

matter in the light of what revelations have been made of their methods of operation in this and other countries, we must calmly acknowledge that this view, extreme though it may appear, is not more so than facts would warrant. And yet it would be untrue to say that all combines are of this class. I am a firm believer in the utility of combinations. Very often a group of men engaged in any industry can combine, co-operate—call it what you will—to their mutual advantage, and the advantage of the general public. They can introduce cheaper methods of production and marketing, can do away with wasteful competition, can buy to better advantage, and many other things advantageous to themselves, their workmen, and the consuming public. But when a combine uses its power to restrict production, to crush rivalry, and to fix the prices of its product, it becomes a robber organization, and worthy of our strongest censure.

It is worth noting that a long-continued policy of protection, particularly in a young country, is almost certain to result in the formation of combines of the last-named class. Protection is at first designed to help "infant industries," industries which are not yet firmly established, but which it is intended shall finally grow beyond the need of protection. They, of course, do not begin to supply the wants of the home market; and so, as we pointed out in a previous article, experience at once the full effect of the protective tariff in a rise in the price of their product. This at once stimulates production, new establishments spring up, and the business prospers. But soon comes a time when the home market is supplied, or nearly so. If the industry continues to grow, prices must soon be fixed by that received for the exported surplus—in other words, the world price—less by the rate of duty than the protected price. This must mean reduced profits for those engaged in the business. In order to avoid this, a combine is formed, and one of two lines of policy is adopted, either: (1) Production is restricted to less than the needs of the home market, that the tariff-enhanced price may still be enjoyed, and a policy of destructive competition is carried out against rivals that may refuse to come into the combine, and against new establishments that may threaten to increase the total output; (2) two prices may be fixed, one for home consumption, at the old protected rate, and one for export at the world-price. This does not necessarily stop the growth of the business, as the first method does. A modification is found when the establishments enrolled in a combine agree to pay out of their profits a bonus on the exported output of such a number of establishments as will leave the home market undersupplied by the rest. There is every evidence that all these methods are in use by combines in Canada at the present time. In February last a deputation from the Dominion Grange waited on the Dominion Government, pointing out that there was every indication of the existence of combines formed to restrain trade, and asking that some action be taken in the matter. The deputation consisted of James McEwing, M. P. P.; H. J. Pettypiece, ex-M. P. P., and the writer. With us we had J. W. Currie, K. C., formerly Crown Attorney in Toronto, and of large experience in the investigation of illegal combines; and J. W. Woods, of the Gordon Mackay Co., a merchant and manufacturer, able to speak with authority. The evidence which these gentlemen were able to furnish was truly astounding. Quoting from the report of the proceedings of that deputation, we find it stated that, "Evidence collected in Toronto by J. W. Currie, K. C., when that gentleman was Crown Attorney, indicated that there were then well on to a hundred trade combinations in Ontario, and that these were collecting, in the aggregate, millions of dollars a year in the form of unfair profits." It would be too great a trespass on space to give in detail the statements made. It is enough to say that it was shown beyond a doubt that combines existed; that they crushed rivals by cutting prices till they again controlled the field; that they restrained production; that they persecuted to ruin any firm seceding from the combine; that they prevented importation by underselling, in the cover of the tariff, whenever this was attempted, and that they divided their customers into classes of more or less favored dealing, this policy bearing most heavily on the small country dealer. These practices can be called by no other name than robbery. They are designed to get unfair profits, they oppress the consumer, and undo the very object for which the protection they enjoy was given, by preventing the expansion of their own business.

The cotton manufacturing industry, which has shown no increase in number of establishments since 1891, and which is employing fewer hands now than in 1901, in spite of the fact that the consumption of cotton goods and their importation into our country is rapidly increasing, affords an illustration of the way our protective tariff encourages the growth of industries. This industry is practically controlled by one company, whose interest is certainly not to overstock the home market. It is true, these people blame their lack of expansion to insufficient protection. In a circular, issued to their employees at the time of the recent strike in Quebec, it is stated, "Unfortunately, the cotton trade to this country does not

receive sufficient protection, and it is possible for the manufacturers of England and the United States to undersell us, which means that we do not secure all the business to which we have a right." But, in evidence given before the commission to inquire into that strike, the secretary-treasurer of the company testified to the payment, out of profits of the business, of a fifty-per-cent. dividend on the cost of common stock, of a dividend of seven per cent. on preferred stock, and of six per cent. on bonds, besides a very large amount for repairs and betterments. Surely a business paying such profits is not prevented from expanding by "insufficient protection." Is it not rather the result of a deliberate plan to keep the home market under-stocked, that the higher prices, due to tariff protection, may be enjoyed?

Long-continued protection, thus, in the end defeats itself. It results in the creation of a combine, whose interest it is to prevent the expansion of its own line of business. A new concern, attempting to start under these conditions, finds a competition more to be feared than any possible foreign competition. Instead of new establishments being built up, an absolute bar is put on expansion. The net result is found in the stagnation of industry, the oppression of the consumer, and—a few millionaires.

There is every reason to believe that combines, whose object is to restrain trade, are rife in Canada. Home consumption, which protectionists assure us will regulate prices, is a myth. In nearly all cases the full, protected price is charged to the consumer. Production sufficient to supply the home market is jealously guarded against, or, if this point is reached, two prices, one for export, and another—and higher for home consumption, are fixed. Scant mercy is shown to weaker rivals, or to new concerns, and thus the expansion of business is prevented. Excessive profits are hid from the public eye under the mask of over-capitalization. In the end, the farming community find themselves paying a dollar and thirty cents for what should cost a dollar, paying more for labor, and for all kinds of service—not to build up urban industries, not to create a "home market" for their produce, but to pay dividends of fifty per cent. on the capital of some manufacturing concern, and to create an aristocracy of wealth, which even now seriously threatens our country, and which, as years go on, must increase in its power for harm.

E. C. DRURY.

MARKETS

Winnipeg markets were closed on May 24th and opened slow and inclined to be lower on the 25th, but Chicago was the storm center and sufficient was doing in that quarter to maintain a good healthy interest in the cereal. The week opened in American markets with a stampede of the shorts over to the buying end of the game and some more of the bulls, who had loaded up with cheap wheat at the start of the Patten campaign, shook out their holdings and pocketed the profits. It was up to the shorts to go into the pit and buy wheat. Some of the heaviest operators on the Chicago exchange were forced to the sacrifice, purchased the cereal at the going price and settled with Patten and his following. Among the heaviest losers were the Armours, but as this house is reputed to have a corner practically in May oats, its loss is partially offset by the profits accruing from advancing values in the later grain. Cash wheat at the price looked abnormally high but July followed it closely in all markets of the continent except Chicago.

Supply figures for the week previous indicated a decrease of 831,832 bushels in Canadian visible, the total quantity in sight standing at 5,926,632 bushels. American visible decreased by 1,740,000 bushels and world's shipments were approximately one million less than the week before.

The crux of the situation in America, the winter wheat crop of the United States, continues an inestimable quantity. It is some years since so little was really known at this season of the condition of this portion of next year's supply. Reports from the winter wheat country are so contradictory as to be totally unreliable, and estimates of the probable outcome so much at variance as to be of no effect in any direction. European conditions are scarcely as favorable as earlier in the season, at least what information given out shows a decrease in condition for most of the continent. In Russia, however, crops are said to be coming into splendid shape and harvest prospects are improving. From India reports were of such a nature early in the week that most European markets went bearish on the strength of a big crop in that quarter. India and Russia are the main stay of the wheat consumers of the Old World for the present and these two countries, between them are expected to sell 5,600,000 bushels of wheat per week. One result of the better feeling of Europe in regard to immediate supply was indifference on the part of British buyers on the local market, and a consequent falling off in buying for export.

One of the sensations of the week in Winnipeg was the advance in flax to \$1.50, a price that seems high for this grain for the oil mills. Oats continue active

and with a good export and domestic demand. During the week Canadian oats were sold in Chicago and Europe in good volume. The price for this cereal is high, both cash and July prices, and while it is difficult to forecast what may happen there is a strong probability that oats will be cheaper very soon.

Prices at Winnipeg for the week were:

Wheat—	Tues.	Wed.	Thur.	Fri.	Sat.
No. 1 Northern	127½	127½	127½	126½	125½
No. 2 Northern	124½	124½	124½	124	123
No. 3 Northern	122½	122½	122½	122	121½
No. 4	114½	114½	115½	115½	114½
No. 5	108	108	107½	107½	107
No. 6	94	94½	94½	94½	94
Feed	87	85	84½	84½	84
No. 1 Alberta Red	124½	124½	124	123½	123½
Oats—					
No. 2 White	53½	52½	52	52	52
No. 3 White	52½	51½	51	50½	51½
Feed	52½	51½	51½	51½	51½
Feed 2	51½	50½	50	50½	50
Barley—					
No. 3	60½	60½	60	59½	61
No. 4	59	60	59	59½	60
Feed	53½	53½	53	53½	54
Flax—					
No. 1 N.W.	149½	150½	149½	149	148
No. 1 Man	147½	148½	147½	147	147

WINNIPEG OPTION PRICES.

	Open	High	Low	Close
May	129½	129½	127½	127½
July	120	130	127½	127½
Oct.	110½	110½	108	108
Wednesday—				
May	127½	127½	126½	127½
July	127½	127½	126½	127½
Oct.	107½	108½	107½	108
Thursday—				
May	127½	128½	127½	127½
July	108½	108½	107	107
Oct.	108½	108½	107	107
Friday—				
May	126½	127½	126½	127
July	106½	107½	106½	106½
Sept.	106½	106½	106½	106½
Saturday—				
May	125½	125½	125½	125½
July	126½	127	126½	126½
Sept.	106½	106½	106½	106½

PRODUCE AND MILL FEED

Bran		\$22.00
Shorts		23.00
Chopped Feeds—		
Barley and oats		31.00
Barley		30.00
Oats		34.00
Hay, per ton, car on track,		
Winnipeg (prairie hay)	\$12.00 to	13.00
Timothy	16.00 to	18.00
Baled straw	5.00 to	6.00
CREAMERY BUTTER—		
Fresh-made Manitoba bricks	24 to	25
Boxes	22½ to	23
DAIRY BUTTER—		
Fancy fresh prints	19 to	20
Fresh dairy prints	17 to	19
Tubs	14 to	16
CHEESE—		
Manitoba		13
Eastern	14 to	14½
EGGS—		
Fresh gathered, per dozen		18½
POULTRY—		
Turkey, Manitoba		20
Turkey, fine Ontario (undrawn and case weight)	19½ to	20
Spring chicken, per lb		18
Ducks, per lb		17
Geese, per lb		16
HIDES—		
(Delivered at Winnipeg)		
Country cured hides, f.o.b.		
Winnipeg	8 to	8½
No. 1 tallow		5
No. 2 tallow		4
Wool (Western unwashed)	7 to	8½
Dry Seneca root	32 to	35
POTATOES—		
Ontarios		1.00
Manitoba mixed	95 to	1.00
New potatoes, per lb		4
VEGETABLES—		
Carrots, per cwt.		2.00
Beets, per cwt.		1.25
Turnips, per cwt.		50
Parsnips, per cwt.	2.00 to	2.25

LIVESTOCK

Receipts at Winnipeg were rather lighter than the previous week. Prices have been well maintained with a good buying demand for all classes and a favorable outlook for a steady strong market. Export steers over 1300 lbs., are quoted at \$5.50, f.o.b. point of shipment; butcher cattle, \$4.50 to \$5.25; bulls, \$3.50 to \$4.00; sheep, \$6.50 to \$7.00; hogs, \$7.50.

TORONTO

Expert steers, \$6.00 to \$6.25; medium exporters, \$5.25 to \$5.75; choice butchers, \$5.75; medium, \$4.00 to \$5.00; cows, \$3.50 to \$4.25; bulls, \$3.50 to \$4.10; hogs, \$8.00.

People and the

The police of Ode 192 Baptists, including them with meeting in near that city.

The Camrose Can in its recent Immigration, accurate information, cuts, clean type and g that ought to satisfy of it.

The New York Tr season's millinery if a in a waste-basket is q when the suffrage is puts his head in a stove

The Omaha electric wireless telegraphy, the a lighting current has come from the government Fort Omaha, five m where the show is 4,000 incandescent l; these lamps were light

The Illinois legislature passed a bill prohibiting sale of cigarettes. Th is a fine of \$50 to \$100 one to fifty days. punishable by a fine imprisonment of from

The *Daily Witness* with its constant political projects, gave itself over to the women of Montreal. The result was a splendid illustrated cover in t well done and the lad result as of the money from the ente providing playground city.

I crossed the hill So thronged w And on the dow Content, thoug

Now this full jo Although no h No shadow falls I journey with

Munshi Abdul Kar at the age of 46. He having been the chief Indian servants. It how to both speak e he was among the l watched over the bod rewards in a liberal p comfort on his return panion of the Victori Indian Empire.

The sword of George relic of revolutionary Daughters of the An presented to the boar zation by J. P. Morgan send, vice regent, fo