminal Code and the Combines Investigation Act (R.S.C. 1952, c. 314) are complementary pieces of legislation. The latter was enacted in 1923 and amended extensively in 1935, 1937, 1946, 1949, 1951 and 1952. It repeats in Sects. 2 and 32 some of the substance of Sect. 411 but, while the latter relates chiefly to arrangements among separate firms, the former embraces any "merger, trust or monopoly" relating to a commodity, which has operated or is likely to operate to the detriment or against the interests of the public.

The Combines Investigation Act, in Sect. 34, also forbids a supplier of goods from prescribing the prices at which they are to be resold by wholesalers and retailers, i.e., the practice of "resale price maintenance" The supplier may, however, *suggest* resale prices as long as he does nothing to induce or require the trade to adhere to them.

Sect. 412 of the Criminal Code deals with what are commonly called "price discrimination" and "predatory price cutting". It provides that a supplier may not make a practice of discriminating among those of his trade customers who come into competition with one another, by giving one a preferred price which is not available to another if the second is willing to buy in like quantities and qualities as the first; and it also forbids a supplier from selling at prices lower in one locality than in another, or unreasonably low anywhere, if the purpose or effect of his actions is to lessen competition substantially or to eliminate a competitor.

These provisions, Sects. 411 and 412 of the Criminal Code and Sects. 2, 32 and 34 of the Combines Investigation Act, contain the substantive law relating to restrictive trade practices. The other provisions of the Combines Investigation Act relate to investigation and enforcement.

The Act provides for a Director who is responsible for investigating combines and other restrictive practices, and a Commission (the Restrictive Trade Practices Commission) which is responsible for appraising the evidence submitted to it by the Director and the parties under investigation, and for making a report to the Minister. When there are reasonable grounds for believing that a forbidden practice is engaged in, the Director may obtain from the Commission authorization to examine witnesses, search premises, or require written returns. After examining all the information available, if the Director believes that it proves the existence of a forbidden practice, he submits a statement of the evidence to the Commission and to the parties believed to be responsible for the practice. The Commission then sets a time and place at which it hears argument on behalf of the Director in support of his statement; and hears argument and receives evidence on behalf of any persons against whom allegations have been made in the statement. Following this hearing, the Commission prepares and submits a report to the Minister, ordinarily required to be published within thirty days.

The Act also provides for general inquiries into restraints of trade which, while not forbidden or punishable, may affect the public interest. It further provides that the courts, in addition to imposing punishment for a contravention of the legislation, may make an order restraining persons from embarking on, continuing or repeating a contravention. The constitutionality of the Section providing for restraining orders, which was enacted in 1952, has been upheld by the Supreme Court of Canada.