

7 EDWARD VII., A. 1907

'All regular dealers can become members, and after becoming members, if they violate the constitution or by-laws to which they subscribe when joining by charging a larger profit than the maximum provided for in the by-laws, their membership could be cancelled, and as conditions are at present——'

Because, as the conditions are at present there is no possibility of a man embarking in the lumber business who has not got the money to buy the lumber from the Canadian manufacturers, because that is the only available source of supply.

'Their membership could be cancelled and as conditions are at present would go out of business and give place to a less avaricious dealer. I wish to point out that this remedy will only be effective as long as the conditions surrounding the manufacture of lumber in northwestern Canada and the northwestern States are in a normal condition, for should anything occur to disturb the trade to the south, the manufacturers would dump their lumber on the Canadian market as heretofore, and it would not be material to the dealer whether he retained his membership or not if he could get his supplies cheaper probably from other sources than Canadian manufacturers. It will be apparent that in order to provide for this contingency it will be necessary to have a duty on lumber. The amount of the duty is not important, 10 cents per thousand if you like on lumber now on the free list, just sufficient to bring it under the operation of the dumping clause in the Customs Act. Such a duty would not prevent the legitimate importation of lumber, but would be a protection when dumping is being practiced.'

'That a nominal duty should be imposed is not an unreasonable request. The provisions of the dumping clause must have been found necessary in respect of other manufacturers. Surely it cannot be held that the lumber industry is not entitled to the measure of protection it affords. If your committee which is engaged in investigating the lumber trade from manufacturer to consumer can make a report to parliament as will induce the government to so amend the Customs Act as to secure to the lumber manufacturer the benefit of the dumping clause alone, you will have been instrumental in securing a measure of tardy justice for a most important industry, and, in my belief, rendering a service to the consumer of lumber also.'

Now, there is just one point in that as regards duty. That really is not necessary now, as the other day I went into the question of the duty, and I found that the new act provides that free goods are subject to the dumping clause as well, but only to the extent of 15 per cent. I do not know if that would be sufficient, so that the dumping clause really does now operate where free goods are concerned.

'In making this suggestion the operations of the association would differ greatly from the functions performed by it now.'

This is what I understand the association does at the present time.

'1. The association has no control whatever over prices or price lists. These are made by the individual dealers, or group of dealers, whose interests are common, such as the same freight rate and therefore the same wholesale price upon which to base theirs. The only notice the association would take on the price would be if complaint should be made about prices being too high or too low. The association would then remonstrate with the dealers and try and have prices adjusted. In case of refusal, the association could of course cancel their membership, but that would have no effect as any dealer can buy lumber as freely not being a member as by being one.'

That is what I believe to be the fact.

'2. The association has no control over its members regarding the parties from whom they shall buy. They can buy from the Mountain Association, the Coast Association, Independent Mills, from the United States or any place they choose.'

I do that myself, I buy from Washington.

'The association encourages them to buy from manufacturers who observe what it considers proper business methods in the sale of their product.'