

would bring the increase up to a larger percentage. Then there have been three or four other important investigations conducted by different bodies.

Throughout the Dominion the steady increase in the cost of living, especially since the beginning of the present century, has been the subject of repeated comment, and, in almost every city or centre of employment, of more or less careful examination. In 1906 the Ontario Educational Association went carefully into the whole matter, in connection with the arrangement of teachers' salaries, with the result that an increase amounting to thirty per cent in 10 years was shown. In 1907 an estimate made by the Synod of the Church of England in the city of Quebec placed the increase within the decade at a much higher rate. In the city of Toronto, an investigation conducted with care and minuteness during 1907, by the Department of Political Economy of the University of Toronto, also showed a higher rate of increase. These examples could be multiplied.

All show upward movement since 1896—30 to 35 per cent higher than the average for 1890-99; 40 to 45 per cent higher average, 1896-97.

The cost of living has increased from 30 to 40 per cent in the case of incomes ranging from \$2,000 down to \$500. That is a fact which has impressed itself upon all classes of the community. Now what has the community been witnessing in another direction? We find the increase in the cost of living going on simultaneously with the organization of capital on a large scale, the formation of trusts, mergers and combines of one kind or another. I have the figures here with regard to combines in the United States, and these combines have had their effect on the people of this country, as well as those of the United States. Quoting from Nelson's Encyclopedia of 1909, which has the latest information gathered on the subject, I find that:

Down to 1898 the number of trusts formed (in the United States) was small. From 1898 to 1900 not less than 149 such combinations with a capitalization of over three billion dollars was formed. A large number of combinations have been effected since 1900, the most important of which was the United States Steel Corporation with a capitalization of \$1,400,000,000. The aggregate capitalization of such corporations in 1906 is variously estimated at from six to eight billion dollars. . . . The Sugar Trust, it has been estimated, controls ninety per cent of the output of refined sugar in the United States; the Standard Oil Company sixty-five per cent; the Rubber and Paper Trusts about seventy per cent of their respective products; The Steel Trust less than sixty per cent. The six great packing companies—the 'Beef Trust'—slaughtered only about forty-five per cent of the cattle killed in the United States in 1903. The Salt Trust con-

trols over eighty per cent of the salt produced in the country, and the Starch Trust about ninety per cent of the starch. Where the proportion of the industry not controlled by the trust appears to be considerable, as in the case of the Standard Oil Company, allowance must be made for the output of companies ostensibly independent, but in reality controlled by the trust. Furthermore, while in some industries a large proportion of the business may be in fact as well as in name independent of the trust, as in the case of the slaughtering industry, the great combination, nevertheless, controls certain markets without much interference from competitors. The six great packing companies furnish 75 per cent of the beef consumed in New York; in Boston they furnish over 85 per cent; in Philadelphia and Pittsburg 60 per cent; in Providence more than 95 per cent. In the greater part of the smaller cities and towns of New England the trust furnishes more than three-fourths of the consumption.

I shall not weary the House with statistics of the growth of trusts in the United States, but will refer hon. gentlemen to a book written by Mr. John Moody, entitled, 'The Truth About Trusts,' in which they will find tabular statements regarding the large amalgamations in the United States during the last ten years, the number of plants acquired or controlled and the total capitalization, stocks and bonds outstanding. An analysis of these figures slightly in detail would show that of the industrial trusts 15 have \$100,000,000 capitalization or over, 33 have \$50,000,000 or over, 165 have \$10,000,000 or over, and 451 have \$5,000,000 or over. Of the franchise trusts 16 exceed \$100,000,000, 41 exceed \$50,000,000, and 156 exceed \$5,000,000. Of the six greatest railroad groups, all exceed \$1,000,000,000 capital.

These figures should make every one realize the tremendous power thus vested in the hands of a few men and point to the necessity for some agency in the direction of state control to see that this power is not exercised to the detriment of individuals or the public. No exception can be taken to a trust doing all that is justifiable to further the interests of those whose capital is invested in it, but the business should be carried on with due regard to the interests of the large body of consumers who make up society.

Sir WILFRID LAURIER. Hear, hear.

Mr. KING. While we have had this growth of mergers and trusts in the United States, we have had a somewhat similar growth, though not on so large a scale, in this country. Before 1909, there was not a large number of these corporations in Canada, although the Montreal Light, Heat and Power Company, the Dominion Textile Company, the Canadian Breweries Company, and the Canadian Consolidated Rub-

ber Company, are large aggregations of capital that will be present in the minds of all here. I have here a statement showing the different mergers that have been effected since 1901, but will pass over that for a moment. Last year, 1909, was a year in which so many mergers and consolidations took place that no less a financial authority than the 'Monetary Times' refers to the circumstance as constituting the year 1909 'merger year.' There can be little doubt these consolidations were an outstanding feature of the industrial and financial situation of Canada during the last year. There were formed in that year the Amalgamated Asbestos Corporation, Limited, the Black Lake Consolidated Asbestos Company, Limited, the National Breweries Company, Limited, the Canada Cement Company, Limited, the Carriage Factories Company, Limited, the Canadian Car and Foundry Company, Limited, the Quebec Railway Light, Heat and Power Company, Limited, the Siemon Company, Limited, the Canadian Consolidated Felts Company, Limited, and we are told of a contemplated merger Iron and Steel Company and the Dominion Iron and Steel Company and the Dominion Coal Company. These figures would, I think, bear some careful study, not necessarily as reflecting in any way upon the organizations concerned in these particular mergers, but rather as helping to illustrate an industrial development in our country, a development which is likely to increase during the years to come; and unless the mergers and trusts are to be wrongly judged by the public, they must in some way be made subject to a larger measure of state control than they are at present. If one will look over the press since the beginning of the present year, he will find that there is hardly a day when mention is not made of some new consolidation or merger. And these announcements come out simultaneously with the experience every one is having of the increased cost of living. The fact that these two things have come together has brought about an association between them in the minds of the public in the nature of cause and effect. My reason for dwelling at some length on both these points is that a truer discernment may be arrived at of the nature of the phenomena into which we are examining and the results to the community.

Mr. J. HAGGART. Do you know whether these combines, or trusts have acted injuriously to the public?

Mr. KING. I have nothing to say in that regard. I have not any evidence at the moment to offer to the House, but I would refer hon. members to the report of the select committee appointed in 1888, when the late Mr. Clarke Wallace brought up the subject of combines and consolidations. I could quote a considerable

amount of evidence given before that committee to show that some of these trusts have acted in a manner injurious to the public, and there is strong reason to believe that, without going into details of individual cases, an examination into some, not all of them, would show they had acted in a manner hardly considerate enough of the interests of the vast body of consumers.

Mr. BLAIN. Could my hon. friend give us any figures which would show that since eight or ten years, during which he said some combines have existed, the articles in which they deal have been made dearer to the consumer.

Mr. KING. One might name a great many, but I perhaps would do injustice to individual concerns were I to single any out. I might do injustice for this reason that while there has been a rise in prices, that has been due in many cases to a large number of causes. The legislation we are proposing is legislation which will afford an examination in to the business of every large concern, where there is reason to believe that a combine is operating to an undue disadvantage of the public; and until an examination of its business had taken place, I would hesitate to say that it has been acting unfairly. The fact that the increase in prices, and the formation of these large mergers and combines have taken place simultaneously, has created in the minds of the people a strong impression that the two are intimately connected, and the public are demanding some kind of legislation which will enable them to see whether they are right or wrong in that particular.

Some hon. MEMBERS. Hear, hear.

Mr. KING. It has become impossible to disassociate in the popular mind the two outstanding phenomena, the one a matter of daily observation, the other of daily experience, and the public has come to believe that in some way, or to some degree, the increased cost of living which it has had to bear is in some hidden or unfathomable manner linked up with these uncontrollable aggregations of wealth representing gigantic interests and possessing gigantic powers. I was just about to mention that there are innumerable instances of mergers alleged to have been formed during the present year. In the Halifax 'Chronicle' of February 21 it is stated that:

The Engineering and Mining Journal of New York, one of the chief authorities of the iron and steel trade says in its current issue that reports come from Montreal and Toronto that negotiations are in progress for consolidation of Canadian iron and steel interests, somewhat on the line of the United States Steel Corporation.