

APPENDIX No. 6

EXHIBIT No. 161.

'There is no way of making lumber cheap when the conditions surrounding its manufacture and sale are conducive to high prices. The most potent factor in establishing such conditions is prosperous times and periods of great demand, as, for example, when there is only 1,000 feet of lumber for sale and two customers who want 1,000 feet each. There is, however, a practical means of preventing the retail dealer from exacting an exorbitant profit from the consumer and of maintaining a reasonable uniformity in the retail price of lumber throughout the west. If we are to believe the evidence given before your committee as to the profits realized by dealers at certain points—'

I think the evidence goes to show there are some points, and this is one, at which prices were unusually high; I think there were anyway—
'any remedy which would tend to prevent such recurrence in the future through a combination of dealers at any point should receive earnest and careful consideration.'

'The Western Retail Lumbermen's Association has always been the subject of adverse criticism from the time it was made to do duty in providing an excuse to have the duty taken off lumber, a matter which I have referred to before, down to the years until a Royal Commission was appointed to examine into its affairs. (The commission was returned, no evidence having been presented to the commissioner.)'

I would just like to make an explanation about that Royal Commission. There was a Royal Commission appointed to examine into the affairs of the Western Retail Lumbermen's Association. That commission met in Winnipeg.

By Mr. Crocket :

Q. What year was that?—A. I forgot the year. It was four or five years ago I think. There was no evidence produced before the commission, and it was returned. Now the parties who were expected to give evidence, if I am correctly informed, were responsible for the agitation that led to the appointment of the commission and before this were members of the Western Retail Lumbermen's Association. The reason they withdrew from that association was because it was not sufficiently restrictive in its character to suit them, that is to say, the other members in Winnipeg, and that is the reason they left the association, was because the other members allowed or admitted to membership three of the best firms in the country—to membership in the Retail Association in the City of Winnipeg. Those three firms were the Rat Portage Lumber Company, the Keewatin Lumber Company, and the British Columbia Mills Timber and Trading Co. The chairman knows all these companies and they are probably the largest mills in the country, and that was their only reason for severing their connection with the association, because it could not protect them, as they said, in their business. There is no wonder, these being the facts, that there was no evidence placed before the commission.

Q. Was this commission appointed by the federal government or by the provincial government?—A. The appointment was made by the federal government. 'Subsequently it was brought into prominence by the management of the Canadian Pacific Railway, the particulars of which you already have in evidence, until now when it is incidentally the subject of inquiry by your committee. You will understand that while I do so with the utmost confidence, it is with a certain amount of hesitancy that I put forward the suggestion that through the operation of the Western Retail Lumbermen's Association, with the co-operation of the manufacturers, is the only practical means of maintaining uniformity at a fair margin of profit to the dealer. This, I take it, is all that can be desired, in any case it is all that can reasonably be asked. In order to accomplish what at present appears so difficult of solution, all that is necessary is for manufacturers to sell only to dealers, members of the association.'

Now, this, it appears to me, is something it will be difficult to get you to agree with, unless you consider it in connection with our by-laws.