

the farmer's best friend in the past, had trusted him year after year, and often when an account had been allowed to run for years, let him off without interest. The merchant was not hard on the farmer—he is not hard on the farmer to-day—nor is anybody else. When it suited the farmer he joined this guild and said: "I will not buy an article from any store-keeper." He has tried it to his heart's content, and has learned, to his sorrow, that no combine got up by farmers or mechanics to run a mercantile establishment can ever succeed. Then comes the cheese question: the farmers have had a cheese combine, a reasonable and, I think, a legitimate combination, for the purpose of carrying on cheese factories and exporting cheese directly instead of through merchants.

HON. MR. POWER—That is not a combine.

HON. MR. SMITH—The cheese combine succeeded better than any other farmers' combination, and this proves that combinations for reasonable purposes, carried on in a reasonable and proper way, are not objectionable; but a combination for the purpose of preventing men from working at what they consider reasonable prices, or to prevent men from dealing where they think they can get the best terms, ought not to be legal. I am pleased when I hear of reasonable combinations of mechanics, or laborers, or tillers of the soil, for the purpose of promoting their mutual interests and sharing in the increasing wealth of the country, and I am sure that many of those capitalists—who are spoken of as monopolists and tyrants—are glad to witness the prosperity of those classes that are loudest in their denunciations of combines. The leader of the Opposition, the hon. gentleman from Ottawa, says that the farmer pays more for his goods than he formerly did, and that the increased prices are the direct results of the National Policy. I ask him to point out one article that is not cheaper to-day than it was before the National Policy was introduced. If he can point to one article which is not cheaper I shall be glad to admit that I am mistaken. The hon. gentleman from Quinté says that during last year the refiners put through 212,000,000 lbs. of sugar, on which they made a profit of half a cent a pound. I am quite

sure if they could make such a profit they would be well satisfied, but I know that they do not make any such profit.

HON. MR. READ—I said the combinists and refiners together.

HON. MR. SMITH—I say, without fear of contradiction from any merchant in the country, that the wholesale merchant to-day makes less on sugar than at any time during the forty years that I have been in business—that he makes less on tobacco than he ever made before. I am not afraid to state to the House the profits that we make, and I assert, without fear of contradiction, that the wholesale merchant does not average more than $1\frac{1}{2}$ per cent. on all the sugar he sells from month to month. I am prepared to prove that the farmers were never as well treated in obtaining their supplies of groceries as they are at present, notwithstanding all this cry about combinations. I hope I have said enough on the sugar question to show that there is no fortune in it, and I question very much if there is even a moderate profit. Last year the prices fluctuated. The price of sugar was low at one time; then it jumped up, because the production, it was said, in the countries of growth, would be short. The refiners and merchants did very well for a time and were making money, but later on it was found that there would be 50 per cent. more sugar than had been anticipated, and there was an immediate drop in prices. Every merchant and refiner who had sugar in stock lost on it at once. The refiner lost on every hogshead of sugar he held here and even on the supplies which he had ordered and which were still at the place of growth awaiting shipment. I do not hesitate to say that many merchants have lost \$1.75 per barrel on sugar for the last two or three months. Such are the risks which merchants have to run. Is it not reasonable that there should be a little profit on the capital that they have invested. Do hon. gentlemen expect that capitalists will invest in any industry without a hope of making something on their investments? It is very hard for a refiner to go on year after year making a profit—it is almost impossible. He cannot foresee how the crops will turn out. He has to buy on a chance, and when he has purchased, has to stand by his bargain, whether he makes or loses on it. If our