

The named commodities are: butter, cheese, eggs, cattle, hogs, sheep, wheat, oats and barley (for the latter three, the support applies only to grains produced outside the prairie areas designated under the Canadian Wheat Board Act). Other commodities can be supported at such percentage of the ten-year average market price as may be approved by the Government from time to time. Prices established for the nine named commodities must be announced so that they can apply for 12 months from the effective date. Support of designated commodities is also normally for a 12-month period.

In the first year of operation of the Agricultural Stabilization Board, 21 commodities were under price support. In the year ended Mar. 31, 1960, 18 commodities were under price support and in each of the two following years, 17 commodities. Each year support prices for most of these commodities were set at 80 p.c. of the ten-year average or higher. The net cost of support in the fiscal year 1959-60 was approximately \$60,000,000 and about \$51,000,000 in 1960-61.

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.

Section 2.—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.

By amendments which came into force on Aug. 10, 1960 (SC 1960, c. 45), all the provisions of the anti-combines legislation which previously had been divided between the Combines Investigation Act (RSC 1952, c. 314) and the Criminal Code were amended and consolidated in the Act. The substantive provisions now are contained in Sects. 2, 32, 33, 33A, 33B, 33C and 34 of the Combines Investigation Act. The Act was enacted in 1923 and was amended extensively in 1935, 1937, 1946, 1949, 1951 and 1952 as well as in 1960.

Sect. 32, generally speaking, forbids in Subsect. (1) combinations that prevent or lessen "unduly" competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of an article of trade or commerce or in the price of insurance. Subsect. (1) derives from Sect. 411 of the Criminal Code which was enacted originally in 1889. While Subsect. (2) provides that no person shall be convicted for participation in an arrangement relating only to such matters as the exchange of statistics or the defining of product standards, etc., Subsect. (3) provides that Subsect. (2) does not apply if the arrangement has lessened or is likely to lessen competition unduly in respect of prices, quantity or quality of production, markets or customers or channels of distribution, or if the arrangement "has restricted or is likely to restrict any person from entering into or expanding a business in a trade or industry". Subsect. (4) provides that, subject to Subsect. (5), no person shall be convicted for participation in an arrangement which relates only to the export trade. Subsect. (5) provides that Subsect. (4) does not apply if the arrangement has had or is likely to have harmful effects on the volume of export trade or on the businesses of Canadian competitors or on domestic consumers.

Sects. 2 and 33 make it an offence to participate in a merger which has or is likely to have the effect of lessening competition to the detriment or against the interest of the

* Revised by D. W. H. Henry, Director of Investigation and Research, Combines Investigation Act, Department of Justice, Ottawa.