

*intra vires*; and under it the boards are still carrying on, not entirely under the old law, but with appropriate amendments.

In 1933 the Legislature of New Brunswick passed a bill known as the Dairy Products Act, which gave the Government authority to set up a commission and confer upon it the power to regulate prices and spreads as between producers and consumers, and the margins permitted to dairies, and prices in not only retail but wholesale transactions with institutions such as hospitals. The reason for this legislation was the unsatisfactory fluid milk situation in relation to the market. At that time the farmer was receiving about 36 cents of the consumer dollar. In three years of operation the situation had so improved that the farmer's share of the consumer dollar had risen to about 68 per cent of the consumer dollar without an increase to the consumer of so much as a cent or a fraction of a cent. I think this sufficiently indicates the satisfactory way in which the act was administered and the effect of it. Admittedly its operation was mandatory; there was no option as regards people who were and were not under its operation, although there was this element of choice in so far as the producers were concerned, that it was for them to apply to the department for permission to set up a zone or area which would come under the jurisdiction of the commission. The system has been carried on satisfactorily until the present time.

It was in 1934, also, that the first dominion marketing act was passed. It included within its scope not only the marketing of agricultural products, but the produce of forest, land and sea; and I believe certain items were specifically included afterwards.

I think most honourable senators will recall that there was a feeling in the minds of a good many people in Canada that this legislation was unconstitutional, in that it was to apply to and control the marketing of products produced and consumed within a province. However, a few boards were set up under the act. One which was set up in my province was the Grand Manan Herring Board. It functioned particularly well up until 1937. It may be recalled that in the previous year the Supreme Court of Canada declared the act *ultra vires*, and in 1937 their decision was upheld by the Privy Council.

As the New Brunswick board which I have mentioned was operating under dominion legislation—I recall this very definitely, because I happened to be provincial Minister of Agriculture at the time—a delegation came before me during the legislative session of 1937 to ask for the passing of a provincial measure under which the board could function. Accordingly, and very hurriedly, our

Legislature passed that year what was, I believe, the third provincial marketing act in Canada. If my memory serves me correctly, British Columbia was the first province to pass such legislation, followed by Ontario and then New Brunswick. While I must admit that the operation of this particular board in New Brunswick was not constitutional, inasmuch as their product was going into the export market, nevertheless no objection was made to it and they continued to function under the act until 1949.

Although the British Columbia Marketing Act of 1934 was declared satisfactory and constitutional for marketing within that province, it was determined that the province did not have authority to market interprovincially or to export. By reason of that fact, in 1938 the province asked for federal marketing legislation that would permit the federal Government to transfer its authority in this field to the provincial boards. Such legislation was considered but was not introduced. In 1939 representations were again made to the federal Government for the introduction of a bill transferring this authority, but owing to the outbreak of war and the setting up of controls under the War Measures Act the federal Government asked the provinces and the provincial boards to reconsider their request and for the time being to leave this whole field of marketing to the federal Government, under the War-time Prices and Trade Board.

Everything done under the Dairy Products Act, which is purely a provincial act, was constitutional in that the products originated and were sold entirely in the province of New Brunswick, but by reason of controls and so on we were asked to discontinue the operation of our commission for the duration of the war. We agreed to this request and the federal Government, through the Wartime Prices and Trade Board, took control of prices and marketing to a great extent. There was therefore no particular need of any federal marketing legislation until after the war.

In 1949 after the wartime prices and controls were released, legislation known as Bill 82 was introduced in the House of Commons. That was passed, and many of the provincial boards have been functioning under that legislation, some of them illegally. I know this is true with respect to New Brunswick, and I would like to give an illustration of two boards functioning under provincial legislation with authority under the federal act in relation to export and interprovincial trade. The first was established in 1939 and was known as the Cheese Board. This board was set up because under the marketing system in existence at that