

HON. MR. SMITH—No. Some years and some seasons they make a considerable profit, but there are times when they lose money. The refiners take great risks. They have to order largely, and when their orders are given, if the production of sugar in the countries from which it comes is greater than was anticipated, there is a drop in prices, sometimes to the extent of 2 cents a pound, and the refining industry loses. No thought is taken of such losses; we only hear of the profits that are made. Not two years ago I am satisfied that the sugar interest lost millions of dollars. A portion of last year was a serious one for the sugar refiners, and also for those who dealt heavily in sugar. The production of sugar turned out to be in excess of what was expected, and prices dropped in the foreign market. There was a proportionate drop in prices here, and every refiner and every merchant who held a stock of sugar lost money on every pound of it. There was a fall in price, within twelve months, of $1\frac{3}{4}$ cents per pound, resulting in an actual loss. We never hear of these facts from those gentlemen who talk against combinations. What would our country be without combines? Combinations in a legitimate way are reasonable and proper, whether they be combines of laborers, farmers or refiners—they are good if they are not carried to too great an extent. We are told of the case of one unfortunate merchant who is losing about 80 cents a barrel on sugar because he cannot buy from the refiners. That gentleman is Mr. Matthewson, of Montreal, a wholesale grocer. In my opinion Mr. Matthewson wants to make a stronger combine than has ever before existed in this country—he wants to build up his trade and advertise himself to the country. He goes to a refiner and buys granulated sugar at 7 cents: he sends out his travellers and sells it for $6\frac{3}{4}$ cents, and offers to furnish all the sugar that is asked for at that price or at some price lower than the refiners or the wholesale merchants in the country can sell it for. That gentleman appeared before the committee and used such strong language that it could not really be wholesome—he thought he would never be contradicted. He spoke against the refiners, but he did not tell anything about his own tricks or what he wanted to

do. What were the consequences of Mr. Matthewson's course? The refiners must have said: "Mr. Matthewson, you are selling this sugar lower than your neighbors and lower than you can buy it from us." Mr. Matthewson's answer to that would be, I suppose: "Well, what need you care, as long as I pay for the sugar."

HON. MR. POWER—Certainly.

HON. MR. SMITH—But there is where the disturbance in trade comes in all over the country. Then, according to Mr. Matthewson's theory, the people would buy the sugar from him because they could get it cheaper than from the refinery or any wholesale merchant in the country. That is the way that Mr. Matthewson and others like him work. Is that an honest way to do business?

HON. MR. ROBITAILLE—How could he stand that sort of thing?

HON. MR. SMITH—He puts it on other goods, where the purchaser cannot see if he is overcharged, and he makes the people believe that he is a martyr. That is the man that appealed to his God in that committee, in language, as I have said, that was too strong to be wholesome. I say it is unfair for him to play such a trick and charge the refiners with doing what he himself is guilty of. It is all very well to have combines among the farmers, the mechanics and the laborers; it is only combines of manufacturers, we are told, that are dangerous. Has any refiner or merchant ever said a word against the farmers' combines? I have never heard a word of it. The farmers combined to run a co-operative store, agreeing to buy their goods there and nowhere else. Did anybody object to the farmers taking such a course? No; because the merchants were reasonable men and knew that very soon the farmers' co-operative store must come to an end—that it could not be carried on as cheaply as a legitimate mercantile establishment with a reasonable profit. The next farmers' combine was the Grangers' Union. Nobody objected to that, because every sensible man knew that the farmers would discover their folly in the course of time and drop it, as they dropped the co-operative store. Then came the farmers' guild, a combination not to buy anything from merchants, though the merchant had been