

was in consequence of the incapacity of the party who was in charge of the steam power. If the Government are determined that this Bill shall not pass, I think the course pursued by the Minister of Marine and Fisheries more acceptable than that pursued by the Minister of Justice on a former occasion with reference to a Bill of my own, and also a fairer proposition than that made to-night, with regard to the Bill of the hon. member for Monck (Mr. Boyle), which was referred to a Select Committee that will never see the light of day. If the Government are prepared to take the responsibility of moving the three months' hoist, I must do my duty. As regards the framing of the Bill, I think the parties most interested—the manufacturers as well as those who are coming within its practical working—have attested their approval of the manner in which it has been drawn. The hon. member for Argenteuil (Mr. Wilson) objected to that, and said I did not understand exactly what I was doing. The hon. gentleman appears to have the knowledge of the whole House, upon which questions of machinery, with the fifteen horse power running his tissue paper business.

Mr. WILSON (Argenteuil). The hon. gentleman ought to know since he poses as having a great knowledge of our manufacturing interests, that the mill I run requires 400 horse power instead of 15.

Amendment agreed to, on a division.

COMBINATIONS IN RESTRAINT OF TRADE.

Mr. WALLACE moved second reading of Bill (No. 11) for the prevention and suppression of combinations formed in restraint of trade. He said: The importance of this question, not only in Canada but in the United States and in other countries of the world, has brought it very prominently before the attention of all the people of these countries. In the United States, perhaps, these combinations and trusts have attained their greatest magnitude and importance. We find there that the important products, the important industries, the important manufactures are, to a large extent, under the control of these trusts and combinations. The Standard Oil Company is one example of a trust where one vast company controls the whole production of oil in the United States. We find also that, in the refining or manufacturing of sugar, almost the whole of the sugar produced and sold in the United States is under the control of one vast trust, which has been declared by the courts of the United States to be illegal. We find also that other industries in the United States are under the control of these combinations, and that has been found to be so profitable in the United States that Canadians, watching the enormous profits which have been made in that country in that way, have gone into the same business. In regard to coal, for instance, we find that a combination was formed in the city of Ottawa on exactly the same lines as the cotton seed oil trust, the standard oil trust, and the sugar trust in the United States—a trust formed by those who were interested in order to control not only their own business but the business done by others. From the investigations which we held last winter—and they were pretty thoroughly made—we found that the coal men in the city of Ottawa controlled not only their own business in the combination, but controlled also all those who started or wished to engage in the business of importing or selling coal. We found that three men, with an aggregate capital of \$15,000, after paying enormous bonuses to those who were not in the ring—\$10,000 to one man, \$5,000 to another, and to others less or greater sums than these—divided amongst themselves, on a capital of \$15,000, after paying all expenses of management, and all the expenses of the combination, \$33,000. We found that, in the city of Toronto, the coal men had a still more iniquitous system, for, while

they had a combination which controlled and regulated the price of coal, they had some most pernicious rules and regulations, which I am satisfied are contrary to the laws of Canada as they exist to-day. I quote from the report of last year:

"The most arbitrary rules are enacted. Detectives are employed and the dealers placed under surveillance—oaths of fidelity to the constitution and rules are required not only of the members, but also of their salesmen, and the oaths in the case of these employes are made in some cases retroactive as well as prospective. All violations of oaths are adjudicated upon by the executive committee referred to, the penalties being heavy fines or expulsion. One-sixth of all fines goes into the general funds of the Coal Branch, and the remaining five-sixths are divided amongst the importers. The record showed three different fines imposed of \$1,000 each. Thus the public is presented with the extraordinary spectacle of a mercantile association arrogating to itself powers conferred upon law courts alone, with, in this instance, the judges in the case virtually condoning perjury by the acceptance of fines to be divided amongst the importers. This phenomenon is not the less painful or less objectionable in character from the association which perpetrates it being distinguished by the respectable title of 'The Coal Branch of the Toronto Board of Trade.'"

Now, with reference to the manner in which the Toronto coal ring disposed of their coal, this is what we found. In cases where the Dominion or the Local Government, or charitable or public institutions asked for tenders for the supply of coal, the coal ring met and decided at what price those Governments or those institutions should get their coal, and they put up at auction to the members the privilege of supplying the coal at those prices. In some instances, as much as \$1,500 was paid as a bonus for the privilege of supplying the Dominion or the Local Government. In another case \$1,399 was paid, and in other cases smaller sums. Even in the case of charitable institutions, the privileges were put up to auction and large sums were paid. Of course, the money was made in the profit out of the selling of the coal, not the legitimate profit, but the illegitimate profit which they required in order to pay these large bonuses to the ring. That was the effect in Toronto. We find that these coal organisations are still in existence. We find the organisation in Toronto, and we find it in Ottawa, but in Ottawa public opinion has been brought to bear so strongly that coal which was sold at \$8.50 a ton during the whole winter of 1887-83 was sold at about \$6, or in some cases \$5.75 a ton during the present winter. We know that the price of coal in the United States was almost exactly the same this year as it was last year, and that the cost of freight was almost precisely the same; and the fact of coal being sold in Ottawa for at least \$2.50 per ton less shows either that the dealers were very magnanimous or generous this year, or that they were robbing the public last year. We find another large combination existing in Canada. A few years ago the Wholesale Grocers' Guild was formed in this country, and two years ago they succeeded in inducing the sugar refiners of Canada to enter into an agreement with them. We find, from the sworn evidence taken last year, that the Wholesale Grocers' Guild had attempted before, but unsuccessfully, to induce the sugar refiners to join with them; but two years ago an agreement was come to between the sugar refiners and the Wholesale Grocers' Guild. At first, they wanted to make the sugar refiners agree that they would sell only to the members of the guild. To this they would not agree, but they induced them to agree that they should sell to the members of the Wholesale Grocers' Guild at a certain price, and to all who were outside the guild at about a quarter of a cent per pound more than to those who were inside the guild. This agreement has been changed several times, so that during our investigation last year we found it stood at $\frac{1}{2}$ of a cent advance to all who were not members of the Wholesale Grocers' Guild, and $2\frac{1}{2}$ per cent. discount, making about 30 cents per 100 pounds, or 90 cents per barrel, that those who were not members of the guild had to pay higher than those who were members. We found that they also had an agreement by which they were to sell at a certain advance