

ways in recent times; and they are not likely to stop so long as the money holds out. Necessarily there is something more or less arbitrary in their distribution: it is difficult to be just to all localities, and one grant involves a number of others by way of set off, from local points of view. It would be a good thing if some understanding could be reached by which these grants could be dispensed with in future.

The new Government of Manitoba makes charges of personal corruption against some of its predecessors, and even threatens prosecutions for the way the public money has been dealt with. The accusations bear especially, it appears, against Mr. La Riviere. The public accounts were negligently kept, the books being very much in the state that those of the Crown lands department of Upper Canada were found to be in 1840, when there appeared against the head of the department a debit of £50,000; an alarming state of things in appearance, which did not however cover actual default. A worse state of things may exist in Manitoba. Should the Government carry out its threat to prosecute, we shall probably get at the real facts. It is admitted that Mr. Norquay had a telephone put in his house at public cost; but as it would be used for public purposes, it is difficult to see why this is more reprehensible than putting it in his public office. In a party struggle the late Government appears to have run near to the wind; and it may be that not all its members are free from personal corruption.

REPORT OF THE COMMITTEE ON COMBINATIONS.

Mr. Clarke Wallace's committee has reported that a case for legislative action to suppress combinations has been made out. Many of them are clearly illegal, even as the law stands. They all undertake to do what no one outside of them thinks of doing without the authority of a charter; and most of them do things which no legislature would think of sanctioning. Parliament will no doubt be found nearly as unanimous in suppressing the abuse as the press is in denouncing it. One Board of Trade has been made the instrument of these unworthy practices; but this seems to have been effected by deceit and concealment, the rules to which the assent of the Council of the Board was asked omitting some of the worst of those framed for the secret guidance of the combination. Deception of this kind should be visited with suitable punishment. The Boards of Trade cannot consent to share the dishonour of certain of the practices of the combinations.

The report is confined chiefly to a summary of the evidence, which reveals the existence of several of the evils of monopoly. The largest space is devoted to the sugar and the coal combinations; the latter is perhaps the most odious of them all in its methods, exercising powers which are at once corrupt and illegal. How the combination deals with public tenders is told in detail. "When tenders are asked for supplying coal in Toronto for Dominion

Government institutions, Toronto Water Works, public schools, charitable institutions, the general hospital, etc., a meeting of the coal branch is called, the price is fixed which the party inviting tenders is to pay, and the privilege of filling the contract is awarded to the member who offers the highest premium or bonus." A public contract has been known to bring a bonus of \$1,500. If any of the combiners were trustees of the city, as aldermen, it is clear that they would be guilty of serious breach of trust, secretly and wrongfully carried out. And so well were the measures of the coal combination taken that it could prevent any individual not in the ring from importing coal. This is a sort of restraint on trade to which no community would willingly submit. It takes from every man not in the combination the natural right of trading in a particular article imported from a foreign country, or bringing it thence for himself. Tyranny of this sort has been exercised for years in Toronto, and the day of reckoning has not come a moment too soon. The evil practices of the coal ring are enforced by oaths, fines, expulsion.

The sugar combination among grocers and producers was the outcome of unprofitable competition. There is, of course, no sense in doing business without profit. The report does not admit that sugar was sold without profit prior to the combination; it assumes, contrary to general belief and often to the fact, that there was a small profit. It would have been quite rational and justifiable for the grocers to agree not to sell sugar except at a reasonable profit. Any number of them would be at perfect liberty to do this, as people in any other line of business are; but they went farther, and committed the mistake of interfering with the rights of others. Fifty grocers have a right to say that they will not sell sugar except at such or such a profit; but they have no right to interfere with any single individual who chooses to sell at a less profit, or even without a profit. The report says that the combination raised the price "about 30 per cent. per 100 lbs. on all grades." The ratio of increase is only a secondary matter. The sugar guild so arranged matters that non-members had to pay to the refiners a discriminating rate of one cent. per lb. The refiners are an artificial creation of the legislature, without whose favor they could not exist for a day; and it is not to be tolerated that they are to make discrimination against one set of traders and in favor of another. They did not originate the sugar guild, but they lent themselves to the purposes of its members. The guild does all the work of combination; it not only organized a large majority of the wholesale grocers, but it made arrangements with the manufacturers of tobacco, starch, and Cook's Friend baking powder, with the agents of Morton's and Crosse & Blackwell's pickles, James' Dome Blacklead, Laundry Blue, and Nestle's food, for the purpose of fixing prices. But these manufacturers did not combine among themselves. An attempt was made to control the product of the Mount Royal mills, and to effect a combination between the Edwardsburg and the

British American starch companies. So far as these combinations were voluntary and did not interfere with the rights of others, they were justifiable; whenever they went beyond that limit and curtailed the rights of individuals outside the combination, they are illegitimate and must be condemned.

The coffin-makers appear by the evidence sometimes to have added positive fraud to the arts of combination, selling basswood coffins, covered with black cloth, for mahogany, at an enormous price. A fraud of this kind needs no new law for its punishment.

There is perhaps nothing beyond the fines to which legal prevention could apply in the case of the iron founders' combination, which dates back as far as 1865. The fine is imposed for selling below a fixed price, and it is collected by turning a deposit of \$100 into a fine for breach of agreement. But it is doubtful whether the forfeit could be legally enforced; though, as a rule, this kind of transaction is kept as secret as possible. One witness, not disinterested however, stated that the prices of stoves were lower by ten per cent. in Canada than in the United States, where, he might have added, combinations flourish with exceptional luxuriance. The efforts of the American Watchmakers' Association come in for censure, as aimed at the destruction of a flourishing Canadian industry. The Canadian watch case manufacturers are dependent upon American "movements," and unless they will join the American association they are in danger of being frozen out. There is, the report tells us, a Canadian association of jobbers in American watches in affiliation with and under the control of the American association, bound by rules, the violation of which incurs a penalty of five hundred dollars, coupled with expulsion. There is a combination of manufacturers of cordage and binding twine, including five factories; it was conducted on the pooling plan. This combination is treated gingerly in the report; it is claimed that its methods had steadied prices, that these are not higher than in the United States, and that the advance in the price of binding twine in 1887 was due to a combination to keep up the price of raw material. Twenty-four oatmeal mills have combined, and they have closed up ten competitors, paying to the owners a total of \$6,312 a year; a sum taken, as the report remarks, out of profits and paid for non-production. But these mills are at present far from being powerful enough to control the market, on which their influence is said not to be materially felt. In biscuits and confectionery, the result of combination is said to be to keep prices at higher figures than are justified by the prices paid for raw material. There is an egg combination, of which the object is to lower the price; the effect being to favor buyers for export. One result of a combination among underwriters is said to be that a large number of first-class risks are being placed with foreign companies which have no agencies in Canada. Farm and isolated risks still feel the play of competition. Agents have to sign an agreement not to do business with companies