

Research Branch that undertakes basic research projects. The Restrictive Trade Practices Commission is an independent administrative commission that reports directly to the minister.

Anti-combines legislation. Canadian anti-combines legislation seeks to eliminate restrictive trade practices in order to stimulate maximum production, distribution and employment through open competition. Legislative measures, including some formerly included in the Criminal Code, were amended in 1960 and consolidated into the Combines Investigation Act (RSC 1970, c.C-23). The act was amended in 1975 by Bill C-2. The amendments for the most part came into effect January 1, 1976; the remainder on July 1 of the same year.

In general terms, the Combines Investigation Act makes illegal the operation of combines that prevent, or lessen "unduly", competition in production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of a product of trade or commerce, or in the price of insurance. Although the exchange of statistics or defining of product standards are not to be construed as illegal practices, this exemption is not valid if the purpose of the exchange of information is to reduce the possibility of increased competition in the fields of prices, production quantities or quality, customers, markets or distribution channels, or if it has the effect of restricting entry or expansion into that particular business, trade or industry. While combines which relate to export trade only are generally exempt from these constraints, any such arrangement that may have an adverse effect on the volume of export trade or on the businesses of Canadian competitors or domestic consumers is still subject to prosecution.

Under the act it is illegal to participate in a merger or a monopoly that has operated, or is likely to operate to the detriment of the public, whether consumers, producers or others.

Price discrimination and "predatory price cutting" are also prohibited by the act. No supplier may make a practice of discriminating among his competing trade customers by offering more advantageous prices to one over another. Under the law, if a second buyer is willing to buy on the same terms and in the same quantities, he must be given the same price. Prices established by a supplier cannot be set lower in one locality than another, or unreasonably low anywhere, if the policy is designed to eliminate or lessen competition or has that effect.

Advertising or display allowances to competing trade customers must be offered in proportion to their purchases and any expenses required to be incurred by customers must also be in proportion to their purchases. No service may be exacted in return for allowances unless all different types of customers are able to perform that service.

Other sections of the act forbid misleading or deceptive advertising, either as to normal price or as to presumably factual statements describing goods or property offered for sale. The act also provides against double ticketing, pyramid selling, referral selling, bait and switch selling, and certain types of promotional contests.

"Resale price maintenance" is another restrictive practice prohibited by the act. The suggested list price for products offered for resale at the wholesale or retail level can be only that — a suggested price. No supplier of goods for resale may prescribe the final price at which the goods must be sold, nor can he cut off supplies if a merchant refuses to abide by the suggested prices and it should be clearly indicated that the product could be sold at a lower price. Some relief to the supplier is offered by the qualifications that no one can be automatically considered to have practised resale price maintenance if the goods are withheld because there is sound reason to believe that the merchant was making a practice of using the products of the supplier as "loss-leaders" or as bait advertising, or engaging in misleading advertising or failing to provide the service that the final purchaser had a right to expect.

The Director of Investigation and Research is responsible for investigating combines and other restrictive practices, and the Restrictive Trade Practices