

General Marketing Controls.—At the municipal level, many cities and towns have controls with respect to the sale of foods in certain areas or with respect to health standards. For example, most municipalities have some form of health regulation concerning milk being sold within their boundaries. This is often extended to licensing for the purpose of assuring sanitary standards on the farms where the milk originates. Similarly, zoning by-laws not only may control the areas where commercial merchandising generally can take place but may state that public markets where fruits and vegetables and other goods are sold may operate only under fairly strict supervision of the municipality.

With respect to provincial government controls, the first government-appointed agency with power to maintain price structures for fluid milk was set up in Manitoba in the early 1930's, although most of the provinces enacted milk control legislation before 1940. Most provinces finance these milk-control agencies out of public funds, others finance through the collection of licence fees and assessments from those engaged in the fluid milk industry, and some combine the two methods. Most milk-control agencies have authority to carry out some system of licensing which provides for the revocation of such licences if those engaged in the fluid milk business do not conform with the orders of the milk control board.

Price control exercised by these boards takes various forms ranging from the establishment of a minimum price per hundredweight to be paid to producers to complete control of minimum or maximum prices for milk to consumers. In recent years there has been a tendency in some provinces to leave more freedom in pricing to normal competition except for the establishment of a minimum price to producers; in a number of provinces this minimum price is fixed by formula.

The powers given to or requirements made by milk control boards include: (1) authority to inquire into all matters pertaining to the fluid milk industry, to define market areas, to arbitrate disputes, to examine the books and records of those engaged in the industry, to issue and revoke licences, and to establish a price for milk; and (2) authority to require a bond from distributors, periodic reports from distributors, payments to be made to producers by a certain date each month, distributors to give statements to suppliers, distributors to give notice before stopping to accept milk from any producer, producers to give notice before stopping to give milk to any distributor, and the prohibition of distributors requiring capital investment from producers.

Thus fluid milk controls are not only widespread but numerous and are generally considered to be administered in the public interest as well as in the interest of those who have regular opportunities to appear before the boards in connection with requests for price changes.

Federally, the Food and Drug Division of the Department of National Health and Welfare has wide control over the content of foods sold, the Department of Agriculture exercises some control over size and type of packages and containers used in food preparation, and the Weights and Measures Division of the Department of Trade and Commerce also exercises controls in its sphere.

The Agricultural Products Co-operative Marketing Act.—In the late 1930's, the Federal Government decided to assist orderly marketing by encouraging the establishment of pools which would return to the producer the maximum sales return for his product less a maximum margin for handling expenses agreed upon in advance. Thus the Agricultural Products Co-operative Marketing Act and the Wheat Co-operative Marketing Act were passed in 1939. The latter was used in one year only but the Agricultural Products Co-operative Marketing Act, which covers the marketing of all agricultural products except wheat, has been used to a greater or lesser degree from time to time during the intervening years.

The purpose of this Act is to aid farmers in pooling the returns from sale of their products by guaranteeing initial payments and thus assist in the orderly marketing of the product. The Government will undertake to guarantee a certain minimum initial