

to the retail trade; so that we had an arrangement that I contend was objectionable and illegal in two directions; in the first place, those members of the wholesale trade who did not choose to become members of the Wholesale Grocers' Guild, were almost debarred from entering into the sale of sugar at all; they were placed at an immense disadvantage, and illegal and improper disadvantage, while sure and certain profits were secured to all those who were members of the Wholesale Grocers' Guild, because the price at which they were to sell to retailers was a fixed profit regulated by the guild. Now, this arrangement was found to be so satisfactory to them that they extended it in other directions. They not only had combinations with the sugar refiners, but they also had combinations by which they secured a large profit on the sale of their tobacco, on the sale of their starch, and on the sale of other commodities that they deal in. So that a large portion of the commodities dealt in by the wholesale trade were under regulations by which they secured fixed profits and by which they shut others out from participating in the purchase of them, even the members of the wholesale trade who did, perhaps, as large or larger business than themselves, and they shut them out except at advanced prices, and then they would secure their profits in selling to retailers. The effect of this was inevitably to increase the price to the consumer, and it was wrong in principle besides. Then we go on to some other lines of business. We investigated the manufacture of binders' twine, and though we found that last year the price had not been increased higher than the price that was paid in the United States, we found that a combination already existed, that they regulated the price, that they regulated the output of each manufacturing establishment, and that they were a close combination among themselves. We have still more objectionable evidence to produce this year, for we find that these binding twine manufacturers have increased the price of the twine out of all proportion; that though the raw material, manila, has not increased in price, they have largely increased the price of twine, as much as 50 per cent. over the price it was last year. Another combination that we investigated last year was that of coffin-makers and undertakers, and we found that to be a most objectionable organization. The coffin-makers and manufacturers of coffin supplies had undertaken to sell to none but members of the Undertakers' Association. In order to become a member of the Undertakers' Association, a man had to get the consent of three out of four of the nearest undertakers living to him; of course, in a small town that was impossible. If there were but two undertakers there, they did not want another man coming in to cut up the business, and the three nearest undertakers had to give their consent before a man could start in the business. The result was, as we have numerous letters to prove, and the evidence before the committee to prove, that they became a close corporation and no body could enter the business. Their freedom was interfered with, and they could not enter into the business of undertaking because the manufacturers of coffins and of coffin makers' supplies were prevented from selling them goods. The result of this was injurious and unjust to those who wished to engage in a legitimate business, and who had all the qualifications and capital necessary for engaging in it. Then we have other combinations springing up during the present year. I have in my hand an advertisement clipped from a newspaper the other day, which reads as follows:

"Salt. The undersigned are sole salesmen for Canadian salt. Address L. Rightmyer & Co., Clinton.

"JOHN RANSFORD, *Secretary.*"

What does that mean? That means that on the first day of March last an agreement went into force to this effect: A number of men formed a syndicate and went to the manufacturers of salt in Canada, who were then and had been for several years past, selling salt delivered on the cars by

Mr. WALLACE,

the carload at 55 cents a barrel. They sent to these salt manufacturers and said: "We will give you seventy cents, a barrel for the product of your salt wells for the next 12 months, instead of 55 cents, the price at which you have been selling for several years past." They were anxious to make such a favorable bargain, and the syndicate bought all the products of all the salt wells in Canada for 12 months, and paid 70 cents a barrel, which the manufacturers were selling before for 55 cents, and they immediately raised the price to \$1.05 a barrel by the carload, so that they increased the price of salt over 90 cents in one day, and every farmer who had previously been buying his salt delivered at his station by the single barrel for 90 cents to \$1, is to-day paying \$1.50. I think this act is illegal, it is an injustice; it is more than that, it is a robbery of the farming community, and I propose by the legislation we have here to put a stop to these iniquities. Now, there are many other objectionable undertakings, combinations and trusts formed in Canada; they are being formed every day. Those that have been formed have been found to work well; they have been found very profitable to those engaged in them, and a great encouragement is given in other lines of business, and in other lines of production, to form combinations in their respective lines. Another very objectionable combination is that of fire insurance associations in Canada. This does not extend to the insurance of farm property, but I believe it extends to all other kinds of property in Canada. They formed an insurance combination some years ago including all but the mutual companies; and the result has been exactly the same as in other combinations. The first or immediate effect is to raise the price, and that was the case in Canada. The prices for insurance was raised, and raised most inequitably. Very little attention was paid to the character of the insured, to what we call the moral hazard, and a cast iron arrangement was formed that did injustice to many individuals besides increasing the price of their insurance, and it was very unjust and unfair in its application. Then we find in biscuits and confectionery that combinations have been formed. In biscuits we take an American price list of articles that are sold in Ottawa; and we find that biscuits can be imported and pay a large duty and be sold cheaper than Canadian biscuits. But we are told: Look at the duty on the sugar, look at the duty on the lard. Well, the duty on the sugar in Canada, I apprehend, is not as high as the duty on sugar in the United States. As a matter of fact, the prices of the article are about the same in both countries. Two weeks ago granulated sugar was cheaper in Canada than in the United States, to-day it may be a little dearer; it varies in that way, but the average price is pretty nearly the same in Canada as in the United States. Lard is dearer in Canada than in the United States, because we have a duty here and the Americans pay the duty and bring it in largely. Flour, also, is a little dearer here; but the whole difference in the cost of the raw material will not make a difference of half a cent a pound, while in many cases we find a difference in the price of the articles purchased on each side to be three cents or four cents per pound. We are told that the remedy for this state of affairs is to abolish the tariff, that the tariff is responsible for "trusts" in Canada. I deny it. What has the tariff to do with the insurance combination, or with the coal combination, yet the latter is the most iniquitous combination in Canada to-day, that is the combination on hard coal. There is no combination on soft coal, on which there is a duty.

Mr. MILLS (Bothwell). That is not so.

Mr. WALLACE (York). Our information sworn before the Committee said it was so. Then we have a combination of wholesale grocers. What has that to do with the tariff? They are not manufacturers, they are simply men