

No formula for establishing price support levels was set out nor was the Board required to support any particular agricultural commodity under the Agricultural Prices Support Act. Under the Agricultural Stabilization Act, all price support levels have to be related to a price formula based on the most recent 10-year average of market prices for the product concerned. In addition, the Board, unless the Government sets a higher support level, must support the prices of nine named key commodities at not less than 80 p.c. of the 10-year average market price. The named commodities are butter, cheese, eggs, cattle, hogs, sheep, wheat, oats and barley (for the latter three, the support applies to grains produced outside the prairie areas designated under the Canadian Wheat Board Act). Other commodities can be supported at such percentage of the 10-year average market price as may be approved by the Government from time to time. In other words, other commodities are in the same position as all commodities were under the Agricultural Prices Support Act except that under the new Act the support level has to be prescribed as a percentage of the 10-year average market price.

The Agricultural Stabilization Act also requires that the prices established for the nine named or key commodities have to be announced so that they can apply for 12 months from the effective date. The general intent of the Act is that a similar procedure should apply to all commodities, but legally there is leeway for shorter or longer periods of application for the announcement of support prices of other commodities than for the commodities that the Board is required to support continuously.

The Agricultural Stabilization Board may support the price of products in any one or more of three ways: (1) an offer to purchase by the Board; (2) underwriting the market through producer guarantees, commonly called the "deficiency payment" method; or (3) making such payment for the benefit of producers as may be authorized for the purpose of stabilizing the price of an agricultural commodity. The third method is new under the Agricultural Stabilization Act. All methods have been used during the first years of operation of the Act, although recently there has been some tendency to use the so-called "deficiency payment" method to a greater degree.

The Board has no statutory limits placed on it in the Act in so far as disposal of product is concerned. Unless the Government makes a regulation or the Minister of Agriculture gives a direction, the Board legally may give the required product away, sell it, or otherwise dispose of it.

Regardless of future developments, the course likely to be followed by the Federal Government is to develop broad national policies in an effort to maintain an expanding demand for agricultural products in both domestic and export markets and to encourage the greatest degree of self-help by those in the industry concerned so that production and marketing efficiency may be at a maximum level, with support and control measures occupying a significant but not necessarily major role in assistance to agriculture.

Section 3.—Combinations in Restraint of Trade*

The purpose of Canadian anti-combines legislation is to assist in maintaining free and open competition as a prime stimulus to the achievement of maximum production, distribution and employment in a system of free enterprise. To this end, the legislation seeks to eliminate certain practices in restraint of trade, which serve to prevent the nation's economic resources from being most effectively used for the advantage of all citizens.

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.

* Revised by T. D. MacDonald, Q.C., Director of Investigation and Research, Combines Investigation Act, Department of Justice, Ottawa. Since the preparation of this information, the Combines Investigation Act and the Criminal Code have again been amended by Act of Parliament, passed on Aug. 1, 1960.