

Section II.—Any person, firm, corporation, or association of individuals, or the agents of any such person, firm, corporation, or association of individuals, violating any provision of this Act, shall be punished for the first offence by fine of not less than fifty and not more than one hundred dollars ; and for each succeeding offence by fine of not less than one hundred and not more than five hundred dollars, or by imprisonment in the House of Correction for a term not exceeding one year, or by both such fine and imprisonment.

Section III.—This Act shall take effect thirty days after its passage.
(Acts of 1901, Chapter 478).

It appeared that in so far as could be ascertained no prosecutions had been undertaken under the provisions of this Act in the Commonwealth of Massachusetts, and the Appellate Court of that State had no opportunity to interpret its provisions.

Your Commissioner is of the opinion, that the terms of this law, even if adopted by the Parliament of Canada, would not afford to the petitioners the relief asked for.

Your Commissioner finds, as the result of the inquiry :

(1) That the contract system complained of by the petitioners does in fact exist and is in general use in the cigarette and tobacco trade in Canada.

(2) That the provisions of the contracts in question are not illegal, either under the common law or under any statutory law heretofore enacted by the Parliament of Canada.

(3) That the manufacturers of cigarettes and of Canadian tobacco other than the American and Empire Tobacco Companies are at a disadvantage in the distribution of their goods, and in the prosecution of their business generally, by reason of such contract system.

The extent to which legislative control over the freedom of contract should be exercised, and how far the rules of the trade can be interfered with by statutory enactments, without injury to the public interest, are, in the opinion of your Commissioner, questions of policy for the consideration of Parliament.

All of which is respectfully submitted.

D. B. McTAVISH,
Commissioner.

OTTAWA, April 6, 1903.