

of market control. The methods of control might be summarized as follows, although some of those mentioned may be combined in certain operations: (1) producers may organize co-operative marketing agencies; (2) producers may establish compulsory marketing boards to bargain with groups buying the product for processing or further sale; (3) producers may establish compulsory marketing boards to direct the flow of product and bargain on price; (4) producers may request the Federal Government to establish a government marketing board; and/or (5) producers may request intervention in the pricing system through an offer by the Government either to assist in financing the orderly marketing of the product or to support the price of the product in the marketplace.

The Government of Canada and provincial governments have, through legislation and in other ways, given marketing aids such as those related to research, education, information, inspection, grading and many other service measures of this type, designed to assist in making adjustments in marketing within agriculture and between agriculture and the remainder of the economy.

There exists in Canada today considerable legislation at the federal, provincial and municipal levels which gives government agencies and farmers the power to take measures for controlling the marketing of farm products. Legislation relating to grain marketing is dealt with in Subsection 1, pp. 877-879, and an attempt is made here to cover in a general way some of the other types of legislation, with particular reference to the Agricultural Products Co-operative Marketing Act and the Agricultural Products Marketing Act. The Agricultural Stabilization Act, which provides price support for certain key products, is discussed in the Agriculture Chapter, pp. 422-423.

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 may not only control the areas where commercial merchandising generally can take place, but also state that public markets where fruit and vegetables and other goods are sold may operate only under fairly strict supervision of the municipality.

With respect to provincial government controls, most of the provinces enacted milk control legislation before 1940. Most of them 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.

In all provinces with such boards, the milk control board sets the minimum price which distributors in specified markets may pay producers for Class I milk, that is, milk actually sold for fluid consumption. In Ontario and British Columbia, this minimum price is based on formulas. Most provinces also set either minimum or fixed wholesale and retail prices for fluid milk. The wholesale and retail prices are fixed in Prince Edward Island, Nova Scotia and Saskatchewan; minimum prices are established in New Brunswick, Quebec and Alberta. However, maximum, but not minimum, prices are set in Manitoba and no control is exercised over milk prices at the wholesale and retail levels in Ontario and British Columbia. In these three provinces some degree of price competition between store and home delivery sales has developed.

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