

ILLEGAL BY-LAWS ANNULED

From the Evidence of Mr. G. P. Wells, Secretary of the Mountain Lumbermen's Association, Before the Special Parliamentary Committee on March 20th last.

CHAPTER III.

To Start Retail Association.

Q. On page 238 he says Mr. Jones stated he would call a meeting at Calgary for the purpose of starting a retailers' association at Calgary. Do you know anything of that? It was moved by somebody and seconded by Mr. King that at the next meeting they should hear Mr. Jones' statement as to the starting of the retail association?

A. Yes; it was in connection with the discussion which had previously taken place with regard to manufacturers' yards, and Mr. Jones stated, I believe, that when the retail association was organized for Alberta that it would settle these questions in some way, but in what way I don't know.

Q. Is there any arrangement between the two companies with regard to having corresponding advances in prices?

A. What two companies?

Q. Is there an arrangement between the Coast and the Mountain that from time to time they will make corresponding advances?

A. A definite arrangement that they will from time to time make advances?

Q. Well, any arrangement at all about keeping alike about prices?

A. No; there is no arrangement of that kind.

Q. Then what does this correspondence between the secretary of the British Columbia Mountain association and the secretary of the other association about making the corresponding advance in several lines, "done by us," mention his name in correspondence and telegrams between the association as to advances of prices? Is not that an arrangement?

A. No.

Q. What would you call it?

A. I would call it an advice that they were going to regulate their prices according to what was done by us.

Q. It doesn't say regulate, but that the prices will be advanced.

A. The advance of prices would altogether depend upon what we wanted.

Q. Do you remember the correspondence?

A. No, I don't.

Q. You have never had it brought to your notice?

A. No sir.

Q. And you don't agree with me?

A. No sir.

Q. What is the reason for making a compromise like that?

A. I don't know any reason for it.

Q. These are men doing a large business and they come to this arrangement with a retail association with regard to what is to be the rule—in fact as to how much money they can get from the manufacturer?

A. I don't know what object there would be except to show that if they were to consider it necessary to advance prices it would depend upon what was done by the Mountain people.

Q. What is the idea about making this arrangement? If they are prepared to make advances there must be some consideration for a compromise like that.

A. Well, what do you suggest? I cannot think of anything.

Q. I am asking you if you can think of any reason why a compromise like that should be made without any consideration from the other side?

A. I don't know. It is to believe that after this correspondence concluded the compromise with you to advance when you advanced, but after all that correspondence there was no agreement on your part to keep in harmony with them?

A. Well, if they were going to make an advance and if we did, would not that be a corresponding promise on our part?

Q. Was there no agreement on your part to keep in harmony with their prices?

A. "It is understood."

Well, presume it is understood that we should keep in harmony with them.

Q. I presume it was understood that you would keep in harmony with all their prices?

A. Yes.

Q. As a matter of honor?

A. As a matter of honor.

Q. You probably wrote similar letters to this?

A. I may.

Q. Did you?

A. I don't know.

Q. Don't you know that if in your correspondence there is nothing to intimate that your association is keeping in harmony with their prices?

A. I don't think so.

Q. Is there nothing asking them to come up to your prices?

A. I don't set down the prices.

Q. Do you think that after these letters that you are free to sell as you like?

A. Well, I don't know. We are free to sell as we like. There is merely a matter of honor about it.

Q. But were you in honor bound to cut prices below what existed with the coast people?

A. Well, I presume that there was. I don't know whether there was or not.

Q. Well, now, do you consider that your association was in honor bound not to cut the prices arranged with the Coast people?

A. That would be cutting on our own prices.

Q. I am not asking about your own prices, but about cutting on the figures arranged with them. Would you consider that you were in honor bound to the Coast people to maintain a certain price?

A. I think so.

Q. You think you were in honor bound to the Coast people to maintain a certain price?

A. I think so.

A. In a way.

Q. What do you mean by "in a way"? You were in honor bound to maintain a certain price?

A. In a way. I do not know whether there was a distinct understanding that we should maintain certain prices with the Coast people.

Q. You say you were in honor bound to maintain a certain price to them, were you?

A. I do not think we considered we were honor bound to maintain a certain price to the Coast people except in a way them.

Q. What do you mean by "in a certain way"?

A. I mean this: that if we set a price list of our own it is understood that we will maintain it as well as we can.

Q. And are you honor bound to the Coast people? Would they have any kick with you if you did not do the same thing?

A. I presume they would have a kick.

Q. You think they would have a reasonable kick?

A. I do.

Q. You think they would have a reasonable kick if you started cutting prices?

A. It would be a breach of good business principles.

Q. It would be a breach of good business principles.

Q. You met in a joint conference, did you not? Did you not talk about prices?

A. Yes, we did.

Q. Did you come to any understanding?

A. Yes.

Q. Have you come to any understanding about prices with them?

A. Not that I know of.

Q. You talked prices with them, but you never came to an understanding?

A. No.

Q. What did you talk prices with them for?

A. We discussed prices of various items and what we considered should be charged for them.

Q. Were there any people who are here now at this meeting?

A. Who?

A. Mr. Heaps and Mr. Lewis, I think.

Q. But you never came to any understanding about prices in your conference with those people?

A. No.

Q. Nor came to any understanding about anything?

A. It depends on what you mean by understanding.

Q. What do you mean?

A. Whatever "advisable."

Q. We discussed many things pertaining to the lumber business and whatever we considered advisable to do, if you consider that an understanding there was one.

Q. You came to a conclusion as to what was advisable to do, and you were agreed on that?

A. We were.

Q. The representatives of both associations agreed to do what was advisable?

A. Yes.

Q. For example, what did they agree on?

A. I do not know.

Q. Were they honor bound to do what was advised afterwards?

A. I do not think so.

Free, But—

Q. They were perfectly free, and you think that they would respect one another perfectly if they did not act in harmony?

A. I do not think they would.

Q. Do you think they would have despised one another if they had not agreed in harmony in doing that thing they thought advisable?

A. Yes.

Q. Therefore, there was at least that about it they adopted a certain minute or conclusion regarding their business, and they were either bound by that or they would be despised?

A. If you wish to put it that way, I would look down upon and despise a man who did not stand by any minute or any position that was reached for the best interests of the business.

Q. In fact, you mean us to understand that business men do not go all the way over the Selkirk mountains and down to the Pacific coast unless there is going to be some corresponding money advantage?

A. Probably not.

Q. I see on page 250 the minute there refers to a Mr. Leach. Who is Mr. Leach?

A. He is one of the manufacturers.

Q. Where does he live?

A. At Cranbrook.

Q. He is a highly respected member of the association?

A. Yes.

Would Regulate Production.

Q. Well, I see he advises "a conservative advance," and stated his opinion of what we required was a simple list which would be maintained for an appreciable length of time, put our prices upon a right and reasonable basis and keep them there through all conditions by regulating the production. Do you remember him saying that?

A. If it is in the minutes he must have said it.

Q. A very difficult thing to regulate production; a very unusual thing, is it not?

A. It would be.

Q. You were present at the meeting?

A. I must have been.

Q. And you no doubt heard it and took it down?

A. Yes, I remember now, since you have drawn my attention to it.

Q. How was it received?

A. I don't think it was even discussed.

Q. Treated with silent contempt?

A. No.

Q. Passed over, then?

A. Passed over. That is a different thing.

Didn't Know.

Q. Talking about that I understand that certain plans have been made to raise the price of lumber in a few days?

A. I don't know.

Q. Would you know if there had been a raise?

A. I would know if there had been a general raise in our district by our association.

Q. How do you read in the newspapers that there is to be a raise?

A. I have read the statement in some.

Q. Are you prepared to say that it is not true?

A. I am prepared to say it is not true regarding our association.

Prices Discussed Jointly.

Q. On page 231 there is a record of a joint meeting of the British Columbia and Shingle Manufacturers and the Mountain Lumber Manufacturers' Associations on the 28th of September, 1906, in the city of Vancouver. The men whose names appear here are they the men who were really present?

A. Yes.

Q. Were there any more present?

A. Well, I endeavor to get every-one down.

Q. Mr. A. E. Leitch, is he a Coast man?

A. No, a Mountain man.

Q. He took the chair and you were secretary?

A. I acted as secretary.

Q. How long did that meeting last?

A. Oh, two or three hours. A few hours.

Q. Was anything said about prices?

A. Oh, yes, certainly.

Q. Did you come to any conclusion?

A. Yes, sir.

Q. Were they put down on paper?

A. Yes.

Q. Where would that paper be?

A. You mean where they taken down at that time?

Q. At that time.

A. Well, perhaps you will find it in that book.

Q. In that book, the conclusions you came to about prices?

A. Yes. All the matters discussed were taken down in that book.

Q. Were any motions made, or was I presume so.

Q. On page 233 I see a motion was made specifically stating that no orders for odd lengths shall be accepted only at an additional charge of \$3 per thousand?

A. Yes.

Q. Was that passed?

A. I think it was.

Q. Was it binding on both associations?

A. Oh, yes.

An Arrangement.

Q. So by the record of this \$3 a thousand you had an arrangement about prices?

A. Yes.

Q. And each association was bound to stand by it?

A. Yes.

Q. Did you arrive at an agreement to stand by the general price?

A. You asked me that before.

Q. Bound to All Prices Similarly.

A. Yes, I know and I remember what you said at the time. What I ask is if having arrived at this agreement, you did not come to an agreement generally?

A. Well, we were bound in the same way.

Q. In regard to all prices, were you bound in the same way in regard to the \$3?

A. In the way I understand.

Q. The \$3 mentioned on page 233?

A. Yes.

Q. Both associations?

A. Yes.

Protected Against Shipping Wheat.

By Mr. Knowles—Q. You sent a memorandum to Sir Thomas Shaughnessy protesting against a large number of empty cars which were detained in the wheat service to the great detriment of the lumber shipper?

A. Yes.

By Mr. Knowles—Q. Then we come to the minute on page 233, the minute taken of your meeting held at 10 a. m., January 16th. What meeting was that, was it a regular meeting?

A. Yes.

Q. What are your regular meetings, monthly or not?

A. No, our regular meetings I call when I think it is advisable or necessary, we have no set dates.

Q. They are all special meetings?

A. Yes.

A. That is the understanding.

By Mr. Fowler—Q. Was there a new price list made up in accordance with this meeting?

A. I do not know whether there was or not, I presume there was an advance later that generally meant a new price list.

Q. You notified the dealers in accordance with this resolution?

A. Probably.

Work Together.

By Mr. Knowles—Q. And that advance did take effect at once, so you and the Coast people do work together in regulating prices?

A. We do to that extent at that time, any way.

Regular Meeting.

Q. How did you come to call this one?

A. That is, the regular annual meeting.

Q. When does your regular annual meeting take place?

A. Some time in January.

Q. And you were always likely to have such an annual meeting?

A. I presume so.

Q. At that annual meeting did you discuss the motion of Mr. Herron brought up in the House?

A. I do not know what the motion in the House was brought up at that time.

Q. You can know whether the motion was brought up or not, want to know what happened at your meeting?

A. No, Mr. Herron's motion was not discussed.

Q. Was there anything discussed with regard to the complaint of the increase of prices?

A. Not that I remember.

By-Laws Timely About, etc.

Q. Was there anything discussed about the fact that your association, however honorable the members might be, that the by-laws might be attacked as illegal?

A. Yes.

Q. And liable under the criminal laws of Canada?

A. That was brought up by myself.

By Mr. Herron—Q. That was in January of this year?

A. Yes.

By Mr. Knowles—Q. January 16th is the date here. You don't know whether you were aware of Mr. Herron's motion or not?

A. No.

Heard of Investigation "After the Meeting."

Q. Do you recollect when you first heard of Mr. Herron's motion?

A. It seems to me it was some time after that meeting.

Q. Do you recollect when you first heard of it?

A. No, I do not.

Somebody Drew His Attention.

Q. How did you come to give your time to those by-laws?

A. Because it was drawn to my attention by somebody, I don't know who it was, that there was in existence some form of by-laws.

Q. Did they draw your attention to the fact that they were of a nature that would render the members liable to prosecution?

A. As soon as I looked up the old minutes I took counsel on them.

Q. All this person did was to call your attention to the fact that such by-laws existed?

A. Yes, and that they might be detrimental.

Q. Oh, he said that also?

A. Yes.

Forgot Some Things.

Q. Cannot you recall who that was?

A. No, I cannot.

Q. I would like you to recall if you can?

A. I cannot remember.

Q. You are engaged and employed by an organization and you have your attention called to the fact that by-laws made the members criminally liable and yet you do not know who called your attention to it?

A. I do not know.

By the Chairman—Q. Would it likely be a member of your association?

A. Very likely.

By Mr. Knowles—Q. Was it in Nelson City that you were apprised of the fact?

A. I do not know where it was.

He Was Surprised.

Q. It would be startling news to you, I should hope.

A. It was surprising news to me.

Q. You do remember from whom the news came?

A. I do not.

Q. You have forgotten that?

A. Yes.

Mr. Knowles—The old by-laws have been put in; they are on the front page of the Minute Book, I believe. These are the by-laws regarding which we have been speaking.

Q. I see on page 9 in Nelson, the Minute Book there is written across it something in red ink. Is that your writing?