

now, what was my duty? I believe, myself, that in acceding to their demand that a fair and modest profit should be part of their award for the business of distributing my goods it was my duty to give a very careful consideration to their demand, and to that extent alone has any combination which I have had to do with them gone, and no further. As I have already said more than once, not one sixpence worth of interest pecuniarily have I in that matter at all. Now, supposing I had said to the grocers: It is your business to conduct your own affairs just as you please; it is none of my concern whether you make money or not, what is the alternative held out to me? With a singular unanimity they said to me: "We will go out of the sugar business altogether—cut it off as a branch of our business, and leave the distribution of it to the refiners and manufacturers." Now, I tell this honorable House what are the facts in reference to that. The grocers stated precisely to me what the extent of their wishes in regard to profits were, and I am informed by them that as the working out of that agreement, the whole of the profit on the distribution on the sugar business of the country does not exceed $2\frac{1}{2}$ per cent., which, I consider, does not exceed a reasonable commission. But when I tell you that the Sugar Guild arrangement applies to only one-third of the sugar business of the country—to the white sugar, of which only one-third is produced and sold in the country—you can understand what the total advance to the public is. I heard an hon. member who is also in the business to-day tell you that $1\frac{1}{2}$ per cent. represented the profits of the sugar business. I can assure this honorable House that if the Sugar Guild had never undertaken to distribute any sugars, had the wholesale grocers never distributed any sugars, and left it to me, I could not have distributed it for as small a rate of advance or as cheaply as the Grocers' Guild do. It could not have been distributed by the refiners at that margin, and the result would have been that it would have cost the consumer a higher price than he is actually paying for it now.

HON. MR. DEVER—Do you not see that the cause of that is the restricted quantity of sugar manufactured in the country. If the country was opened for importation,

would the wholesale dealer be under the lash to you or any combination?

HON. MR. DRUMMOND—If free trade existed, and there were no sugar refiners in this country, if any truth is told by the dealer in sugar, they would secure a higher margin of profit than they do now.

HON. MR. DEVER—Open competition would keep it down.

HON. MR. DRUMMOND—Open competition never had that effect, and I am constantly met with the argument that if it were not for the fact that sugar is made in this country and sold at prices that are known to everybody, the importers could have much higher profits by importing from abroad. I do not state that of my own knowledge, because I do not know it personally; but I tell the hon. gentleman that this statement is made to me by reliable persons. I have, as already stated, no pecuniary interests in this question at all. In my opinion the expenses of distribution are very moderate, and if the wholesale grocers did not distribute my sugar it would cost the consumer more to have it done by special organizations. I think I have said all that is necessary on the sugar business, but at the base of all the arguments on the general question lies this fact, which was admitted by Mr. Wallace himself, in his arguments before the Committee on Banking and Commerce. He laid down the proposition, and I do not wonder at it (because it is obviously an undesirable proposition), that he did not suppose that anybody did business for nothing, but that they must make a reasonable profit to live. He admitted that before the Banking Committee, and it did credit to his sincerity as a man of business. Now, if that be so, if a reasonable profit is an absolutely essential element of business, and nobody will deny that it is, I can tell this honorable House what the opposite feature of it is. The first effect of excessive competition is to lower the price of the article competed for, and it invariably results in the ruin and elimination of the weaker men who are engaged in the business, and in making to the public the last evil worse than the first, by enhancing prices.

HON. MR. DEVER—I deny it.

HON. MR. DRUMMOND—Now, if it be so, and by the law as it stands a combina-