

## APPENDIX No. 6

now worth eight to ten dollars (referring to the Rainy River district), would be worth three to five dollars per thousand. Machinery, oats, bacon, beef, flour and supplies generally would be cheaper probably by 20 per cent. Then lumber also in sympathy with everything else would be cheap, but the country would not be prosperous. I question very much if the strongest advocate of cheap lumber would welcome it under such conditions, and unless they arise, I am afraid his wishes will not be gratified and the country will be the gainer if they are not.'

That is generally what I consider the reasons for the increase in the price of lumber. Those are really the explanations of the increase, because, to my mind, I do not think it makes any difference what the cost of lumber is—what it costs to manufacture—but it depends rather upon the state of the market. If a man manufactures lumber and he manufactures it cheaply and there is a demand for it he will get a high price for it. If a man, on the other hand, buys lumber and has it in his yard and there was a great demand for it he will get a good price for it. In some instances I say, men may get more than a reasonable price.

*By Mr. Lancaster:*

Q. What you mean is that the state of the market and the cost of labour are the things that add to the increase?—A. I mean shortly, that the conditions of the trade generally, the supply of lumber that is available for purchase or for sale, and the demand for it, is what regulates the price of lumber.

*By Mr. Knowles:*

Q. Why is there any more need that the vendors of lumber should act concertedly than that the vendors of sugar should?—A. Well, I do not think they do. I think the vendors of sugar—

Q. Do you think the grocers join together and pledge themselves not to sell below a certain price?—A. I think so.

Q. You think the grocers do?—A. I think they do.

Q. What makes you of that opinion?—A. I think that all businesses have a regular price for staples of that kind.

Q. You think that in the city of Winnipeg, for example, the grocers are joined together and have an understanding as to the price at which they shall sell groceries?—A. I think they have a grocers' association.

Q. I know that, but what made you think that they have an understanding as to prices?—A. I don't know what their methods are.

Q. A moment ago you said you did in answering my question?—A. I thought probably they did.

Q. You think the chances are that they have such an understanding in Winnipeg?—A. I don't know. I cannot answer any questions with regard to others.

Q. You undertook a moment ago to say on your oath that they were joined together the same as the Lumber Association and with an understanding as to prices?—A. I do not say that.

Q. I asked you what need there was for the vendors of lumber to join together for the purpose of coming to an understanding as to what they should sell lumber at, any more than the vendors of sugar, and you said you thought the grocers had joined in the same way?—A. Mr. Knowles, I will confine my answer to something of which I have knowledge?

Q. Yes?—A. I don't know anything about the grocers. I don't know whether they have joined together for that purpose.

Q. But you think so?—A. That is my impression.

Q. What makes you think so?—A. It is very difficult to give an absolutely definite answer to lots of questions.

Q. You can give a definite answer as to what is the foundation for that belief?—A. Excuse me.