THE GOVERNMENT AND THE COMBINES.

IN the Reciprocity Campaign of 1911, the battalions of wealth, of tariff privilege and of vested interest were admittedly on the side of the Conservative party. To them the Borden Government is now indebted for its lease of power. There is at least a prima facie case against the present Ministry and a reasonable ground for public suspicion as to the continuance of the alliance. The evidence of events has steadily strengthened this suspicion.

The Lumber Combine.

Almost the first act of the Customs Department under Hon. J. D. Reid, was to make a ruling that rough-sawn lumber imported into Western Canada from the United States should be considered dutiable instead of free as under the Laurier Government. To the consumers of the prairie provinces that meant an extra tax on one of the chief essentials of western development. The new ruling meant in effect an increase in the cost of rough lumber by about **two** dollars per thousand feet. The lumber combine of British Columbia benefited at the expense of the western consumer. On an appeal being made to the Exchequer Court against the new ruling of the Customs Board the Government of Canada through its counsel presented arguments to sustain the ruling, and the Exchequer Court supported the Goverment. An appeal was further taken to the Supreme Court by the Canadian importers and the Supreme Court overruled the previous decision. Thus it was the Supreme Court and not the Government which protected the consumer against the predatory attack of a combine.

The Protected Interests.

Then came the attempt to appoint a Tariff Commission composed of "experts in sympathy with the views of the Government in regard to protection". The time of the first session of parliament was largely taken up with the discussion of the proposed Commission, and the powers it was to possess, but because the Senate amended the bill so as to give the Commission the power to inquire into the amount of profits, the extent of watered stock and the rate of wages paid in cases where corporations were applying for an increase of protection, the government on the advice of the Minister of Finance and his wealthy colleagues, refused to accept the amendment so obviously in the public interest, and unable to get the bill through without the amendment let the whole legislation go by the boards. The appointment of Mr. R. W. Breadner, tariff expert of the Canadian Manufacturers' Association to be chief tariff adviser to the Ministers of Customs and of Finance was made instead.

Striking evidence of the Government's desire to keep hands off special interests is found in the negative attitude assumed in connection with the enforcement of the Anti-Combines Act. This legislation, passed in May, 1910, by the Laurier administration, has been declared by international authorities to be the most advanced and effective piece of legislative machinery yet devised under a protective tariff system to secure governmental control of trusts, combines and monopolies which may be in restraint of trade.

The Shoe Machinery Trust.

The first application by consumers for a Board of Investigation under this Act was made in November of 1910 in the case of the United Shoe Machinery Company of Canada. This is the Canadian branch of one of the most powerful monopolies in the United States. It controls under patent rights the sale and use of practically all shoe machinery. The Board was promptly appointed by the Laurier Government. For over a year the Company employed every possible legal resource to delay proceedings. Finally the Board announced its findings to the Government on Oct. 18th, of last year. The majority report, signed by Mr. Justice Laurendeau, the Chairman, and Mr. J. C. Walsh, found a clear-cut case against the Company in unduly restricting the sale and use of its machines and consequently enhancing the price of shoes to the general consumer. To give the Company ample time to remedy the conditions complained of, a delay of six months was recommended before steps to enforce any penalties were to be taken. The penalties provide for removal of tariff protection, cancellation of patent rights or a fine of one thousand dollars per day, for each day's failure to comply with the law. The delay of six months was granted. It expired on May 19th last.

The Department of Labour is still in the dark as to whether the combine is still "unduly restricting trade" and levying unjust toll on every Canadian. Mr. Crothers, the Minister charged with the enforcement of the provisions of the Act, apparently doesn't know and doesn't care. The Act has become a dead letter so far as the present Government is concerned. Mr. T. Chase Casgrain, K.C., of Montreal, who was offered a portfolio last year by Premier Borden, is counsel for the Company. He is satisfied. So is the United Shoe Machinery Company of Canada, an American organization. Apparently reciprocity in trusts is right, but reciprocity in food-stuffs is wrong.

The Question for the People.

The reasonable control of trusts, combines and monopolies, was provided for by Liberal legislation. The present Administration leaves the control of the consumer in the hands of the trusts, combines and monopolies. Under the present administration "Tariff relief" is seen only from the angle of those who benefit by restriction of trade through tariff protection.

The evidence as to the Government's partnership with "the vested interests" at the expense of the average consumer is rapidly growing. And the most disturbing feature of the situation is that the longer the process of trust-incubation is allowed to continue in Canada, the more difficult it will become to later secure removal of trust-injuries without causing disastrous industrial dislocation, and far-reaching disturbance of settled conditions. That has been the experience of the United States. Is it to be Canada's as well?