

payment to the producer at the time of delivery of the product, including a margin for handling; sales returns are made to the producer on a co-operative plan. The guaranteed initial payment may be up to a maximum of 80 p.c. of the average price paid to producers for the previous three years, the exact percentage to be recommended by the Minister of Agriculture who enters into an agreement with the selling agency for the product. In 1967 the only agreement made was with respect to apples for processing.

*Milk Control Legislation.*—Most of the provinces enacted milk control legislation before 1940. Many 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, formulas are taken as a guide in the setting of minimum prices. 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 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 ceasing to accept milk from any producer, producers to give notice before ceasing to deliver milk to any distributor, and the prohibition of distributors requiring capital investment from producers.

At the national level, a *Canadian Dairy Commission* was established and started operating on Apr. 1, 1967. This is a new departure in the area of agricultural marketing; it is the first time with any farm product that a national agency and provincial agencies have authority to deal with the same industry in their respective areas of jurisdiction. The Canadian Dairy Commission complements provincial function by regulating the marketing and pricing of milk and milk products that move in interprovincial or international trade. Briefly, the function of the Commission is to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers with a continuous and adequate supply of dairy products of high quality. The Commission administers the funds provided by the Federal Government for stabilization purposes. (See also p. 482.)

*Producer Marketing Boards.*—During the 1930s strong support developed for legislation whereby agricultural producers could exercise legal authority under certain conditions to control the marketing of their produce. The Natural Products Marketing Act of 1934 attempted to provide this power at the federal level but proved *ultra vires*. The Natural Products Marketing (British Columbia) Act 1936 was *intra vires* of provincial government powers and provided the model from which marketing board legislation has evolved in all ten provinces.