

## APPENDIX No. 6

Q. Would you lead the committee to believe that you would continue in an association with expensive machinery of that kind if its objects were never carried out, if the principle in regard to prices was never adhered to?—A. I mean to try and convey the impression of just what I stated. One of the objects of the association was to cure what we considered business defects in the way of manufacturers dealing with their customers, the retail business—that is in the way of selling lumber to the consumer—and if they succeeded in that and simply kept them from buying from the mills they were accomplishing a great deal for the retail dealer.

*By Mr. Lancaster :*

Q. You say there were defects in the way they sold?—A. That is what we considered, defects in their business methods.

Q. What sort of defects?—A. That is selling to consumers direct.

*By Mr. Crocket :*

Q. Here is a letter, to which I call your attention from R. F. Hay, dated Saskatoon, February 27, 1906, addressed to Isaac Cockburn, Winnipeg. The latter was then secretary of the Retail Dealers' Association, was he not?—A. Yes, Mr. Crocket.

Q. Well, this letter reads as follows (reads) :

'I have found the dealers of this line quite willing and agreeable to fix prices. The only unsatisfactory feature of the meeting is that Mr. Shields of the Independent Lumber Co. was not present. He was notified and received the notice. Prices have been fixed by the others, but they do not know of course that he will be willing to adhere to them and therefore there is no certainty that they will be respected by Mr. Shields. There is a strong feeling all over against the Independent Co., all over the west, and also against the manufacturers whose lumber they handle. It appears to be generally understood that the large portion of their supply comes from the Pacific Coast Lumber Co., and the Kamloops people. I don't think travellers for their firms will receive much business when the Independent Lumber Co. are known. I find the dealers all over very willing to carry out the associations' wishes in refusing to buy from mills who are not friendly to that body.'

That letter would seem to indicate, would it not, that the agreements that are made as to prices and from whom the retailer should purchase, are usually effective?—A. I think he refers to the dealers. This is making the prices. I think he refers to when they have made the prices.

Q. The dealers on this line?—A. Yes, they made the prices themselves.

Q. He reports there was a specific agreement entered into by the dealers?—A. They might do that.

Q. To fix prices, and that one dealer, Mr. Shields of the Independent Lumber Co. was absent? He reports that as an unsatisfactory feature?—A. Yes.

Q. And there was no certainty that he would adhere to the agreement. But as to the others it would look as if it was a pretty effective arrangement to maintain prices?—A. No, that is a method of fixing the prices they always adopted. They make the prices themselves.

Q. But you said they do not usually adhere to the prices they agree upon?—A. Excuse me Mr. Crocket, I said that so far as my knowledge of Winnipeg is, they do not agree, I was only speaking of Winnipeg. As to this place I think they probably make the prices and adhere to them.

Q. Any other points?—A. I would say further they probably make the prices too high. I am not trying to justify that at all.

Q. You are only speaking of Winnipeg?—A. The only point I wish to make is that they make these prices themselves in these localities in which they do business.

Q. Your statements as to this agreement not being effective is confined to Winnipeg?—A. That was confined to Winnipeg absolutely.

Q. While I think of it, Mr. Sprague, there are two or three questions I wish to ask you. How much do you pay for logs laid down in your mill?—A. I cannot tell, Mr.