

who handle the goods, and yet it is one of the most iniquitous combinations in Canada and is one of the least justifiable. They tell us it is necessary to the prosperity of their trade. I deny it. In Toronto there had not been for 15 years, I believe, a single case of a wholesale grocer failing, while every other business whether mercantile, manufacturing, banking or otherwise, showed failures, and the record is not broken except by the wholesale grocers. Of course we do not wish them to fail or to have any break in their prosperity. But they were prosperous before 1884, when they formed their combination, and they can prosper without their combination now. Then there is the question of salt. What would abolishing the duty on salt do? It is free when it is brought in from the old country, and it is free for fishermen's uses, no matter from what country it may come. This iniquitous combination of salt has nothing to do with manufacturing. A man goes and buys the product of all the manufacturers. The manufacturers are not breaking the law and should not be punished, but the individual who forms the combination and then doubles the price, breaks the law. We have 600,000 farmers in Canada among whom there is no combination, and in fact a combination would be impossible among them. We have perhaps 1,800 or 2,000 flour millers, with perhaps the largest capital invested of any manufacturing industry here to day, and there is no combination among them. We have the manufacturers of agricultural implements, and H. A. Massey of Toronto, Mr. Copp of Hamilton, and A. W. Morris of Montreal, three of the largest manufacturers in those articles, all swore there was no combination in their goods. Are the manufacturers, which have no combination, going to ruin? No, they are prosperous; they have their ups and downs and are more prosperous some years than other years, but they do not find it necessary to give up business. Mr. John Abel, a large manufacturer, says it is absolutely necessary for the existence of manufacturers that these combinations should be stopped. It is said that some of the combinations of manufacturers have been built up by the National Policy. Our investigation, I am glad to say, showed that very few of the worst combinations were those produced by the National Policy. But if there be any combination in Canada of manufacturers built up by the National Policy, they have no right to have those combinations and they had better take warning that they are not wanted in this country. The very essence of the National Policy and what we claimed for it was that, although for a time the price of the manufactured article might perhaps be a little dearer, the competition of the various manufacturers in the country would cause the price to be reduced. I am glad to say that this is the universal effect, and as a result of the National Policy we have cheaper goods than ever we could have had without the National Policy.

Mr. MILLS (Bothwell). Your Bill says the contrary.

Mr. WALLACE (York). My Bill says nothing of the kind. I repeat, we have cheaper goods than we could have had otherwise, and also a better quality of goods. This excrescence or incubus on our manufacturing industries should not be allowed to exist. If this is always the result of the National Policy, the National Policy will have to go with it. I propose to strike these combinations out, and to compel manufacturers and producers whatever class or rank to go on as other classes of the people have gone on, and they have been prosperous and successful in this country. The Bill I proposed at first was the one of which I gave notice at the end of last Session. I have gone over it carefully, and I intend to ask the House to permit its substitution by the second Bill which I have the honor to submit. The objection made to the old Bill was that it created a new offence, and the judges might perhaps interpret the Bill more severely than was

intended. This new Bill does not create a new offence. It simply states what the law of England and Canada to-day is and has been for years past, and fixes a penalty for offences against the law and warns them not to break it. It does not interfere in the slightest degree with the legitimate trade and commerce of the country. It has not that object, and it could not effect that object. The law simply permits industries to be carried on, it permits healthy rivalry between commerce and manufacturers, it gives every man in Canada an equal chance, which the law of the country is bound to give him, and it gives equality all round. It has been said that, by taking off the duties on those articles, the evil would be cured. As I pointed out in the case of salt, such legislation would not punish the evil doer, because there is no duty on the article. This is one of the most important subjects that could engage the attention of the House. It is a great evil and a growing evil, and it affects every man, whether farmer, mechanic or any other class. But we were told the other day, by a member of the Board of Trade of Toronto, that the combination of the wholesale grocers in Toronto promoted morality, that all the other business men were not doing their business after a straightforward legal means and were doing crooked business, whilst that they in the combination were doing a straightforward business and promoting morality and honesty. In answer to that I have a letter from a gentleman in the town of Woodstock, which I will take the liberty of reading to this House. It is as follows:—

“WOODSTOCK, ONT., 12th March, 1889.

“Mr. CLARK WALLACE, M.P., Ottawa.

“Dear Sir,—I write to express my warm approval of your anti-combines Bill. I am a grocer of 30 years experience and have done the largest business here for the past 15 years, and our business here is in a very bad state on account of the combines viz., the Grocers' Guild, about 60 per cent of my turnover is now at fixed prices and very soon we will not be able to buy even a wax candle except at a price fixed by the guild, the result of which is that eleven new grocery stores have started here during the past three months. No doubt travellers induce them to start by telling them that they can buy as cheap as the largest stores and as so and so has made money so can they possibly, showing them their orders booked, but that is not all; I find that respectable houses in both wholesale and retail who conscientiously abide by the terms of the guild, are being undermined by small jobbing houses who may not invoice goods at less than guild prices but who give them baits and also cash to secure their orders which cash is charged to expenses and winked at by the principals. This appears to be increasing to such an extent that I fear before very long that the large firms that were so anxious to form the guild will be the first to get out of it.

“I have taken a decided stand for the last month and have not purchased any goods at fixed prices when I could avoid it and when I cannot get over it, and now I mean to buy from whoever fixes me the largest rebate. This is very demoralising but self protection demands it. I have spoken to the leading grocermen here and they all agree with me that the guild is wrong, and as it was found that combinations of labor were not correct and that one man's labor was worth more than another's. So it will be found that combinations of capital are also wrong. Surely a man's capital, credit and experience, should be worth something to him, but the grocers guild sell goods at fixed prices to any one on credit totally ignoring the fact that the very essence of a business transaction is the risk. Wishing you much success with your Bill,

“Yours respectfully,

“JAMES SCOTT”

I have received also letters and resolutions from the Dominion Grange, from the Knights of Labor and from the retail grocers of Montreal, Kingston, Toronto, Quebec, Sherbrooke, Windsor, St. Catharines and Hamilton. Almost all Canada has in some form or other signified its approval of a measure that would tend to put down these illegal combinations in trade and therefore I beg to move the second reading of this Bill.

Mr. BROWN. I move that the Bill be referred to the Committee on Banking and Commerce.

Mr. SPEAKER. This cannot be moved in amendment. The Bill must be first read the second time.