

## PART II.—GOVERNMENT AIDS TO AND CONTROL OF DOMESTIC TRADE

During the postwar period, the elaborate system of government control of trade that the war effort made necessary was gradually relaxed (*see* the 1948-49 Year Book, pp. 837-841) until, by the beginning of 1949, only those measures to protect domestic requirements and prevent the forcing upward of prices in the Canadian market remained; since then even these have practically disappeared.

### Section 1.—Controls Affecting the Handling and Marketing of Grain

The agencies exercising control of the grain trade in Canada include the Board of Grain Commissioners, which since 1912 has administered the provisions of the Canada Grain Act, and the Canadian Wheat Board, which operates under the Canadian Wheat Board Act 1935. The former is a quasi-judicial and administrative body which, through the powers vested in it in matters of interprovincial transportation and patents and copyrights, gives the Federal Government complete power to control the handling of grain; it has no power or duties in respect of grain prices. The Canadian Wheat Board, which began to function in the autumn of 1935, was a natural outgrowth of government stabilization measures that were taken during the depression years of the 1930's in regard to the marketing of grain crops. During this period the Government acquired a considerable quantity of wheat and, in the 1935 session of Parliament, legislation was passed to serve the dual purpose of disposing of the holdings so acquired and at the same time arranging for the marketing of new crops.

An account of the organization and functions of the Board of Grain Commissioners appears in the 1941 Year Book, pp. 481-482. An article on the operations of the Canadian Wheat Board is commenced in the 1939 Year Book, pp. 569-580, and concluded in the 1947 edition.

### 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.

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.

Sect. 411 of the Criminal Code and the Combines Investigation Act (R.S.C. 1952, c. 314) are complementary pieces of legislation. The latter was enacted in 1923 and amended extensively in 1935, 1937, 1946, 1949, 1951 and 1952. It repeats in Sects. 2 and 32 some of the substance of Sect. 411 but, while the latter relates chiefly to arrangements among separate firms, the former embraces any "merger, trust or monopoly", relating to a commodity, which has operated or is likely to operate to the detriment or against the interests of the public.

The Combines Investigation Act, in Sect. 34, also forbids a supplier of goods from prescribing the prices at which they are to be resold by wholesalers and retailers, i.e., the practice of "resale price maintenance". The supplier may, however, suggest resale prices as long as he does nothing to induce or require the trade to adhere to them.

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