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Various pagings.

In Appendix No. 3 pages 124, 362 & 698 are incorrectly numbered pages 24, 2 & 98.

Appendix No. 1 is available in Votes and proceedings.

Appendix No. 6 was not printed.

APPENDIX

TO THE

TWENTY-SECOND VOLUME

OF THE

JOURNALS OF THE HOUSE OF COMMONS,

DOMINION OF CANADA.

FROM THE 23RD FEBRUARY, 1888, TO THE 22ND MAY, 1888,
BOTH DAYS INCLUSIVE.

BEING THE SECOND SESSION OF THE SIXTH PARLIAMENT OF CANADA.

Session, 1888.



OTTAWA:
PRINTED BY BROWN CHAMBERLIN,
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1888.

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APPENDIX.

LIST OF APPENDICES, 1888.

- No. 1.—LETTERS AND PAPERS relating to the dismissal of Messrs. A. E. Poirier, E. Tremblay and R. Tremblay, French Translators of the Official Debates of the House of Commons. *Printed.* (*See Votes and Proceedings, page 529.*)
- No. 2.—FIRST REPORT of the Select Standing Committee on Privileges and Elections, Kent County Election. *Printed.*
- No. 3.—REPORT of the Select Committee appointed to examine into Combinations said to exist with reference to the purchase and sale or manufacture and sale in Canada of any foreign or Canadian products. *Printed.*
- No. 4.—REPORT of the Select Committee to consider the fraudulent obtaining of promissory notes from farmers for seeds, agriculture implements, &c. *Printed.*
- No. 5.—REPORT of the Select Standing Committee on Agriculture and Colonization. *Printed.*
- No. 6.—SECOND REPORT of the Joint Committee of both Houses on the Library of Parliament. *Not printed.*

IN THE COURT OF APPEAL.

THE DOMINION CONTROVERTED ELECTIONS ACT.

Election of a Member for the House of Commons for the Electoral District of the County of Kent, holden on the twenty-second day of February, 1887.

Between

CHARLES W. BIRD,

Petitioner,

and

ARCHIBALD CAMPBELL,

Respondent.

I, the Honorable Featherston Osler, one of the Judges of the Court of Appeal for Ontario, do hereby certify that pursuant to the Dominion Controverted Elections Act, on the second, third, fifteenth and sixteenth days of November, 1887, I held a Court at the town of Chatham, in the County of Kent, for the trial of the election petition between Charles W. Bird, Petitioner, and Archibald Campbell, the sitting member, Respondent, relating to the election of a member for the House of Commons for the Electoral District of the County of Kent, holden on the twenty-second day of February, 1887.

That at the conclusion of the trial I determined that the said Archibald Campbell was not duly elected or returned and that the said election was void, on the ground that corrupt practices were proved to have been committed at the said election by an agent of the Respondent.

That no corrupt practice was proved to have been actually committed by or with the knowledge or consent of either of the candidates at the said election, that is to say, by the said Archibald Campbell or by Henry Smyth, the unsuccessful candidate.

That Frank Hadley and James McGoldrick were proved at the said trial to have been guilty of corrupt practices, that is to say, of bribery at the said election; that the said Frank Hadley was afterwards tried before me pursuant to the said Act and convicted of the said offence, and proceedings for the trial of the said McGoldrick are now pending.

That there is reason to believe that corrupt practices have prevailed extensively at the said election.

I am not, however, of opinion (so far as I can form an opinion from anything which came before me on the trial) that the enquiry into the circumstances of the election has been rendered incomplete by the action of any of the parties to the petition, or that further enquiry as to whether corrupt practices have prevailed extensively is desirable, by which term I understand likely to prove useful or effectual.

Dated this 17th day of November, 1887.

F. OSLER.

To the Honorable
The Speaker of the House of Commons,
Ottawa.

DOMINION OF CANADA. }

To wit: }

To RICHARD POPE, Esq.,

Clerk of the Crown in Chancery.

HOUSE OF COMMONS.

These are to require you to make out a new writ for the election of a Member to serve in this present Parliament for the Electoral District of the County of Kent,

Province of Ontario, in the room of Archibald Campbell, Esq., whose election for the said Electoral District has been declared void.

Given under my hand and seal at Ottawa, this sixth day of December, in the year of Our Lord one thousand eight hundred and eighty-seven.

(Signed) J. ALD. OUIMET,
Speaker.

OFFICE OF THE CLERK OF THE CROWN IN CHANCERY.

Received at this Office, 9th December, 1887, at 10 o'clock a.m.

True Copy.

S. ST. O. CHAPLEAU,
C. C. C.

DOMINION CONTROVERTED ELECTIONS ACT.

Trial of the Petition for the Electoral Division of the County of Kent.

I certify that the within is a copy of the evidence as transcribed from the reporters' notes taken at the trial of the said petition.

F. OSLER, J. A.

IN THE COURT OF APPEAL OF ONTARIO.

THE DOMINION CONTROVERTED ELECTIONS ACT.

Election of a Member for the House of Commons for the Electoral District of Kent, holden on the 22nd day of February, 1887.

DOMINION OF CANADA, }
PROVINCE OF ONTARIO, }
To wit: }
Between

CHARLES WILLIAM BIRD,
Petitioner,

and

ARCHIBALD CAMPBELL,
Respondent.

Before Osler, J. A.

DALTON MCCARTHY, Q.C., and C. J. C'NEILL for Petitioner, WALTER CASSELS, Q.C., and D. M. CHRISTIE for Respondent.

CHATHAM, Wednesday, 2nd November, 1887.

JOHN A. WALKER, sworn and examined:

By Mr. McCarthy:—

Q. You reside in Chatham? A. Yes.

Q. I understand you are president of the Reform Association? A. I was nominated to that position just before the last election.

Q. Can you give me the date of that? A. I cannot.

Q. About the date? The last election was in February? A. Yes, I think it would be some time in the winter or fall before that.

Q. I am told it was in November? A. I dare say it would be, although I have forgotten the date.

Q. I see here in a paper called the *Chatham Banner*, of the 24th November, that there is an account of it, so that it would be prior to that? A. Yes, I presume it would be.

Q. Who had been the president before? A. Mr. Campbell, the present member.

Q. How long had you been connected with the association? A. I came to the town of Chatham the 1st of September, 1878, and I had been more or less with the members of the party since 1878, but I do not know that I had any connection with the association.

Q. You had not any connection with the association in 1878? A. No, no more than I was a member of the party.

Q. When did you become connected with the association? A. As an officer?

Q. No, I do not mean as an officer, as a private? A. There are no privates.

Q. All officers? A. All officers, I suppose. What I mean by that is that there is, I think, a president, and vice president, I think, and secretary, and they are the head of the association.

Q. They are the executive? A. They are the executive. The rest, whenever a candidate is chosen, he is chosen by the delegates appointed by the supporters of the party.

Q. The scheme of the association is, I suppose, the ordinary one, the ordinary system of organization? A. I presume it is. It is as I have stated it now.

Q. Just let me understand what you mean by that? A. I mean by that that there is, I think, a president, a vice-president, and a secretary.

Q. That is for what? A. Of the association.

Q. And the association is the association for what? A. For the riding. It would be for what we call the County of Kent in the Dominion Parliament. Of course we have Bothwell again.

Q. Then the riding of Kent, the electoral district of Kent in the Dominion Parliament, is not the same as the county of Kent? A. No, it is not; because some of the townships are comprised in Bothwell.

Q. Then the electoral district of Kent is all of the county of Kent except that portion that is comprised in Bothwell? A. Yes.

Q. And how many townships are there in the county? A. There is Rumley, Tilbury East, Raleigh, Harwich, the town of Chatham and the township of Dover.

Q. Then the officers that you speak of are the officers of the Association of that electoral district? A. Yes.

Q. Or are the officers the same for the district as for the County of Kent? A. No, I presume not. There is a different association for the riding of Bothwell.

Q. Then for the association there are the president, one vice-president, or more than one? A. One, I think.

Q. A secretary? A. A secretary.

Q. And, of course, a treasurer? A. I do not know that we have much need of a treasurer. I do not know whether there is a treasurer or not. I dare say that the secretary is the secretary-treasurer.

Q. There are the three executive officers? A. Yes.

Q. Then what is the organization throughout the riding? A. As the election approaches and time for choosing a candidate there is notification given through the newspapers usually, and the supporters of the party meet and appoint delegates to attend a meeting.

Q. Delegates where from? A. All over the riding.

Q. Are they township delegates or school section delegates or polling district delegates? A. I think they are polling sub-division delegates.

Q. And how many come from each sub-division? A. I believe it was three.

Q. Is there a president of the township or officers of the townships? A. I think there is. I am not sure of that, but I am inclined to think there is an officer of each township.

Q. What is he called? A. I think he would be called the president of the township; but I do not know that there is such an officer.

Q. In this case was there a notification given in advance of the holding of the meeting of the convention? A. I think there was; I think it would be in the newspapers.

Q. Was it a notice given in the newspapers, or was it a notice sent by the secretary of the association? A. I think it would be a notice in the newspapers, though I was not a member of the association.

Q. How did you come to attend then if you were not a member? A. I think I was a delegate.

Q. Who appointed you a delegate? A. A meeting of the supporters who met in the town of Chatham.

Q. Was that a meeting for the whole town or for a portion of the town? A. The whole town, I think. In the town of Chatham that arrangement was made for the whole town.

Q. How many delegates were there for Chatham, do you remember? A. I do not remember.

Q. Can you give me any idea of the number? A. I dare say there would be somewhere in the neighborhood of twenty. The representation from the town, on account of its being a town and the place the association was held, would not be so large as from the country relatively.

Q. Do you remember seeing the notice? A. I have no doubt I saw it; but I have no recollection just now.

Q. Who was that signed by? Who is the secretary now? A. Mr. John B. Flint, I think.

Q. Does Mr. Flint reside here? A. Yes.

Q. Was he the secretary before? A. I think he was.

Q. How long has Mr. Flint been secretary? A. I cannot say to that. I think he was in Chatham before I came here.

Q. What books do you keep? A. No books at all.

Q. Is there any minute book kept? A. I do not think there are any books. I never recollect of seeing any books. The notes of the meeting were, I dare say, taken sometimes on a sheet of foolscap or something of that kind.

Q. But you do not remember how that is? A. No, I do not remember seeing any books.

Q. Is there any fee paid by the delegates? A. No.

Q. Any sum of money? A. No.

Q. How are the expenses usually paid? A. Usually paid by a subscription.

Q. Collected at the time? A. Collected at the time.

[Mr. John B. Flint is here asked by Mr. McCarthy: "Have you any books or papers belonging to the association?" and replies: "We have not. The night of the election some one broke into our rooms and stole them." The examination of Mr. Walker then continues as follows:]

Q. That was the means that you had for nominating candidates? A. Yes.

Q. What were the means of the association for securing the return of a gentleman when once nominated? A. Gentlemen usually held meetings.

Q. Of course I understand all candidates hold meetings; but I mean in addition to the meetings that are held what is the scheme of the organization in order to assist the candidate in his labors? A. That is frequently left to the friends in polling districts.

Q. I suppose these delegates that come are generally speaking the leading men of the party in the different polling sub-divisions? A. Not necessarily so.

Q. But generally they are? A. I should suppose they are.

Q. Then these men agree to work and do the ordinary work of the election? A. I presume they do.

Q. It is to be hoped they do? A. Yes.

Q. And I suppose as far as Chatham is concerned you could say that they did so? A. Yes, I think every man in Chatham did his duty.

- Q. And what do you call doing his duty? A. Usually seeing his friends, and seeing that they come out at election times, and if consistent with his conscience, to support Mr. Campbell or whoever the candidate may be.
- Q. That is, in other words, canvassing, and seeing that voters are brought to the polls? A. Yes.
- Q. Arranging for teams to bring out as many as possible? A. I do not know of any arrangement of that kind having been made in Chatham, because we are all easy of access to the polls.
- Q. But hadn't you cutters going about on polling day? A. I do not know I did. I had a buggy myself.
- Q. Can you give me the names of the delegates from Chatham? I suppose it would be a task impossible to give me the names of those who attended from the county? A. Yes.
- Q. But you could give me the names of those who attended from Chatham? A. No, I could not from memory. I could name some of them.
- Q. Just give me the names of those you can recollect? A. I believe Mr. Christie was one, that Mr. Douglass was another. I dare say the names are there, if you would show me the paper.
- Q. No, the names are not there. Do you know Mr. James Dillon? A. Yes.
- Q. Was he there? A. I cannot remember that he was.
- Q. Charles Hadley, do you remember him? A. No, I do not. I think Mr. Hadley's father was a delegate.
- Q. What is Mr. Hadley's father's name? A. Sylvester Hadley.
- Q. Where does he live? A. They both live in town.
- Q. Mr. Hendershot? A. I do not remember Mr. Hendershot.
- Q. Mr. Flint was? A. No, I do not think Mr. Flint was. He was there, but I think as a member of the association.
- Q. He would be there, but probably *ex officio*? A. I think so.
- Q. Mr. Thomas Holmes, junior? A. I have no recollection of him being there, and I do not think he was a delegate.
- Q. Mr. Frederick Stone, do you remember him? A. No. I remember seeing Mr. Frederick Stone attending our meetings, but whether he was a delegate to the meeting or not—
- Q. Mr. J. F. Anderson? A. I do not know Mr. Anderson.
- Q. He is the market clerk, I am told? A. I do not know him at all except by sight. I have seen him the last few days.
- Q. You say Mr. Stone attended what meetings? A. I have seen him in some of the meetings of the town.
- Q. You mean in the nature of committee meetings? A. Yes, being for the town generally.
- Q. Did you call them committee meetings here? A. Yes.
- Q. You have seen him in attendance at the committee meetings? A. Yes.
- Q. Mr. John Holmes? A. I do not remember Mr. Holmes either.
- Q. Mr. John R. Walker? A. I do not remember seeing Mr. Walker either at the association meetings or at the committee meetings.
- Q. Mr. Sam. McCormack? A. Nor Mr. McCormack either at the association meetings.
- Q. Mr. N. H. Stephens? A. I do not know that Mr. Stephens was a delegate. I know he was at the association. He was in the gallery; I do not think he was a delegate.
- Q. Mr. James McGoldrick, keeper of the Royal Exchange? A. I never saw him at any of our meetings.
- Q. He did take an active part in the election, didn't he? A. I do not know of it. He is a warm sympathizer, but whether he took an active part I could not say. He was never with me.
- Q. You think he was a very ardent sympathizer? A. I think he was. He expressed himself so to me.

Q. What did he say to you? A. He said he would like to see Mr. Campbell elected.

Q. And was he a man who only talked, or did he work? A. He talked some.

Q. Did he confine his efforts to mere talk? A. I do not know any more than what I say now as to that.

Q. Were there any meetings at his house? A. Not that I know of, or not that I heard of.

Q. You heard of some meetings in his barn, did you not? A. No, I did not.

Q. Heard? A. No, I did not even hear.

Q. Where is that gentleman now? A. I do not know that. He bought a hotel—at Stratford, I think it was.

Q. That is all you know about him? A. That is all I know about him. He has property here still, I think.

Q. When was it he bought the hotel at Stratford? A. Through the summer some time.

Q. And he moved to Stratford then, did he? A. He moved to Stratford.

Q. Dr. McKeough? A. I cannot swear that he was at the association or not. I think I saw him in our meetings.

Q. I just want to see how far you recognize this as being a correct report. (Referring to a newspaper)? A. I think I would have some difficulty in that.

Q. They say there was a very strong delegation present from every part of the constituency; would you agree to that? A. Yes, I think there was quite a representative gathering.

Q. Do you think the words "strong delegation" are too strong a term? A. No. My recollection is that it was quite a large meeting.

Q. How were the delegates who attended recognized? What did they bring in the way of voucher to show that they were delegates? A. I believe the secretary sent out different circulars to fill out at their meetings that such and such parties were delegates, and that they brought them in.

Q. Then they came in with these credentials? A. Yes.

Q. You have told me already, I think, that Mr. Campbell had been a former president? A. Yes.

Q. He was the president then who called that meeting to order? A. Yes.

Q. And he called, I suppose, for the election of officers? A. I think he did.

Q. Did he occupy the chair while the president was being elected or being appointed? A. I think he was occupying the chair until I was elected.

Q. Was there any effort made to elect him? A. I do not know. I do not remember now.

Q. I mean publicly? A. I know what you mean. I do not know any.

Q. You do not know whether he was named, renominated or anything of that kind, declined? A. I think there was something of that kind, but I do not remember.

Q. Had there been any contest between you and him? A. No.

Q. Had it been understood before you went there that you were to be the president? A. No, I do not know anything about it.

Q. Do you know how long Mr. Campbell had been president of the association? A. I think Mr. Campbell was president of the association since I have come to Chatham.

Q. Had he ever been a candidate before? A. No.

Q. He lives in Chatham? A. Yes.

Q. His business is that of a miller, I believe. A. Yes.

Q. It is said here that Mr. G. G. Martin and David Smith nominated Mr. David Walker, is that correct? A. Yes.

Q. Who is Mr. G. G. Martin? A. He is a gentleman in town here, a conveyancer

Q. And who is Mr. David Smith? A. He is a farmer in Raleigh.

Q. Then Dr. Sampson and Mr. Coulthard proposed D. M. Christie as vice-president, is that correct? A. I think so. He was proposed.

Q. Then Mr. Christie made a speech? A. Yes.

Q. I should judge Mr. Christie is somewhat of an orator? A. He is a very good speaker.

Q. I see he used this passage: "But as a skilful general lays his plans with the utmost care, disposes of his forces with the most careful foresight, and conducts his operations with the greatest energy, so we, if when the time comes we would see Kent in the honor roll of the redeemed constituencies, must use every honorable and lawful means within our reach?" A. I think Mr. Christie did use some sentiments to that effect.

Q. Then again he says: "We must trust nothing to chance. The secret was in organization. There was not a district which had not its committee, not on paper alone as is too often the case, but of men who knew how to work and did work." Do you remember these sentiments? A. No, I do not.

Q. Do you think these sentiments were not uttered? A. No, I do not think that.

Q. Then he referred to the unfortunate result of the previous election in terms very flattering to Dr. Sampson and rather the reverse to the gentleman who opposed him. "Often in defeat we learn the way to victory, and we must not fail to profit by our experience. We must unite as a single man, enter the fight with an organization thoroughly efficient, and each one of us make this fight a personal matter, and go into it as if he himself were the candidate." Do you remember words or sentiments to that effect? A. I believe sentiments to that effect.

Q. "If we do this I can assure you that on the day of battle Kent will have returned a supporter to the Honorable Edward Blake. (Continued applause.)" Then on motion of Mr. F. B. Stewart and A. Cartier, Mr. A. B. Flint was elected secretary-treasurer? A. Yes.

Q. Then it was voted that each municipality should elect its own vice-president? A. I believe so.

Q. Who was the gentleman who reported for the *Banner*? A. I believe Mr. Carrick. I do not know whether he reported that day or not. He is a reporter on that paper.

Q. Then the next order on the programme was the selection of a candidate for the Commons, and Dr. Sampson was received with applause; he says: "I propose to do to-day what I never had the opportunity to do before, that is, to name the future member of the House of Commons for Kent. I am not myself a candidate, but I know enough of the people of Kent, and of the sentiment prevailing among them, to be able to name a man who can do this thing a great deal better than I could do it." Then he refers to statistics and majorities, and so on? A. Yes, I remember Dr. Sampson making a speech.

Q. Then Mr. Campbell was nominated, proposed by Dr. Sampson and apparently seconded by Mr. Robert Stokes; do you remember that? A. Yes, I think that is the case.

Q. Mr. Campbell comes forward and seems to have thanked them for the nomination first?

The Court.—This would be when?

Mr. McJCarthy.—Saturday, the 20th November. Q. I see Mr. Campbell refers to this fact. He says: "We have in the town an organization called the Knights of Labor, nearly 1,000 strong, composed of the bone and sinew of the town. At a large meeting of the two assemblies of this order, they did me the honor to name me as their candidate for representative in the House of Commons. Now, gentlemen, I have decided to accept their nomination, and before I accept this one you so heartily tender me, I think it is but right I should fully state my position and the principles which, as the nominee of the Knights of Labor, I propose maintaining. I would not think of accepting your nomination if I thought the principles did not agree; and, indeed, I cannot see where there is any difference between the principles of the Knights of Labor and the platform of the Grit party. As one gentleman said, he believed the Grits must have got up the platform of the Knights of Labor, or at least he was sure they must have sawed the lumber for it any way. Now, many of you do not know the principles of the Knights, and I propose to read to you a few of their planks." Do you remember that? A. Yes.

Q. What is the meaning of the large meetings of the two assemblies of this order? A. I do not know, unless there were two divisions of the Knights here. I think there were two societies of the Knights.

Q. Here is another plank: "Another plank in our platform is the abrogation of all laws that do not bear equally upon capital and labor and the removal of all unjust technicalities, delays and discriminations in the administration of justice. None of you who have had anything to do with the law can have failed to notice how tediously it drags its weary length along. We ask for a simplification of the law, and that measures be taken to expedite its working?" A. I think that is a popular sentiment.

Q. Then I see some enquiries were made as to Mr. Campbell's views on different matters, specially about temperance. Now Mr. Walker said—who is Mr. Walker that speaks—he said: "I have always had a high opinion of the Knights of Labor although I am not one?" A. I believe I made that remark.

Q. That is not my fault; they do not receive lawyers." Then the nomination of Mr. Campbell was submitted, "and the audience rose *en masse* and cheered lustily, and Mr. Campbell, after returning thanks for his nomination, made a lengthy speech?" A. I thought the speech before his nomination was the longer one.

Q. Then I see he winds up in this way, "I thank you again, gentlemen, for your confidence, and I assure you I will do my best to win, and I ask my friends to join in using every honest endeavor, and glorious success will crown their efforts." Do you think that is correct? A. I think that is about correct.

Q. Then I see there was a nomination made for the local House? A. I had forgotten about that.

Q. Then I see Dr. Sampson gave a short address during which he paid a high compliment to Messrs. Christie, Douglas and Walker. Mr. Christie we have heard of before, I believe, and we have heard of Mr. Walker; who is Mr. Douglas? A. He is a professional gentleman who sits there.

Q. Where did you secure this honest voters' list; in the town of Chatham? A. In the town and county, we did the best we could to secure it.

Q. All through the county? A. The electoral district of Kent. We were not successful all through the county; we were only partially successful in town.

Q. Were you a committee, you three, acting that way? A. No, we were acting independently.

Q. For the love of the thing? A. I think so. We got nothing for it.

Q. What assistance did you get throughout the county in doing that? A. None whatever that I remember of.

Q. I do not mean pecuniary assistance, but where did you get your information? Were there the local organizations to apply to? A. No, there were not local organizations generally; but Mr. Flint is a man who is pretty well known all through the county, and that was of great assistance to us.

Q. You had your candidate early in the fall, on the 20th of November, apparently? A. Yes.

Q. When did the active canvass commence? A. I presume about the middle of January. At the time that this meeting was held I think Parliament had not been prorogued, and that was merely a preparatory step to be ready, as we anticipated prorogation, and I do not think there was an active canvass until after the prorogation of Parliament.

Q. Any meetings held between the nomination and the prorogation—or the dissolution, rather, it was? A. I do not remember that there were.

Q. And nothing in the nature of an organization? A. No, I think not. I think that before this election the Local Legislature was dissolved too, and I think that is the reason why—

Q. The local election took place in December? A. But Parliament had been dissolved before the meeting we had here, and I think that is the reason it was spoken of about bringing out the candidate so soon.

Q. The other nomination does not appear to have been made at that time? A. No, not as I remember now.

Q. Then you had the Local contest? A. Yes.

Q. After that there was a lull? A. I believe there was a lull.

Q. During the Christmas vacation? A. Yes.

Q. And then you commenced the active work? A. Yes.

Q. What were the means taken when you commenced active work? A. I know very little of the organization through the country.

Q. What did you do in Chatham? A. We held a meeting of the local association of the town of Chatham.

Q. Who was the president of that? A. I suppose I am the president.

Q. Would that be *ex-officio*? A. I suppose it would. Mr. Douglass is the president of an organization that we had here, or at least of a society that we had called the Young Liberal Association, which met usually for the purpose of mutual improvement, discussing questions, debating, and such as that.

Q. And afterwards assisted in the contest? A. Yes.

Q. Were there meetings of the young men under Mr. Douglass and of the general body under your organization? A. Yes, in Chatham. There had been until the election contest began, and then they merged.

Q. How many committees had you for the town? A. There was just one general committee, and I think parties were appointed from that to take the different wards, to canvass the different wards.

Q. Then there was but one committee for the town? A. Yes.

Q. Was there a committee, or had the town committee anything at all to do with the county work—general supervision over county work? A. Sometimes delegates or parties came in from the country and reported how they were getting along, as to what was being done, and also as to whether we should hold meetings in the different municipalities.

Q. They asked for these meetings by conferring with the association in town? A. Yes.

Q. Did your association in town appoint the times of meeting? A. A few of us did that.

Q. Who were those? A. I attended; Mr. Campbell himself; I think Mr. Christie was present once, and I think Mr. Gemmell, the editor of the *Banner*.

Q. Mr. Douglass? A. I do not remember. I think there were more, but I do not remember them at the present. Mr. Gemmell was well acquainted with the different places for holding meetings.

Q. Who was the financial agent—election agent? A. Mr. Craddock, I believe; I am almost sure it was.

Mr. Christie—I believe it was.

Mr. McCarthy (to witness). Q. Did he take any active part? Was he one of the active men? A. I do not think he did. He was at a meeting sometimes. I think he was at the association one time.

Q. Was he one of those whom you would class with yourself and Mr. Gemmell? A. No, he was not as active as we were.

Q. But he did attend some of the meetings? A. Yes.

Q. How many wards are there in the town? A. I think there are fourteen; polling sub-divisions I mean; five wards, I believe.

Q. Did you canvass them as polling sub-divisions or as wards? A. I think they were canvassed as polling sub-divisions.

Q. Then some persons were appointed to canvass? A. Yes.

Q. And they did canvass and make returns? A. Yes. The returns were, I think, made to Mr. Flint.

Q. Were they not submitted to the members of the committee, or were they made secret? A. There was no secrecy about them, but I do not think they were submitted to committee meetings. Sometimes as canvassers came into the meetings there were a few remarks or something of that kind.

Q. I suppose the ordinary work was going over the voters' lists and canvassing how Jones was going, and how Robinson, and so on? A. Yes.

Q. And then if there were doubtful ones? A. Some one was sent to try and convince them and attend to them.

Q. As to pecuniary matters, who supplied the funds, such as were supplied for carrying on the contest? A. A subscription amongst ourselves.

Q. Who was the custodian of these funds? A. I believe the secretary.

Q. Do you mean Mr. Flint? A. I mean Mr. Flint.

Q. There has never been an audit, I suppose, on account of the destruction of the books? A. There never was any audit.

Q. Did you subscribe any? A. Yes.

Q. How much did you subscribe? A. I do not remember just now.

Q. About how much? A. I subscribed possibly twenty dollars.

Q. Altogether how much did you make up in that way? Have you any idea what the fund was? A. No, I have not; perhaps a hundred dollars; it might have possibly amounted to two hundred.

Q. What was this subscription for? A. The largest amount of it was for printing.

Q. What I meant generally was it in connection with this election, to carry on this election? A. Yes. Well, the printing bill was quite large.

Q. But before we come to the details, it was for the purpose of carrying on the election, was it? A. Yes, I think so, defraying expenses connected with the election more properly speaking.

Q. Is Mr. Campbell a man not capable of paying his own expenses? A. Yes; but I do not think we could properly call them Mr. Campbell's expenses; we were sending him to Parliament to represent us, and we did not think it proper he ought to be obliged to pay all his own expenses.

Q. Was this fund raised at one meeting or at several meetings? A. I do not know that it was raised at a meeting at all.

Q. Was the hat passed round, or was the list passed round? A. I believe there was a list at the — no, there was not a list at the association meeting; I think it was in our town association, in the town.

Q. You mean it was not at the meeting in November? A. No.

Q. You did not ask the farmers to contribute to that? A. No.

Q. Or the people from the country? A. No.

Q. But this subscription was mostly obtained from the people living in town? A. Yes.

Q. Did Mr. Campbell subscribe? A. I think he did.

Q. I am told the fund you raised was in the neighborhood of a thousand dollars? A. Well, if it exceeded two hundred dollars I do not know of it; my impression is it was under two hundred. I do not know what the expenses were.

Q. It was all handed in to Mr. Flint, was it? A. I think so.

Q. You paid yours to Mr. Flint, did you? I paid mine, I believe, to Mr. Flint.

Q. He was the only treasurer, was he? A. Yes.

Q. Do you know anything about the distribution of this money? A. No, I do not. I think I saw the bill of the printing, and it was a large bill, perhaps a hundred dollars or something like that. I believe there were some livery bills.

Q. Was there more than one printing bill? A. Not that I remember of.

Q. Only one printing bill; that was the *Banner*, I believe? A. Yes.

Q. Do you remember who were present and who subscribed at that meeting? Was James Stewart there? A. No.

Q. Was J. A. McGregor? A. No.

Q. W. Hickey? A. No. Those men live in Tilbury; they do not live in town at all.

Q. Still they might have been there? A. They were not.

Q. Did you know anything at all about this money being parceled out, or a portion of it being parceled out to assist the friends in the townships? A. No, I do not.

Q You know nothing of that? A. No. My impression is the bills were large enough in Chatham. The most of the work was done from Chatham. The printing was done from here, and the livery bills were run here.

Q. Was there any assessment made upon persons who were present? A. No.

Q. There was no sum assessed like fifty dollars or anything like that? A. No.

Q. Who was the largest contributor to this fund? What is the largest sum you remember of? A. I do not know.

Q. Was there as much as fifty dollars contributed? A. I dare say there was, although I am not sure.

Q. I mean in one sum? (No answer.)

Q. Then as I understand you, the three or four gentlemen you have named, and perhaps others, were almost constantly at work about this election; meeting, not at regular times, but meeting whenever it was necessary to do anything? A. Yes, I dare say.

Q. And the work of the election, the executive work, was carried on by them? A. Yes.

Q. Then under them was the committee of the town which had also something to do with seeing to outside work? A. Yes.

Q. Did you appoint speakers from the town to attend the meetings? A. Yes. The places where the meetings were and the speakers were named at the same time.

Q. And would you also name speakers to attend the meetings of your opponent? A. Yes, that was done.

Q. Then the whole election work was done in that way? A. Yes, as far as I know.

Q. And did Mr. Campbell attend both classes of meetings? He attended the meetings you were at? A. Yes.

Q. And did he attend the general meetings in the town also from time to time? A. Mr. Campbell was occasionally there.

Q. Those persons you appointed to canvass the polling districts, did they meet separately, or did they report to this committee? A. They met separately, and then sometimes reported.

Cross examined by Mr. Cassels:—

Q. I understand what you are stating as to the organization of this association before your election as president you are just supposing; you are not accurate? A. No, I am not accurate.

Q. You do not propose to state accurately? A. No, I have no knowledge of it.

Q. Then with regard to these speeches at this meeting, do you propose to state accurately the words that were used? A. No, I do not. I always look on these elections as a difficult task, and glad to get them over as soon as they can be, and glad to get back to work again.

Q. It has gone down there as that you endorsed those particular words? A. No, I do not think Mr. McCarthy understood that.

Q. Are you sure Mr. Hadley was a delegate? A. I think he was at the meeting, in the gallery.

Q. The meeting was being held where? A. In the body.

Q. He was an onlooker at the meeting of the delegates? A. Yes.

Q. But not as a delegate? A. I think not.

Q. The son was a delegate? A. I am not sure of that.

Q. With regard to the summoning of the delegates from the outside places, as to these credentials and so on, that is a matter you cannot speak of? A. That is a matter I am just giving my general impression of, because I never attended to it.

By the Court:—

Q. I understand you speak of your general knowledge of the way in which the convention was formed? A. Yes.

Q. That these delegates were called, as you understand, by summons from the office in town? A. Notice was put in the newspaper; and I think that the notice would intimate that a meeting should be held in the different sub-divisions, mentioning

the number that each polling sub-division would be entitled to send as delegates; and then certificates were sent out.

By Mr Cassels :—

Q. Are you speaking from accurate knowledge, or is it simply from your impression? A. Oh, that is about all. I think I remember seeing the notice in the newspapers.

Q. It is intimated that some of the gentlemen who attended had credentials to the Conservative meeting? A. I think I saw one man there.

Q. Who was that? A. I think it was Doyle.

Q. Do you know as a matter of fact whether there were any credentials to the Reform Association? A. I would not be positive as to Mr. Campbell's meeting; but I remember one meeting—I think it must have been the meeting before that—when Dr. Sampson was brought out. Now you bring it to my recollection I do not know that there were credentials at the meeting at which Mr. Campbell was brought out; I do not remember of them.

By the Court :—

Q. This meeting at which Dr. Sampson was brought out was when? A. That was four or five years ago. I was a delegate to that meeting. I remember we had them on that occasion, and I got the two occasions confused.

By Mr. Cassels :—

Q. These gentlemen appointed to canvass the different polling sub-divisions, that work, I understand, was allotted to them as a certain number to each sub-division? A. Yes.

Q. And their duties would be confined to those sub-divisions? A. Yes.

Q. Then the meetings the result of their canvass were held by themselves? A. Yes.

Q. Not brought up before the general association? A. No. When I speak of the general meetings I mean of the Association for the town. They would be sometimes spoken of there; but in many instances the reports were not sent in at all.

Re-examined by Mr. McCarthy :—

Q. Do I understand you to say that these polling sub-division canvassers did not make any report to the town association? A. No, what I said was that I did not think there was any definite report put in at all, that they sometimes came there and mentioned how they were getting on or something of that kind.

Q. They would report in general terms, not in writing, but they would report? A. Some of them did, but in many instances there was no report of any description sent in.

Q. Would you not call for some account of what they were doing so as to see whether they were doing their work or neglecting their work? A. I do not remember anything of that kind.

Q. There was a set of fourteen; how many out of the fourteen can you say did not do so? A. Perhaps half of them.

Q. You are not speaking positively? A. No.

Q. Those who did make a report of that kind, would they mention the names of the people they had seen, or just mention figures and what was the result of the canvass, show so many for Campbell and so many for Smith? A. Usually the figures.

Q. And so many doubtful? A. Yes.

Q. And sometimes, I suppose, they would mention the figures, and say so many doubtful and had better be seen? A. I dare say that was done.

Q. You say their duties were confined to each sub-division? A. Yes.

Q. Was that universally so? A. I think so.

Q. Supposing a man in one of the sub-divisions, you yourself for instance, knew a man in another sub-division, would you not be asked to see him? A. That may have been done. I have no recollection at the present time of its having been done.

JOHN B. FLINT, sworn and examined.

By Mr McCarthy:—

Q. We are told that you are secretary and treasurer of this association? A. I occupy that position.

Q. And it seems from the report I had in my hand that you were re-elected, re-appointed? A. Yes.

Q. How long have you been connected with this association? A. Since 1882.

Q. How often have you been elected since 1882? A. Only on the 20th November, the time Mr. Campbell was brought out as a candidate.

Q. There were no intermediate elections? A. No.

Q. Or meetings. Had you anything to do with the association before 1882, before you became the secretary treasurer? A. Only as a private, as an ardent supporter of good government.

Q. You can perhaps tell better than anybody else what the scheme of organization was. Had you a written constitution? A. No.

Q. Did you ever adopt the constitution that was prepared by the central body of the Reform party? A. Not as a general association; but we adopted the constitution of the Liberal Club when they had that in existence, but not as a general association.

Q. When did you adopt the constitution of the Liberal Club? That was in the winter of 1886, a year ago.

Q. You adopted it then in the winter of 1885 86? A. Yes.

Q. You adopted the constitution of the Liberal Club? A. Yes, of the headquarters in Toronto.

Q. Who adopted that? A. The Young Men's Liberal Club.

Q. You had a Young Men's Liberal Club here? A. Yes.

Q. And you adopted for the constitution of that the one that was formulated in Toronto? A. Yes. We had some few amendments to suit our local association.

Q. But that was the basis of it? A. Yes.

Q. Have you got that here? A. I have not.

Q. You were a member of that club? A. Yes. It is not in existence now; it resolved itself into the other organization when it was formed.

Q. Could you get me a copy of that? A. I think not; they were all in our rooms, and were taken away the night of the election. I may be able to get a copy of that.

Q. Did you print that yourselves? A. No; we adopted the constitution, but never had it printed.

Q. But you had it in print, hadn't you? A. No, I do not think we had it in print.

Q. How did it come to you from Toronto? Didn't it come in print from Toronto? A. Yes.

Q. Then you adopted the printed one, didn't you? A. Yes, with alterations.

Q. Had you only that one copy? A. No, we had several copies in that way.

Q. Who were the officers of the Club? A. Mr. Douglass was president, and I think Mr. Craddock was vice president; I am not certain about the officers now.

Q. Can you tell us what the officers were? A. President, vice-president, secretary and treasurer and assistant secretary and treasurer.

Q. Who was the secretary and treasurer? A. I was.

Q. Who was the assistant secretary and treasurer? A. R. J. Ebberts.

Q. And a committee, I suppose? A. Yes, an executive committee.

Q. How many? A. I am not prepared to state at present; it was a small committee.

Q. Can you remember any of the names of the executive committee? A. I could not tell you a name now.

Q. The officers were members *ex officio*, I suppose, of the executive committee? A. Yes.

Q. Who were the members? A. A great many men in town.

- Q. Was it confined to men below a certain age? A. No.
- Q. Were all the leaders of the Reformers in the town members? A. I think not; there were a great many leading Reformers in town that were not members.
- Q. What were the qualifications as to membership; any particularly? A. No, nothing except that he required to be sound in the faith.
- Q. Did a member require to pay a fee? A. Yes.
- Q. What was the fee? A. Twenty-five cents a month.
- Q. How many members were there? A. About a hundred.
- Q. This continued on, you say, only in the winter? A. We did not meet any more after the winter.
- Q. Then you were merged in the general association? A. Yes.
- Q. Of the town or riding? A. The general association of the town.
- Q. Mr. Archibald Campbell was the president of the association? A. That is, of the general association.
- Q. And had been for years? A. Ever since I came to Chatham.
- Q. When did you come? A. In 1879.
- Q. Your association, Mr. Walker has told us, was for the electoral district of Kent? A. Yes.
- Q. And the association was a riding association in that sense? A. Yes.
- Q. Who were the members of that association? A. Do you mean previous to the meeting of the 20th of November?
- Q. Yes; I mean you had an association; if you had there were members of it. Who were they? Would they consist of so many members of each township, or so many from each polling sub-division? Was the association composed of all the members of the Reform party in the riding? A. I presume it would be.
- Q. Then all the members of the Reform party in the riding were members of the association? A. I did not say so.
- Q. You said you presumed so. Do you say now that all the members of the Reform party of the riding were members of the association or were not? A. They were not. There were members that never attended meetings.
- Q. It is not necessary to attend meetings. A man may be a stockholder in a bank and not attend a meeting? A. Well, I would not presume that they were.
- Q. Then who were the members of this association? Who had the right to come there? A. When we called a general meeting we issued circulars to call either a meeting of delegates or a mass meeting.
- Q. Who looked after the voters' lists during the times that they had to be attended to? A. The lead was taken by the executive who were in Chatham.
- Q. But the executive in Chatham did not do the work all through the riding; who did the local work? A. We did most of it here ourselves.
- Q. Who had you a right to expect would assist you? A. The local Reformers in each district should assist us; but they entirely neglected their duty in some instances.
- Q. Who were these local Reformers? What would you call them? Were they officers of the local organizations? Whom would you correspond with, for instance? A. Some of the leading men in the district.
- Q. What would you call him? A. He had no name so far as being an officer of the association.
- Q. Were there any township organizations of any kind or local organizations of any kind? A. Outside of Tilbury, I do not think there were, and that I know very little about.
- Q. You were going on to tell me a moment ago that when you wanted a meeting the executive here in town would determine what kind of a meeting it was. What was the choice open to the executive? A. We would choose between a mass meeting and a convention, usually a convention.
- Q. Do you remember before the meeting of the 20th of November was held? A. Yes.

Q. Who was it caused that meeting to be summoned? A. I believe it was Mr. Campbell and myself and the executive.

Q. Who were the balance of the executive at that time? A. Mr. Walker and Mr. Christie.

Q. Mr. Williamson? A. No; he was on the wrong side of politics.

Q. Mr. Douglass? A. Yes.

Q. Anybody else you can think of? A. Mr. Gemmell, I presume.

Q. You do not remember any person beyond those you have named? A. I do not call any to memory.

Q. Do you remember that those gentlemen you have already referred to were taken into consultation in calling this meeting? A. I do not swear all those were there, but I presume they were.

Q. Where was the meeting held? A. Over the *Banner* office in our old rooms.

Q. What do you mean by the old rooms? A. The rooms we formerly occupied.

Q. When had you discontinued occupying these rooms? A. About three weeks previous to the Dominion election.

Q. I am speaking of November. You say you had this meeting before the 20th of November, and that you had it in your old rooms; when had you discontinued using these rooms? A. We used those rooms all the time.

Q. You had a meeting, you say, before the 20th of November, in this room over the *Banner* office? A. Yes.

Q. How long had you occupied those rooms for holding meetings for that purpose? A. For years.

Q. Was it rented? A. The *Banner* Printing Company owned the building. We never paid any rent for it.

Q. Then you had the use of a room in the *Banner* printing office whenever you required it? A. Yes.

Q. Then you remember having a meeting before the 20th of November for consultation as to holding a convention? A. Yes.

Q. What was determined at that meeting? A. It was determined to call a convention to nominate a candidate.

Q. Was that prior or subsequent to Mr. Campbell's nomination by the Knights of Labor? A. I could not speak to that.

Q. Have you no idea? A. No.

Q. You determined you would have a convention. I suppose you fixed on a date? A. Yes.

Q. What means did you determine on for calling the convention together? A. We were to issue circulars.

Q. Whom were you to send the circulars to? A. To all the leading men in the county.

Q. Have you a copy of that circular? A. No.

Q. Where did you get the names of these leading men? A. I know pretty much all the leading Reformers in each division.

Q. Had you any list of them there? A. No.

Q. What did the circular instruct these Reformers to do?

MR. CASSELS.—We ought to have those circulars.

THE COURT.—It has just been stated he has not one of them. The evidence may be taken subject to the objection.

By Mr. McCarthy:—

Q. What did the circulars ask these local gentlemen to do? A. Asked them to call a meeting of the neighbors and appoint delegates to attend this convention.

Q. How many? A. I do not remember the number; once we had it three, but I am not positive whether it was that number this time or not.

Q. Three or more? A. Yes.

Q. Does that mean for each polling sub-division? A. Yes.

Q. Then did you communicate with each person in each sub-division? A. Yes.

Q. Or did you communicate with some persons in the county and ask them to call a meeting in each polling sub-division? A. No, I communicated with a person in each polling sub-division.

Q. Then it was not called, as Mr. Walker seemed to think, by a notice in the newspaper? A. It was called by a notice in the newspaper, but we issued circulars.

Q. Was it first called by a notice in the newspaper? A. I do not remember.

Q. Then what was the means taken? Did you send any form or credential to be signed of the election of these delegates? A. I believe I did.

Q. Who were to certify? Who were to sign these credentials? A. The chairman of the meeting, whoever he might be.

Q. Have all these credentials been destroyed? A. I never gathered the credentials of the meeting at all, except, perhaps, a few that were handed on the table.

Q. I suppose as there was no dispute it was not very necessary? A. No.

Q. I mean there was no difference of opinion as to the candidate? A. We were not certain at that time who the candidate was going to be.

Q. You had a pretty good notion though? A. Yes.

Q. You met at the time and place appointed; Mr. Campbell was in the chair; and we have heard all about that. There was a very large representation? A. Pretty fair.

Q. So large, I believe, that they had to crowd into the gallery? A. I do not think any delegates were in the gallery.

Q. I should rather judge from this that there were some delegates in the gallery?

A. Well, there might have been.

Q. About how many delegates were there? How many polling sub-divisions?

A. There are 46 polling sub-divisions.

Q. So there would be nearly 150 delegates? A. I could not say. I could not say that all those delegates were present.

Q. But assuming they were present there would be about 150? A. Yes.

By the Court:—

Q. The room was pretty full? A. Yes, there was a good attendance.

By Mr. McCarthy:—

Q. Was there any means taken to keep out members of the opposite party? A. No; I do not know that there was.

Q. What? A. We did not take any means to keep anyone out. There may have been a lot of Conservatives there for all I know.

Q. You have no doubt that the great bulk of those were Reformers? A. No.

Q. Did the delegates sit together? A. No; just whenever they dropped into the room they took a seat.

Q. I mean did the delegates from the townships sit together? A. No.

Q. Or was there any place allotted for the delegates? A. No.

Q. So the delegates were intermingled with the general public? A. Yes.

Q. How, in case there had been a division of votes, would you have managed?

A. I presume in that case we would have had to apportion out the delegates.

Q. Have you ever had occasion to do that here? Have you had a contest for the nomination? A. No, we have always been very unanimous so far as the nomination goes.

Q. If there had been a contest you would have had to call for credentials? A. Yes.

Q. But in this case you had no necessity to do that. What would be the form of the credential? A. I think it would be about as follows, "This is to certify that the bearer is a delegate from such-and-such a polling sub-division, whatever township it was," and signed by the chairman.

Q. I suppose the name of the man would be mentioned? A. Yes.

Q. Then was there provision also for naming substitutes in case those appointed could not attend? A. I do not think there was.

Q. At the meeting did you keep a record at all of the proceedings? A. I did.

Q. Had you a minute book? A. I did. I had a minute book at that time.

- Q. How long have you had that minute book? A. I got it just before the Young Men's Liberal Club was started.
- Q. And was it the minute book of the Young Men's Liberal Club? A. In the same book.
- Q. Then you used it for the minutes of the Young Men's Liberal Club? A. Yes.
- Q. Then you also used it for this meeting? A. Yes.
- Q. Did that contain the names of the delegates? A. No.
- Q. Just the resolutions that were passed at the meeting? A. That was all; and the officers that were nominated and elected.
- Q. Had you any executive committee at all for the riding association? A. No, only as far as the officers.
- Q. Only so far as the officers undertook that duty. You had no one to assist them? A. No.
- Q. No one from the townships at all? A. No.
- Q. No vice-presidents from the townships. Do you know the leading Reformers throughout the county? A. Pretty well.
- Q. And you can tell us who were present. Can you tell me whether Charles Hadley was present? A. I cannot. I never saw him there.
- Q. Can you tell me whether Rock Dolsen was there? A. I cannot.
- Q. J. Hendershot? A. I have no recollection of Mr. Hendershot being there at all.
- Q. Thomas McIntyre? A. I do not know Thomas McIntyre very well; there are several McIntyres. I do not remember him being at the convention at all.
- Q. Matthew Dillon? A. I do not think he was there.
- Q. There were none of the leading Reformers there? A. I do not consider these men leading Reformers. They may be members of the party, but not men to take a lead.
- Q. Then C. Babcock, was he there? A. I have no recollection of seeing him there at all. He is not here all the time; he lives in Windsor.
- Q. William Hickey? A. I have no recollection.
- Q. Daniel Fraser? A. I do not know the man.
- Q. Thomas Baxter? A. I do not know the man.
- Q. Ludeon Pardo? A. I do not know; he may have been there; he may have been a delegate so far as I know; it is altogether likely he would be there, but I do not know it; I never saw him present.
- Q. Cyrus Smith? A. I do not know the man.
- Q. John Houston? A. I have no recollection of Mr. Houston being there.
- Q. J. B. Flint, was he there? A. Yes.
- Q. Dennis Duggan? A. I do not know that Dennis was there or not; he does not belong to this county.
- Q. Thomas Holmes, junior? A. I do not think he would be a delegate; he is a workman here in town; I do not think he would leave his work.
- Q. Don't you admit workmen? A. Certainly.
- Q. Frederick Stone, was he present? A. I do not know.
- Q. Dr. Bell? A. I do not know that he was. I do not think he was. Dr. Fleming was there.
- Q. J. C. Bell? A. That is Dr. Bell.
- Q. G. C. Scott? A. I do not know; I never saw him.
- Q. You are telling me honestly that these people to your knowledge were not present? A. They may have been there and I not know it.
- Q. We have heard how the campaign was carried on from Mr. Walker; and I suppose that is substantially correct, that nothing was done until after the local election? A. Nothing was done till about the middle of January.
- Q. Then he has told us how the campaign was worked. You seem to have been the custodian of the money? You had a fund to carry on the election? A. Yes.
- Q. Then Mr. Campbell did not pay his own election expenses? A. He paid some; he subscribed to the fund.

Q. Did he pay in any other way except by subscribing to this fund? A. I do not know that he did.

Q. Then the fund was kept by you? A. Yes, so far as any fund I know of; I do not know of any other fund.

Q. And that fund was contributed by the members of the party here? A. Yes, by the members of the party in town; very little from the country.

Q. When was that fund raised? A. It was during the election, as we wanted it.

Q. When did you commence to raise money? A. I should judge two or three weeks before the election.

Q. Two or three weeks before the election you commenced to raise the fund? A. Yes.

Q. Was there a subscription list? A. Yes, there was a sheet of paper.

Q. There was a sheet of paper headed, and the parties would sign their names on that paper? A. Yes.

Q. Was that paper carried around or was it handed about at the meeting? A. Not particularly at the meeting; on the street or anywhere I could make a collection I made it.

Q. Were you the person who made the collection? A. I made the most of it.

Q. At whose instance was it that the list was made? A. My own.

Q. Did you draw the list? A. Yes.

Q. What was the amount of that fund? A. I could not tell you precisely.

Q. Give me some idea? A. I could not tell you; I dare say about eight or nine hundred dollars.

Q. Wasn't it a great deal more than that? A. I do not think it was.

Q. Will you swear it was not? A. No.

Q. How many hundred dollars may you be out? A. I could not tell you. I do not think it ran over a thousand dollars.

Q. Will you swear it did not? A. I think it did not; it may have.

Q. Did it go over fifteen hundred dollars? A. It never went to near that; that is, so far as my knowledge goes.

Q. You say it was not fifteen hundred dollars? A. I am positive it was not fifteen hundred.

Q. Fourteen hundred? A. I should judge it would not be fourteen hundred.

Q. But you would not swear to it? A. No.

Q. Is that the nearest you can come to it? Do you mean us to understand that you never added up the amount of that subscription? A. Of course I received some subscriptions that were not on the list.

Q. Where did you put this money? A. Paying bills.

Q. Where did you put it in the first place? Did you put it in a bank? A. No, in my pocket.

Q. Did you ever deposit it anywhere? A. No. We got a little as we went along, but never got a bulk of money to make a deposit.

Q. Do you keep a bank account? A. I do not. I keep a small account in Barfoot's.

Q. Is he a private banker? A. Yes.

Q. Did you deposit any of it there? A. No.

Q. Then this small amount, you call it, amounting to what you have said, you did not deposit anywhere? A. No.

Q. Did you never at any time add up and know the total amount of these subscriptions? A. I never did.

Q. You swear to that? A. I swear to that.

Q. And you never knew altogether how much it came to? A. I did not know.

Q. And you never knew? A. I never knew.

Q. Will you tell us why it is you never knew? A. Well, I had a great deal in my hands during the election, and I did not keep a proper record of it; that is the reason.

- Q. Then you cannot tell me between a thousand and fourteen hundred dollars ?
- A. Well, I am certain it did not reach up to that amount.
- Mr. CASSELS—I do not know on what charge this evidence is admissible ?
- THE COURT—It is quite admissible on a charge of this kind.
- Mr. CASSELS—They make specific charges, and that is what we are to meet.
- They have not said there was a large election fund.
- THE COURT—It is quite admissible.
- By Mr. McCarthy:—*
- Q. You cannot tell me between a thousand and fourteen hundred dollars ?
- A. No, I cannot. We made up Mr. Campbell's personal expenses; perhaps they will show pretty near what money we raised.
- Q. Were Mr. Campbell's personal expenses all paid out of this fund or not ?
- A. I am pretty positive they were all paid out of this fund.
- Q. You are pretty positive; what does that mean ?
- A. Well, I believe they were.
- Q. But you do not know ?
- A. No.
- Q. What do you mean by personal expenses ?
- A. Printing, hall rent, liveries.
- Q. That printing is not personal expenses ?
- A. Well, I believe it is charged and paid that way out of this fund.
- Q. Well, that is not personal expenses. A man's personal expenses is what he spends travelling ?
- A. Well, I do not know anything about that.
- Q. Do you understand what personal expenses mean ?
- A. I thought the printing and that belonged to Mr. Campbell's expenses.
- Q. Well, they do, but not to his personal expenses ?
- A. I do not understand the connection, that is all.
- Q. Then you do not mean his personal expenses were paid out of the fund ?
- A. No.
- Q. No doubt Mr. Campbell paid his own personal expenses ?
- A. Yes.
- Q. To come back again to the fund, I understand you to say that as near as your judgment will enable you to arrive at it, you would say it was as much as a thousand; it might have been as much as fourteen hundred, and it was not more ?
- A. No, it was not more, and I do not think it reached up to fourteen hundred.
- Q. It might be, but you do not think it did. It might be as much as a thousand ?
- A. That includes money I raised after the election to pay back expenses.
- Q. How much did you raise after the election ?
- A. I could not tell any certain amount.
- Q. Whom did you raise it from after the election ?
- A. I raised it from subscriptions; and, of course, I got some from Mr. Campbell to pay off the bills.
- Q. Did any person but Mr. Campbell contribute after the elections ?
- A. Mr. E. B. Smith, I think, was one.
- Q. Where does he live ?
- A. He lives in Harwich.
- Q. How much did he subscribe after the election ?
- A. I think he subscribed ten dollars.
- Q. Anybody else ?
- A. I do not remember any others.
- Q. Can you tell me the names of any contributors before the election ?
- A. Most of the members of the Reform party.
- Q. James Stewart ?
- A. No, not that I am aware of.
- Q. J. A. McGregor ?
- A. I do not think it; no.
- Q. W. Hickey ?
- A. I do not think he did.
- Q. Who were the principal contributors to the fund ?
- A. All the leading members.
- Q. Who were they ?
- A. Mr. Fleming, Mr. Rankin.
- Q. How much did Mr. Fleming give ?
- A. I do not remember now.
- Q. Who else ?
- A. James Holmes, Dr. Rutherford, Mr. Walker.
- Q. Anybody else ?
- A. We had several pages of subscriptions altogether, big and small.

- Q. I am taking the larger ones. Mr. McGoldrick? A. I never received any from him.
- Q. He was a distributor? A. I do not know that to my knowledge.
- Q. You did not receive anything from him? A. I did not.
- Q. His name is James, isn't it? A. Yes.
- Q. Those are the only names that you can remember of parties who contributed to this fund. How was the fund disbursed? A. In paying expenses.
- Q. Who was it disbursed to? A. It was all disbursed by myself.
- Q. The whole sum was paid out by you? A. All that I am aware of.
- Q. Of course, if you received it, you must have paid it to somebody else or else you have got it? A. It was paid out in legitimate expenses of the elections.
- Q. I want to know from you whether you disbursed it all? A. As far as this fund goes I disbursed it all.
- Q. And how did you disburse the fund? Whom did you pay it to? A. I paid livery bills; I paid printing.
- Q. Did you pay the election agent any? A. Of course I paid it through him.
- Q. Well, did you or did you not pay it to him? A. No, I did not.
- Q. The money did not pass through his hands at all then? A. It did not; it may, some of it.
- Q. But so far as you are concerned it did not? A. So far as I am concerned it did not.
- Q. Then can you tell whom it was paid to? Did all of it go for town expenditure, or did some of it go for the country expenses? A. Well, so far as hall rents and travelling expenses, and we paid speakers. Of course the bulk of the expenses were here in town.
- Q. Did all the sum go for town expenditure, or was some of it remitted to the country to assist the country expenditure? A. There was none of it remitted to the country at all.
- Q. Have you any account of what you did with that money? A. I have not, except the bills I have on hand.
- Q. Have you the bills? A. My bills are on file in the Sheriff's office.
- Q. Is there any balance left? A. There is not. There are some bills unpaid yet.
- Q. Then the money, the most of it was spent in paying these bills? A. Yes.
- Q. The balance, what was done with it? A. There was of course office expenditures, and my rooms, Assistant-Secretary, postage, express, telephoning, telegraphing.
- Q. There would be vouchers for all these? A. I expect there would, except paying the Secretaries; I had several writers in the office.
- Q. Wouldn't there be vouchers for these? A. No.
- Q. Why didn't you put them in the account? A. I presume they are.
- Q. Who made up this election account? A. Mr. Craddock and Mr. Christie, I believe; I do not know; I am not positive about that.
- Q. Was there any other fund, to your knowledge? A. Not that I am aware of.
- Q. Did you ever hear of any other fund being used? A. I did not, except what I heard in the streets here.
- Q. Do you know of the fund that this man McGoldrick had? A. I do not.
- Q. Did he get any money from you? A. He did not.
- Q. Do you know that McGoldrick raised any money? A. I do not.
- Q. Did you know at the time that McGoldrick was collecting any money? A. I did not. I never heard of it.
- Q. And all you know of McGoldrick's fund is what you have heard on the streets? A. That is all, and that is very limited.
- Q. Were you present at the meeting when the assessment of fifty dollars was imposed? A. I was not.
- Q. Do you know of any such assessment having been imposed on leading members of the party? A. I do not.

Q. You never heard of that? A. Well, I have heard the thing was in existence, but I do not know it of my own knowledge.

Q. You know such a thing was done? A. I have heard Conservatives talking about it, but I do not think any such thing was in existence.

Q. Was there any money raised at the convention? A. None whatever.

Q. Do you tell me that list of yours was among the papers that were lost? A. The subscription list?

Q. Yes? A. I believe it was, but I have never seen it since the election.

Q. Where did you keep your papers? A. Kept them in the rooms. The subscription list was only kept on slips of paper; but I got lots of money in that I did not mark down at all.

Q. So that if we had the list here it would not show the amount of money you raised? A. The list would only show a very small amount.

Q. Can you tell me the largest amount anybody subscribed? A. I cannot tell that.

Q. Was it as much as a hundred dollars? A. Outside of Mr. Campbell I do not know of any amount as large as that.

Q. Outside of Mr. Campbell how much was it? A. I could not tell you exactly.

Q. To the best of your recollection what was the largest amount? A. I cannot tell you.

Q. Was it as much as a hundred? A. I cannot tell you that; I do not think it was.

Q. Was it as much as \$75? A. I cannot speak as to that.

Q. Was it as much as ten? A. There were quite a number of tens.

Q. Was there any as large as twenty? A. There may have been.

Q. Was there any? A. I presume there was.

Q. Thirty? A. There may have been.

Q. Forty? A. I would not say.

Q. I suppose it was a pretty warm contest, a spirited contest? A. Pretty hot.

Q. Is it a large riding, a large vote? A. It is a large vote.

Q. What was the vote that was polled? A. I do not recollect.

By the Court:—

Q. What was the majority? A. 112.

Cross-examined by Mr. Cassels:—

Q. You say that the money did not pass through the election agent: were the accounts submitted to Mr. Craddock before they were paid? A. I believe they were. In some instances where the accounts were presented at once I paid it. Of course I knew the circumstances, and there were some overcharges which I knew about myself, and I had them corrected.

Q. Do you recollect when the last meeting of the Young Men's Liberal Club took place, the last formal meeting? A. I could not give you any date. We dissolved in the spring, or at least we did not hold any more meetings after the warm weather came on.

Q. Would that be in the spring, before November? A. Yes.

Q. Has it ever been called since? A. Never called since.

Q. Has there ever been an assessment called since? A. Never.

Q. Then in November this convention took place. From the spring previous the Young Men's Liberal Club were never called together, and never paid any assessments? A. No.

Q. And never held any meetings? A. No.

Q. And I suppose the meaning is that the general association having been formed the young men's work was done? A. Yes.

Q. Your impression is that none of the delegates to the convention were in the gallery? A. I do not think they were. A great many came into the convention when it was half over, and instead of coming into the body of the convention they went upstairs.

Q. Do you know whether there were not Conservatives present also? A. I believe there were.

Q. Do you know of your own knowledge? A. There were some present who had previously been Conservatives; they may have supported Mr. Campbell during the election.

Q. I understand the electoral districts for the Local election and for the Dominion election are different? A. Yes.

Q. That is to say that there are different townships in one from the other? A. Yes.

Q. Do you know whether or not in fact the Reform Associations you have spoken of were separate for the Local election from that for the Dominion? A. As far as the Local election was concerned the executive would be the same executive.

Q. But in the Association did you in fact make any distinction between the riding for the Dominion election and the riding for the Local? A. No distinction.

Q. Then is it not a fact that in calling that convention that the convention was called from the Reform party through the county irrespective of the divisions of the ridings? A. The circulars were issued to the electoral district of Kent. The day before the prorogation a great many members from Chatham township came to this convention expecting a candidate would be nominated for the Local House.

Q. This assessment of fifty dollars you do not know anything about? A. I do not know anything about it.

Q. That is talk on the streets after the election? A. Yes.

Q. Perhaps you will explain about the loss of your books and papers? That was on the night of the election? A. Yes.

Q. What happened your building on that occasion? A. The front windows were smashed all in, and a lot of the furniture taken away as well.

Q. The building, as I understand, was wrecked? A. Yes.

Q. And not by your own friends, as far as you aver? A. No, I should not judge so.

Q. It seems to have been the result of disgust at the result of the election? A. I think it was.

Q. All the windows in the building were smashed in? A. Yes, all the front large panes.

Q. The furniture was removed, part of it? A. Yes, part of it.

Q. Any of the furniture broken? A. I cannot say to that; but I know several of the chairs were taken away, and all the loose books and papers carried off.

Q. And your surmise is that they are in the hands of the opposite side? A. I expect they will turn up at the trial here.

Q. How far are these rooms from the main street? A. I should judge perhaps ten rods.

Q. It is about opposite Mr. Christie's office, I believe? A. Yes.

Q. That is the first street west of the Gardner House? A. Yes.

Q. Just a short distance from the main street? A. Yes.

Q. Was there a great excitement in the main street the night of the election? A. Yes, there was a great excitement.

Q. Was there almost a free fight there? A. Well, I did not see it; it was said there was.

Q. The result of it was that your books and papers were gone? A. Yes.

Re-cross-examined by Mr. McCarthy:—

Q. Do you say the office was smashed in the night of the election? A. Yes.

Q. The office was upstairs was it not? A. No.

Q. I thought it was upstairs as you described it? A. No, we had removed our rooms to Fifth street.

Q. You had removed from your old rooms in the Banner building? A. Yes, the rooms were a vacant store.

Q. When did you take the store? A. I should judge two or three weeks before the election. We occupied the old rooms to within two or three weeks of the election.

Q. Why did you change? A. Well, the others were very unhandy; they were up three flights of stairs.

Q. Then you removed to this store: whose store was it? A. It was an old store of Mrs. Miller.

Q. And the night of the election, you say, the windows of this room or store were broken in, were they? A. They were.

Q. Was the room broken into? A. It was. They must have done so, because all the papers were stolen, and some of the furniture.

Q. What papers were stolen; were all the papers stolen? A. Well, all the books were gone, all my books.

Q. What books did you keep? A. There was my minute book, and a memorandum book that I had for use during the election.

Q. What else? A. Of course a lot of telegrams and papers.

Q. What other papers? A. That was all the books we had.

Q. Were there any other books there? A. There were, of course, voters' lists.

Q. I mean books? A. There were several law books we had for reference.

Q. What did this memorandum book contain? A. It contained a list of total (doubtful?) voters, a general memorandum of occurrences during the election.

Q. It would be very important for us to have that here now? A. I do not think it would do you much good. I guess it will turn up.

Q. Was the list you had taken that night? A. No.

Q. Where is that now? A. That is not in existence. Of course I never kept it except during the election.

Q. What did you do with that? A. I either lost it or destroyed it; I do not know which.

Q. Which did you do? A. I do not know.

Q. What did you do with it; did you burn it? A. I suppose I must have burned it.

Q. What did you do? A. I do not remember.

Q. Why did you destroy it? A. Well, there was nothing in it; I did not consider it was a matter of importance.

Q. Why didn't you keep it? A. I did not consider there was any necessity as to keeping it.

Q. What do you mean by losing it? A. Of course when a man has papers in his overcoat and throwing it around he may lose them.

Q. Had you marked down anywhere what you had done with this money? A. I may have had it in the same memorandum book.

Q. I asked you whether you had or had not marked down what you had done with this money? A. I presume I did.

Q. Did you or did you not do so? A. Well, I did part of it.

Q. Where did you mark it? A. In this same book.

Q. This memorandum book; you swear to that now? A. Well, I believe I did.

Q. Did you mark down in that book the amount of money you had collected? A. No.

Q. You received from time to time sums of money. You knew as an honest man you had to account for the money? A. Yes.

Q. Then if you knew you had to account for it and did not bank it, surely you must have kept some memorandum of it? A. Well, I suppose I did.

Q. Where did you keep this memorandum? A. In the memorandum book.

Q. Then this memorandum book would show the amount that was paid to you? A. Yes.

Q. Would it show who paid it to you? A. I do not know that it would. I had two or three cheques from Mr. Campbell that I did not enter in the book.

Q. On what bank were they? A. On the Bank of Commerce.

Q. Why didn't you enter them in the book? A. Because they were not for the same purpose.

Q. What purpose were they for? A. For the expenses of the election.

Q. Well, the other money was for the expenses of the election? A. Yes.

Q. Then why didn't you enter this? A. Well, I suppose I was considered a pretty honest sort of fellow.

Q. What were these cheques you got from Mr. Campbell? A. I got two for \$150 each, and I think there was one for \$300, and that is as far as my recollection goes.

Q. That is \$600? A. \$600.

Q. Before the polling day? A. Yes.

Q. How much from Mr. Campbell after polling day? A. I got \$200 from Mr. Campbell after polling day, as far as my recollection goes.

Q. Is that all you received from Mr. Campbell? A. That is all I received from Mr. Campbell.

Q. Directly or indirectly? A. Directly or indirectly.

Q. Then these moneys did not appear in the memorandum book? A. I think not; they may have been.

Q. How were you to keep an account, if you did not mark down as much as \$600 that you received from one man? A. The line was not drawn very fine.

Q. What do you mean by the line not being drawn very fine? A. So far as auditing the books; trusting myself.

Q. How much did you contribute? A. I did not contribute anything; I am out of pocket myself.

Q. How? A. As secretary, for loss of time.

Q. But how does the cash account stand, leaving out of account the loss of time? A. I cannot tell you; I paid the bills as they came in.

Q. Have you received more than you paid, or paid more than you received? A. I paid out all I got.

Q. Then, does it just balance? A. No, we are owing money yet.

Q. As far as you are concerned—as far as your cash is concerned? A. I never kept a cash account.

Q. If it was balanced up to-day, would your disbursements equal your receipts? A. I presume it would.

Q. Have you ever made it up? A. No.

Q. Then have you money in hand? A. No, I paid out all I got.

Q. Then they balance? A. Yes, I presume they do.

Q. Why didn't you consider it necessary to enter these subscriptions from Mr. Campbell? A. I did not consider they were subscriptions.

Q. What did he give you the money for? A. For the expenses of the election.

Q. And what did the other people give them to you for? A. For the expenses of the election.

Q. You said to my learned friend that you believed there were Conservatives present; what did you mean by that? Is that rather a misleading statement? What proportion of Conservatives were present at this meeting? A. I could not say; I saw one Conservative there.

Q. Do you say there were more than a Conservative here and there? A. That is all. I saw several Conservative faces in the audience.

Q. What do you mean by different constituencies? The constituencies for the Local and for the Dominion are not the same? A. They are not the same; the boundaries are different.

Q. This convention was summoned for the purpose of nominating a man for the Commons? A. Yes.

Q. It never was summoned for any other purpose? No.

Q. And some gentlemen from outside attended? A. Yes.

Q. Who were not summoned to attend? Q. They were not.

Q. Then they volunteered to come there? A. Yes, I suppose so.

Q. You did not as a fact nominate the local man that day? A. No.

Q. The convention was summoned; some Reformers from Chatham attended, and having nominated Mr. Campbell for the Commons, some objection was made, I

see, to nominating a man for the Local, and it was not done. I see it was decided to hold a convention on the Saturday following at the same time and place to nominate a man for the Local? A. The Saturday afterwards.

Q. Have you ever looked for any of these papers that you say were lost?
A. No.

By Mr. Cassels :—

Q. Is Chatham township in the electoral district of Kent? A. No.

Q. I see by this report that has been referred to Mr. McCoy, of Chatham township, spoke on behalf of his township and the riding, urging that the notice was too short, &c.? A. When the dissolution of the House took place, I sent word to Chatham township by different parties, notifying them to attend this convention. That is a matter I forgot about before. We sent out circulars to different parties to attend the convention, as there would likely be a nomination of a candidate for the Local House.

Q. Is Wallaceburg in the electoral riding for the Dominion election? A. No.

Q. Wasn't that represented too? A. There were a number of representatives from Wallaceburg.

Q. Were there a number of representatives from Dresden? A. Yes.

Q. Is it within the electoral district for the Dominion? A. No.

Q. Then they were all there represented? A. Well, not that I will say.

Q. And as this report reads, owing to the shortness of the notice they were not sufficiently represented? That is it.

A. At that meeting there were quite a number of representatives more or less outside of the electoral division of Kent? Yes.

By Mr. McCarthy :—

Q. This money of Mr. Campbell's was not a part of the thousand dollars that you told us about? A. It was a part of the thousand dollars.

Q. You are sure about that? A. About Mr. Campbell's money?

Q. Yes? A. Oh, yes; because we did not raise but very little by subscription.

By the Court :—

Q. How was it you took so little trouble to obtain the credentials from the people attending? A. We never excluded anybody that came in. At this time being Secretary I had a great deal on my hands to do as Secretary, and the meeting got pretty well advanced before there was any thought of taking up credentials.

Q. You saw the meeting was so largely composed of members of your own party you thought it unnecessary to ask for credentials? A. Yes.

SHERIFF JOHN MERCER, sworn and examined.

By Mr. McCarthy :—

Q. You were the returning officer at the last election for the House of Commons?
A. Yes.

Q. Did Mr. Campbell, the sitting member, make a return of his election expenses, or did his agent do so? A. He did.

Q. Have you got the accounts that were filed with you? A. I have just looked; I have just been subpoenaed, and I cannot find them. I can only find one little certificate. My man of business who was my clerk is ill. I will try and get them for you to-morrow.

ARCHIBALD CAMPBELL, sworn and examined.

By Mr. McCarthy.

Q. You are the respondent? A. Yes.

Q. You were nominated by the Knights of Labor, I see from your address?
A. I was.

Q. There is a body of that kind in Chatham, is there? A. There is.

Q. And there was then? A. There is yet.

Q. You speak of two assemblies of the Knights of Labor having nominated you ; will you tell us what that means ? A. Their numbers increased so fast that one assembly room would not hold them, and they established another assembly. It is the same organization, only with two assemblies.

Q. Have they different officials for each assembly ? A. Different officials but the same constitution. They are the same body only like two different lodges.

Q. Was it at a joint meeting of these assemblies that you were nominated ? A. Yes.

Q. On what date were you nominated ? A. It was about the 20th of November ; I think a day or two or a few days before. They met on a Monday night, and it would be the Monday before.

Q. I understand that you were a member of the Knights of Labor ? A. Yes.

Q. When did you become a member ? A. Some time during the summer.

Q. What was necessary to constitute you a member of the Knights of Labor ? What was the qualification required ? A. Well it is a secret society the same as the Oddfellows or Masons or anything else ; you are not permitted to tell the secrets of the Order.

Q. But what qualified you to become a member ? That would not be telling the secrets of the Order ? A. Well, you submit your name first, and you are ballotted for, and if you are received into the order then you are admitted under certain—

Q. You submitted your name to be put up and ballotted for ? A. I did.

Q. Some time during the summer of 1886 ? A. Yes.

Q. When was it they determined to nominate a man for Parliament ? A. Later on in the early fall when it was thought the elections were coming on.

Q. Is the organization in the riding—in the electoral district, I mean, of Kent—confined to the town of Chatham, or are there other branches in the riding ? A. There are no other assemblies in the riding except in the town of Chatham.

Q. Was this meeting of theirs a mass meeting of the Knights of Labor at which you were nominated ? A. Yes.

Q. Where was it held ? A. It was in the room. They both met in the same building, only on different nights.

Q. Did you hold any position in the Order ? A. None whatever.

Q. What officers had each lodge or assemblage ? A. They have a Master-workman. Mr. Finlayson was Master-workman of one assembly ; and Mr. Alfred Sullivan, I think, was the Master-workman of the other assembly at that time.

Q. Then what is the next officer in rank to the Master-workman ? A. I could not hardly tell you.

Q. Well, is there an officer ? A. Yes, there are several officers.

Q. Do you know the names of any of them ? A. There is the secretary.

Q. Do you know the names of them ? A. I do not think I could name any of the others.

Q. You do not seem to be a very good Knight of Labor ? A. Well, I was not a member long. I can tell you the names of the officers. Mr. Sutherland was one ; Mr. Oliver Dolsen was another, and Mr. Baxter was another one, and there was a Mr. John Smith another officer in the assembly. Then there was Mr. Peter Macaulay.

Q. What is Mr. Dolsen's name ? A. Oliver ; O. I. Dolsen we usually call him.

Q. Is he the one called Rock Dolsen ? A. No.

Q. Is there one called Rock Dolsen ? A. Yes.

Q. Is he a Knight of Labor ? A. Yes.

Q. What position does he hold ? A. I do not know that he holds any.

Q. Which assemblage does he belong to ? He belongs to what is called the Royal Oak.

Q. What is the name of the other one ? A. The Maple Leaf. Members could attend either meeting, and sometimes did.

Q. Did you attend both meetings ? A. Sometimes.

Q. Which were you a member of ? A. The Royal Oak.

Q. What position does Dr. Keough hold? A. I do not think he is a member of the Knights of Labor.

Q. He is not the medical man? A. I do not think so; I do not think I ever saw him at a meeting.

Q. You have a partner named Stephens? A. Yes.

Q. What is his name? A. Nathan Howard Stephens.

Q. He was a Knight of Labor? A. Yes.

Q. Does he hold any position in them? A. No, and I do not think ever did.

Q. John Holmes, is he a Knight of Labor? A. I think not; I am sure he is not.

Q. Is John R Walker? A. No.

Q. Or James Ritchie? A. No.

Q. Are you sure they are not? A. Yes I am sure they are not unless they have joined very recently.

Q. Were you a party to the scheme of bringing out a member; I mean before you were nominated yourself, were you consulted or did you take part in the deliberations? A. None whatever. I never made a suggestion.

Q. Were you present at the time the suggestion was made and the resolution come to that they would bring out a man? A. No. They decided at a meeting before; or rather it was talked of generally that they would bring out a candidate and also bring out candidates for the municipal offices at the coming election.

Q. Were you present at that? A. I think not.

Q. It must have been decided on, because there was a joint meeting held? A. Yes; this joint meeting was held to decide whether they would bring out a candidate, and then if they decided to do so to bring him out.

Q. When was the conclusion arrived at that they would call such a meeting as that? Were you present at that? A. I am not sure. I could not say whether I was. I suppose it would be the meeting immediately preceding this.

Q. Were you present at the meeting where you were nominated? A. No.

Q. You accepted the nomination? A. Yes.

Q. How did you accept it? A. By a letter.

Q. Where were the resolutions? They had a platform, I rather judge from your speech, hadn't they? A. The Constitution and By-laws.

Q. And a platform too? A. No.

Q. You spoke of their platform? A. Well, I spoke of their Constitution and By-laws, what they were making it as a body.

Q. You spoke of their platform being cut out of Grit timber? A. I stated that I did not think there was any difference between the objects and aims of the Knights of Labor and the objects and aims of the Reform party. I stated also that it was remarked that the platform of the Knights of Labor must have been constructed by a Grit.

Q. But you speak of a platform; I want to know whether these were the standing platform of the Knights of Labor or a platform for this special occasion? A. No, it was a standing platform that I took up from the Constitution of the Knights of Labor.

Q. Can you get one? A. I can send for one.

Q. Having brought a candidate into the field what means did the Knights of Labor take to secure his election? A. They had a committee room engaged and a permanent Secretary appointed; and I believe there were committees appointed to canvass the town.

Q. Was that separate and distinct from the Reform Association? A. Altogether.

Q. Who was their permanent Secretary? A. Mr. Adams.

Q. What was his first name? A. James, I think.

Q. You mean a permanent Secretary who was engaged for the purpose of the election? A. Yes.

Q. And where were the rooms? A. Right opposite the market.

Q. In what building? A. In Bright's block—no, it was in Miles' right along side of Bright's block.

Q. When did they engage the room? When did they start to work? A. Immediately after the House was dissolved and the writs were issued.

Q. And what was the size of their committee? Did all the Knights of Labor take part in it or only some of them? A. It was supposed they would all take part in it. I think the Knights met in the assembly room, and then appointed other committees; small committees.

Q. You attended these committees, I suppose, from time to time, of the Knights of Labor? A. Yes, occasionally. I was mostly in the country though. I would always attend the rooms when I was there.

Q. And then you would occasionally attend the committees of the Knights of Labor? A. No, I do not think outside of attending the committee rooms. I attended there, and there were generally a great number in.

Q. When you said a moment ago you attended the rooms I thought you meant you attended the rooms of the Reform Association; but you now say you attended the rooms of the Knights of Labor? A. I attended both when I was in town.

Q. Had the Knights of Labor any means, any funds at their disposal? A. No.

Q. You did not contribute at all? A. Only towards the necessary expenses.

Q. But there was a fund of the Knights of Labor? A. Yes, of which I contributed the most.

Q. How much did you contribute to that fund? A. About, I suppose, altogether, perhaps \$75.

Q. In one sum or in different sums? A. In different sums at different times.

Q. How did you do it? By cheque? A. No, I think generally by cash.

Q. Whom would you pay the money to? A. To the Secretary.

Q. Adams? A. Yes.

Q. Then Mr. Adams can tell us how much of that fund? A. No, not all. I think I paid my agent for the rent of the room. I know it was for the rent of the room and the Secretary's salary. I agreed to become responsible for the Secretary's salary and also for the rent of the room.

Q. Was there anything more you paid? A. Only for some trifling stationery, and for wood and postage; nothing for lights.

Q. Taking all your expenses throughout, is Mr. Walker's recollection of that right, about the way the money was raised? Did you understand you were paying your own expenses, or did you understand a fund was got up for the purpose of paying them to which you would contribute? A. Well, Mr. Walker stated the expenses would be about \$200.

Q. I am not asking you that; I am asking you did you understand you were to pay your own expenses or that a fund was to be raised to pay the expenses? A. A fund was to be raised.

Q. Then you contributed to that fund? A. Yes.

Q. And whom did you make your payments to? A. I made my payments to my agent, through Mr. Flint.

Q. But who actually got the money? A. I think Mr. Flint got most of it.

Q. How much money did you pay to Mr. Flint? A. I think I gave him \$450. I gave him a cheque for \$300 and a cheque for \$150. I do not think I gave him a cheque for two \$150's.

Q. And the second cheque? A. \$300.

Q. Was that all that you paid him before the polling? A. That is all, I think, before the election.

Q. And how much did you pay him after the election? A. \$400.

Q. That would be altogether \$850. A. Yes.

Q. Are you sure that is all? Have you examined your cheques to find out whether that is all you have paid? A. No, I am not exactly sure.

Q. Where did you keep your account? A. In the Bank of Commerce.

Q. Have you examined your cheques to see whether that is all? A. When I took any money I gave a cheque of the firm and then gave the firm credit for it in our own private accounts. We are giving hundreds of cheques all the time; and if a cheque was paid only to John Brown or Thomas Smith you could not distinguish what it was for.

Q. You could not distinguish what was for election? A. From my private account with the firm.

Q. Then had you no private account of your business? A. None whatever.

Q. Who is your partner? A. Mr. Stephens and my brother.

Q. What is the name of the firm? A. Campbell, Stephens & Company.

Q. Would you be kind enough to send me for that book that would show that account of yours? A. Yes, I will send for it.

Q. Have you examined this account of yours to ascertain how much? A. I am just speaking from memory.

Q. Then it may be more than you have told us? A. I do not think it is any more.

Q. That is, the moneys that you paid to Mr. Flint. Who else did you pay? You told us Mr. Adams also? A. I paid some small sums to Mr. Craddock, my agent.

Q. Do you remember the amounts of them? One was \$20 or \$22; I think that is all.

Q. You only remember one sum now of \$20 or \$22 that you paid to Mr. Craddock? A. That is all.

Q. That is all the money you remember paying? A. Yes, except my personal expenses.

Q. What do you cover under the head of.....? A. My private expenses, railway fares, hotel bills.

Q. Did you pay any money to Mr. McGoldrick? A. No, not to my knowledge.

Q. Did you hear of Mr. McGoldrick having money at the time? A. Yes, I have heard of it now.

Q. Did you hear at the time that McGoldrick had money and was spending money? A. No, I did not.

Q. When did you first hear that McGoldrick was spending money? A. After the election.

Q. Did you ever ask McGoldrick if that was true or not? A. No.

Q. What did you hear about McGoldrick spending money? A. Well, the Conservatives were anxious to account for their defeat, and they said that McGoldrick had spent thousands of dollars and that I had spent \$20,000 in this election; and that is the way they were letting themselves down easily.

Q. Did you hear how Mr. McGoldrick had been spending money? A. No, I did not.

Q. Hear that he had been spending money in his barn, paying out money in his barn? A. No, not until since the election.

Q. Did you ever ask him if there was any truth in it? A. No.

Q. Why not? A. Because it was none of my business.

Q. How do you make out it was none of your business? A. Well, I did not think it was my business to go round enquiring about these things.

Q. You understood McGoldrick was a very active supporter of yours? A. No, I did not.

Q. Well, you knew he was an active supporter of yours? A. I knew he was supporting me.

Q. And you knew he was an active supporter? A. He was supporting me, I believe.

Q. And working for you? A. I believe so.

Q. And taking an interest in your election? A. Yes.

Q. Anxious for your return? A. Yes.

Q. Well, now, why do you say he was not an active supporter? A. Well, some men were more active than others.

Q. Was there any man more active than Mr. McGoldrick? A. Yes.

Q. Who else? A. Well, I would say Mr. Christie was, and Mr. Walker and Mr. Douglass.

Q. They were more active with their tongue perhaps? A. That is the way they all were.

Q. McGoldrick has left the country conveniently just now; therefore I would like you to tell me all you could? A. I could not tell you anything about it.

Q. You say you did not give him any money? A. Not a cent.

Q. Was any money paid to him by the firm? A. I do not think a cent.

Q. Will you swear there was not? A. Yes, I will.

Q. Is he a man who would spend his own money in that way, do you think?

A. Well, I think he would; he is one of that kind of men that does not stand if he wants to—

Q. If he wants to carry a thing he does not stand on trifles? A. I do not think he would.

Q. He has never insinuated to you that there is a little debt you owe to him for money spent during the election that should be settled after this trial is over. A. No.

Q. Do you know Mr. S. McCormack? A. Yes.

Q. Where does he live? A. I think he has been up at Fort William; I understood he was laid up there with a broken leg.

Q. When did he get up to Fort William? A. I could not tell you.

Q. He was here during the election, wasn't he? A. Yes, and for a time after.

Q. Where did he live during the election? A. He lived at Chatham.

Q. What was his business? I could not tell you his business. I do not know whether he has any particular business.

Q. Was he taking any part in your election? A. I think he was a little.

Q. Mr. John R. Walker, I think you told me a little while ago, was not a Knight of Labor? A. He is not.

Q. Is he in your employment? A. Yes.

Q. Was he in your employment during the election? A. Yes.

Q. As what? A. Head miller.

Q. And I believe he took an active part in the election too? A. Never more than voting for me. I do not think he was ever on any committee.

Q. You say he was not an active supporter of yours. I have his letter here; now, wasn't he active? A. I do not know how he could be active, because he was engaged in the mill all the time.

Q. Here is what he says. (Reads letter in which the writer says he has not been attending to milling business much on the street owing to having been on the political warpath for two months.)

Witness—A. I mean he did not go out on the street and canvass for me; if anyone came in the mill he would speak to him to vote for me.

Q. Who is John Holmes? A. He is our foreman at the elevator.

Q. Was John Holmes on the political warpath too? A. I do not think he was away from his work a day.

Q. Was he doing all he could for you? A. I suppose if a man came into the elevator he would talk to him.

Q. Who is Charles Hadley? Is he in your employment too? A. No.

Q. Well, who is he? A. He is a son of Sylvester Hadley; lives in Chatham.

Q. What does he do? I think he is employed with his father; they have a large lumber business and a planing mill. ■

Q. Is he a partner? A. I think not; I do not know.

Q. A young man? A. Yes.

Q. Was he a member of the Liberal Club? A. I do not think it; he might have been; I would not be sure.

Q. A pretty active fellow at the election, though? A. I do not know whether he was or not; I never met him, I think, during the whole campaign.

Q. Rock Dolsen, who is he? A. He is a young man in Chatham here.

Q. Were you a member of the Liberal Club? A. Yes.

Q. Who has got the list of the members of the Liberal Club? A. I do not know that there is a list now.

Q. You seem to have been fitting yourself out for this election? A. How?

Q. A member of the Young Men's Liberal Club and a member of the Knights of Labor? A. There was a Liberal Club here ten years ago; it died.

Q. Were you a member of the Young Men's Liberal Club ten years ago? A. Yes.

Q. Was Mr. Dolsen a member of the Young Men's Liberal Club? A. No, I think not; he was generally on the other side.

Q. But he was supporting you the last election? A. Yes, I believe so. I heard he was. He was a member of the Knights of Labor; that is the way he supported me, I suppose.

Q. Then Hendershot, did you tell me he was a Knight of Labor? A. No, I do not think he was; I am not sure.

Q. Thomas McIntyre, where does he live? A. I think he lives in Harwich now, and has lived there.

Q. Do you know him? A. Yes.

Q. Do you know what part he took in the election? A. I think he supported me; I do not know what part he took; he is a Reformer.

Q. Would he be a man likely to attend the conventions? A. Well, he might have been there.

Q. He is likely to have been there from his standing and position in the party? A. He is eligible to be chosen. There are so many that are eligible that it is a question whether he would be chosen or not.

Q. Then Matthew Dillon, who is he? A. He is a farmer living in Raleigh.

Q. Could you say the same of him that you have said of McIntyre? A. Just about the same.

Q. Did you meet Dillon about the election? A. I do not think I did.

Q. Did you meet any committees at all in the country? A. Very few.

Q. But you did meet some? A. I do not think I ever met one; not as a committee.

Q. You met numbers of your friends together? A. Yes.

Q. Small groups of your friends. And they told you, I suppose, how they were getting on in the country? A. I tried to make a personal canvass.

Q. But in addition to that your friends were working for you too? A. Yes.

Q. And they were holding the usual meetings in the country the same as they did in the town? A. I suppose so; I cannot say.

Q. That is, they would meet and go over the voters' lists and see who were the voters for you and who were the doubtful ones? A. I suppose they would do that.

Q. And then they would arrange about getting out teams and about appointing scrutineers. I suppose you made the appointments of the scrutineers? A. I signed them in blank. I left them with Mr. Flint or Mr. Walker. I think I left them with Mr. Walker.

Q. They would necessarily, I suppose, be filled up from local information? A. Yes, I suppose so.

Q. C. Babcock, where does he live? A. Babcock was a Government contractor and lived in the town here.

Q. Supported you? A. I rather think so; I am not positive.

Q. I mean apart from voting? A. I do not think he took any part except voting.

Q. Did you ever see him at any of your meetings? A. I do not think so. He was working on the Dominion piling.

Q. Ever hear of his attending them? A. No.

Q. William Hickey, what do you say about him? A. Mr. Hickey is a very intelligent man; lives in the township of Raleigh. He is a very prosperous farmer has been Warden of the county for a number of years.

- Q. A leading Reformer? A. No, he has been a Conservative for the most of his life.
- Q. But he supported you this time? A. Yes, I think so.
- Q. Was that on personal ground or on political ground? A. I think it was on political grounds.
- Q. You are too modest to attribute it to personal grounds? A. Yes.
- Q. You are not an Irishman? A. No.
- Q. Hickey was a man who supported you on political grounds? A. Yes.
- Q. And did he become an active supporter? A. I think Mr. Hickey did what he could.
- Q. Did he join the Reform Association? A. Not that I know of.
- Q. But he did what he could. Did he meet the Reformers in council? A. I could not say.
- Q. Fraser, what about him? A. I do not know him at all.
- Q. Baxter? A. I do not know Baxter either.
- Q. Ludson Pardoe? A. I know him.
- Q. What about him; the same as the others, McIntyre and Dillon? A. Yes, just about the same.
- Q. Did you meet Pardoe at all during the campaign? A. Yes, I met him out at his own place. I called to see him at his place.
- Q. For what purpose? A. I was going by his place up to Romney, and I called at his place on my way just to have a talk about the election, and to find out how the thing was, and I thought it would not do to go by without talking; he was in the saw mill; he has a large saw mill.
- Q. And did he give you a satisfactory account of how things were being worked in his neighborhood? A. Yes.
- Q. Tell you what they were doing? A. No, just spoke in general terms.
- Q. You were satisfied he was doing all he could? A. Oh, yes; he is a pronounced Reformer.
- Q. James Ritchie, what do you say as to him? A. James Ritchie lives in the town of Chatham.
- Q. And you speak of him as you do of Mr. Pardoe? A. Only that I do not think he took as active a part as Mr. Pardoe.
- Q. He is a grain-buyer of yours, isn't he? A. He buys grain for us.
- Q. Where does he live? A. He lives in town.
- Q. Does he travel about? A. No, he buys on the market.
- Q. Did wheat go up during the time of the campaign? A. No; they were expecting it would go up to a dollar, but it did not.
- Q. It was getting upward though? A. I do not think it went up very much; the farmers said it did not go up enough.
- Q. It is hard to satisfy a farmer about the price of wheat? A. About election times.
- Q. So I dare say the wheat cost more that time than the flour was worth when it was ground? A. No, not a bit; we just paid the regular market price.
- Q. James Dillon was a very active man? A. He took some part; he had been the local candidate.
- Q. And was defeated by Mr. Clancy? A. Yes.
- Q. Had you worked for him? A. Yes.
- Q. And he was working for you? A. Yes.
- Q. He was what you would call a prominent Reformer too, I suppose? A. Yes.
- Q. Cyrus Smith, what do you say about him? A. I do not know him as Cyrus Smith.
- Q. A mill owner and timber man? A. Yes. Well, I met the two brothers.
- Q. John Houston? A. I know John Houston.
- Q. Is he a prominent Reformer too? A. No, not as prominent as some of the others; that is, he is a Reformer, always votes.
- Q. Is he the kind of man that would take the trouble to come to the convention if he was elected? A. No, I do not think he would.

Q. Then, any work he does would be done at home? A. Yes, he may in his own neighborhood take some part, but I do not think I ever saw him at the convention or at a meeting.

Q. Dennis Duggan, what do you say about him? A. He lives in Wallaceburg; it is outside the riding.

Q. Was he here at all during the contest? A. Once or twice I have seen him over in Chatham.

Q. What was he here for; is he a travelling agent? A. No.

Q. Was he in here during the election at all? A. Yes.

Q. Was he taking any part in the election? A. Not to my knowledge; he lived outside of the riding, and he had no vote in here.

Q. But he might be canvassing or working all the same? A. He might, but I do not know that he was.

Q. Never talked to him about the election? A. I may have; I do not remember.

Q. Thomas Holmes, junior, who is he? A. He is a young man that did live in Chatham; he is now living in Detroit.

Q. When did he move to Detroit? A. I cannot say; sometime after the election.

Q. Was he a member of the club? He was of the old Liberal club, the Young Men's Liberal Club.

Q. Was he of the club that was in existence in 1856? A. I do not know.

Q. Did he take any part in the election? A. Yes, I guess he did.

Q. Work for you? A. Some, I suppose; I think he did.

Q. Frederick Stone? A. He is a lawyer; lives in Chatham, here.

Q. Was he a Liberal in politics? A. Yes.

Q. Did he work for you? A. Not very much, I think.

Q. But he did work? A. Yes, I think so.

Q. Was he a member of the club? A. Very likely.

Q. And a member of the committees afterwards? A. I could not say about that.

Q. Then there is Dr. J. C. Bell, do you know him? A. Yes.

Q. Is he a politician too? A. Well, not very much of a politician, I think. He lives at _____, about twenty miles from here. He is a brother of Judge Bell, and I am acquainted with him, that is about all.

Q. Is he a Reformer? A. Yes.

Q. Attends conventions and things of that kind? A. No, I do not think he does.

Q. Then Mr. J. C. Scott, do you know him? A. Yes.

Q. Is he a Reformer? A. Yes.

Q. The same as you would say of these other men? A. Just about the same as I would say of the others.

Q. Of McIntyre, Duggan and that class of men? A. Yes.

Q. Not so prominent as Pardoe? A. No.

Q. Then Michael Dillon? A. The bailiff; I know him.

Q. A Division Court bailiff? A. Yes.

Q. He is a prominent active worker? A. Yes, I suppose you would call him a prominent man.

Q. He is not a mere volunteer? A. I never saw him at a convention or—

Q. J. F. Anderson? A. Market Clerk; I know him.

Q. Is he also a worker, Reformer? A. Well, he is a Reformer; I do not think he was ever an active Reformer.

Q. Did he not attend the meetings here in town? A. I could not say; I suppose he attended some.

Q. John McCann? A. Yes, I know John McCann.

Q. The same about him as about McIntyre and Duggan? A. Just about the same.

Q. Albert White? A. I know Albert White, and that is about all.

Q. Know H. Stephens; he is your partner? A. Yes.

Q. He was of course doing all he could for you? A. Yes.

Q. Does he agree with you in politics? A. Yes.

- Q. Is he a Knight of Labor too? A. Yes.
- Q. What about Orlo Sheldon? A. He has always been a Reformer; but he is a man that never generally takes much to do with elections. His politics, of course, are well known.
- Q. Whatever he does he would do on your side? A. Yes.
- Q. And do you know of his doing anything at all? A. No, not to my knowledge. I do not think I ever saw him in the committee room.
- Q. Then W. Sheldon? A. He is his brother.
- Q. What would you say about him? A. About the same as Orlo.
- Q. A cold-blooded fellow too? A. He is a Reformer all right.
- Q. George B. Douglass? A. He is a lawyer.
- Q. That is the President? A. Of the Young Men's Liberal Club.
- Q. Then there is Dr. McCue, what about him? A. He is a Reformer, but he has never taken much to do with elections.
- Q. A speaker? A. No, he is not a speaker; at least I never heard him speak. They have a very large practice, and their time is pretty well engaged with their practice. If he could put in a good word for me he would do it.
- Cross-examined by Mr. Cassels:—*
- Q. Do you know anything about this Young Men's Liberal Club yourself, personally? A. No, not lately.
- Q. Do you know that it expired or became effete? A. I think it died a natural death after the winter of 1885, in the spring of 1886.
- Q. Do you know after the spring of 1886 of there ever having been a meeting of the Liberal Club? A. No, I do not think there was.
- Q. What we have heard, I suppose, is correct, that there were assessments made when it was in progress; that is, for the purpose of keeping it up; 25 cents a month?
- Q. Do you know the result that happened if the assessments were not paid? A. Oh, there were hardly any assessments paid.
- Q. After the spring of 1886, at all events, there were no other meetings held? A. No, the meetings towards the last there were hardly any persons attended.
- Q. What was the purpose of the association? A. It was for the purpose of mutual improvement; there were essays and readings and debates for the young men.
- Q. It had been in existence for some years previous to this? A. Yes.
- Q. At the time this Association was formed in November, 1886, were the Young Men's Liberal Club taken in body and bones, or anything said about it at all? A. Nothing said about it.
- Q. Then they were not merged in the sense of being incorporated as an association? A. No.
- Q. They stood by themselves, and stand now, just as in 1886? A. Yes, if they are in existence at all.
- Q. You were brought out by the Knights of Labor? A. Yes.
- Q. And accepted their candidature? A. Yes.
- Q. Then this Reform convention met; how was it they came to take you up? A. They nominated me as their candidate, and before I accepted I told them I had accepted a nomination from the Knights of Labor; that I intended to be their candidate, and that if the Reform Association could accept me and give me their support I should be glad, but I intended to be the Knights of Labor candidate.
- Q. Is that the way in which you put it? A. That is the way I put it.
- Q. It is insinuated here that you asked them all to work for you on that occasion? A. I do not think I did; only, of course, it would be only natural for me to say I hoped they would support me.
- Q. But in regard to asking them to work for you, you do not think you used those words? A. I do not think I did.
- Q. You say to Mr. McCarthy that you made a personal canvass? A. I endeavored to make a personal canvass.

Q. And was that intention indicated to the Knights of Labor at the meeting?
A. I do not recollect what words I used; but I know that I mentioned I would devote my whole time, and I would try to see as many as I possibly could.

Q. And as a fact did you do that? A. I did.

Q. And where was your canvass chiefly directed to? A. In the country nearly altogether.

Q. In the different townships? A. Yes.

Q. Most of your time was taken up there? A. Yes; I thought the town would take care of itself; I had lived a long time in the town, and that it was not as necessary to canvass there at home where I was well known.

Q. You made a house to house canvass? A. Yes.

Q. When did you begin your canvass? A. Immediately after the House was dissolved. I think, if I remember rightly, the notice appeared in the papers on the 18th January, and I immediately then commenced an active personal canvass.

Q. And your time from that time up was taken up by that work? A. Entirely.

Q. Your acceptance at the Knights of Labor was by letter? A. Yes; I was not present.

Q. Then nothing you have said in regard to their helping you would appear in that letter? A. No, I merely accepted the nomination tendered to me, and thanked them for it; I forget just exactly what I did say in the letter. Then at a subsequent meeting I addressed them on the candidature.

Q. Then the meeting which you attended was a mass meeting? A. Yes.

Q. Subsequently they appointed special committees with a secretary? A. Yes.

Q. And then those committees attended to the duties of the election? A. Yes.

Q. And during the course of the election you attended the rooms both of the Knights of Labor and of the Reform Association, but were not present at any of the meetings; that is, of the regularly called meetings? A. I only got home generally about on Saturday nights. I always made a point to be home on Saturday so as to be on the market and see as many farmers as I could on Saturday. Then there generally was a meeting on Saturday, and I attended them generally; yes, always; and they generally used to have some speaking going on, and always expected me to say a few words.

Q. You made payments to Flint, you say, for your agent? A. Yes.

Q. Who was your agent? A. Mr. Craddock.

Q. And Mr. Craddock made up the accounts which the Sheriff will produce?
A. I think so.

Q. You say you gave them to Flint for your agent? A. Yes.

Q. What do you mean by that? A. Well, it was more convenient. Craddock of course was a lawyer and his time was fully occupied, and Mr. Flint knew more about these accounts, as he was all the time devoting his time to the campaign.

Q. Then when you say you gave them to him for Mr. Craddock, you mean you told him to give them to Mr. Craddock? A. Yes.

Q. This about McGoldrick you put down to disappointed talk after the election?
A. Yes; there was a great deal of that going on.

Q. Talking of fabulous sums being spent? A. Yes.

Q. \$20,000 being spent by you and \$20,000 by McGoldrick? A. Yes, all such ridiculous talk.

Q. John R. Walker as far as you know was not on the committee? A. No.

Q. And did you meet him at all actively talking or canvassing? A. No.

Q. John Holmes, you do not think he was on the committee? A. I do not think he was.

Q. Charles Hadley, so far as you know, was not a member of the Liberal Club?
A. I do not think he was.

Q. And if he was, was the Liberal Club in existence at this time? A. No.

Q. And during the campaign or the election, did you ever meet him at all? A. I do not think I did. I might have met him, but I do not remember of ever having met him.

- Q. He is quite a young man? A. Yes.
- Q. About what age? A. 20 or 21.
- Q. Is he a man of the age you would likely put on a committee? A. No; he is of a retiring disposition, and not likely to push himself forward, and I do not think would be likely to act if he was appointed.
- Q. And Rock Dolsen, is it the same way? A. Yes.
- Q. You believe he supported you? A. Yes.
- Q. But he was never on any committee? A. No, not that I know of.
- Q. Thomas McIntyre was a pronounced Reformer, you say? A. Yes.
- Q. And eligible for any post within the gift of the Reform party? A. Yes.
- Q. Matthew Dillon we have heard of. Hickey, you think he supported you? A. Yes.
- Q. But was he on the committee to your knowledge, or did you ever ask him? A. No.
- Q. Did you ever meet him working for you? A. No, I do not think I ever met him except I would meet him in town on the other committees. Mr. Hickey has been a Conservative; but he is satisfied that the expenses were too much and that the national debt was running up so it would ruin the country.
- Q. From that you think he would likely give you all the assistance he could? A. Yes.
- Q. But apart from that, as to being an agent or committee man? I do not think he was.
- Q. Pardoe, how long have you known him? A. A great many years.
- Q. He is a Reformer? Yes. His brother and he were in the saw mill yard, and I drove right in; I do not think I got out of the buggy.
- Re-examined by Mr. McCarthy:—*
- Q. You say the Young Men's Liberal Club did not meet after the spring of 1886-1887? Well, the elections were on in 1887, and it was sort of merged or it had ceased to exist; it had died a natural death.
- Q. You were just giving the true reason, "or the elections were on and it merged?" A. It ceased to meet; that would be more exact. After the Knights of Labor started here the young men used to go to attend the Knights of Labor.
- Q. So they were either members of the Young Men's Liberal Club or members of the Knights of Labor, or members of the Reform Association; they turned up in some capacity, whether you call them Knights of Labor or members of the Liberal Club or members of the Reform Association, these same men that had been active during the winter of 1885-1886, attending the meetings of the Club, were active in the winter of 1886-1887, attending to the practical business of the election? A. Some of them were.
- Q. Tell me one of them that was not? A. It would be impossible to tell the names right here now.
- Q. You are not going back on this speech you made, are you? A. I never go back on anything.
- Q. Then you are not going back on that speech that is reported in the *Weekly Banner*? A. I do not know whether that speech is correctly reported or not.
- Q. You saw it at the time, didn't you? A. Yes.
- Q. You read it the following Sunday? A. Yes.
- Q. And did you object to anything that is there? A. I cannot say that I did.
- Q. You never wrote to the editor of the *Weekly Banner* saying you had been misrepresented? A. No.
- Q. Do you object to anything that is there now? A. I cannot say without reading it.
- Q. You did not object to it then; then why should you object to it now? A. I do not know that I do object to it now.
- Q. You are the man who got the meeting called, the convention? A. I believe I was one.

Q. Was that before or after you were nominated by the Knights of Labor? A. It was before, I believe.

Q. Would you swear to that? A. Well that convention was held on the 20th, I think, of November.

Q. Will you swear that this meeting was called before you were nominated by the Knights of Labor? A. Well, I think it was.

Q. That means that you are not quite sure? A. I would not want to swear when that meeting was called.

Q. Had you any suspicion you were going to be nominated by the Knights of Labor? A. No.

Q. Had you any suspicion? A. I thought I had a fair chance.

Q. Didn't you know you were going to be nominated by the Reformers? A. Not for certain.

Q. You had a shrewd suspicion? A. Well, you may put it in that way.

Q. When you were calling this convention did you intend to call out an opponent to Archie Campbell? A. This convention was called to nominate Archie Campbell or somebody else.

Q. More probably Archie Campbell? A. You are never sure of anything until you have got it.

Q. Didn't you ask these men to support you? A. The Reform convention?

Q. Yes? A. I told them I hoped I would get their support.

Q. Did you ask them to work for you, to leave no stone unturned? A. I told them that I would leave no stone unturned.

Q. And you did not want them to leave any stone unturned? A. I do not think I did.

Q. Words to that effect? A. I cannot pretend to answer just the words I said; I suppose in a general way I told them I would be glad to have their support.

Q. And you expected their support? A. No, I do not know that I said that.

Q. Did you not expect their support? A. I expected their support.

Q. Is not that the purpose of the organization of which you have been a member for ten years back, to support the candidate they bring out? A. Yes.

Q. Did not you use this sentence, "I ask my friends to join in using every honest endeavor, and glorious success will crown their efforts;" will you go back on that? A. I do not think I will; I think I asked them to make every honest endeavor, and said I would do so myself.

Q. And didn't you say glorious success would crown their efforts? A. I think they added that. That is a little flattery so as to be able to speak of Campbell's fine speech. Some of these editors can make good speeches.

Q. Is the editor of the *Banner* one of that class? A. Yes; he has a peculiar faculty for that.

Q. What do you mean by saying you gave the money to Mr. Flint to be handed to Mr. Craddock; because Mr. Flint did not hand it to Mr. Craddock? A. Well, I gave it to Flint because he was the man that had charge of the whole election; he had charge of the rooms, and he had charge of arranging the printing and hiring of conveyances and canvassers.

Q. Did you hire canvassers? A. I think I had some; some men out.

Q. Pay them? A. They were paid in the regular way.

Q. So that that is what you mean; you gave the money to Mr. Flint because he was the general manager of the election; the chief manager of the election? A. Yes.

Q. Who were the canvassers he hired? A. Well, we had Senator O'Donohoe up here for awhile.

Q. He was one of the canvassers you hired, was he? A. Yes; he was up here addressing a meeting.

Q. Did you hire him to speak? A. I think he was paid; I do not know.

Q. Who will know about this? A. It will be in the accounts the sheriff has.

Q. Did you pay him, Senator O'Donohoe? A. I do not think we paid him more than his expenses. We had others; we had Dr. McCully. We would address meetings at night, and then in the day time they would canvass.

Q. Would you pay them for their time? A. Yes.

Q. Give me the names of those; was Littleton Johnson one of them? A. I do not hardly think he was.

Q. Then he was not paid any money as canvasser? A. Not that I know of.

Q. I suppose you know that you were responsible for your election account; that no money was to be paid under the law without your sanction? The law requires not merely the sanction of your election agent but your own sanction to the payment of money. Now, was Littleton Johnson paid money with your sanction? A. The accounts were made up while the House was in Session, and I was in Ottawa; the accounts were all made up then and filed with the sheriff.

Q. But the law requires they shall be approved of by you; did you approve of them or not? A. What do you call approving of them?

Q. Investigating them and seeing if they were right payment? A. No, I did not, not with all of them. There were a great many of them I did not know anything about at all.

Q. How was that? A. My agent and the active members of the committee would look after that.

Q. The law requires you to investigate them? A. Does it? Well, I did not know it.

Q. You were going to tell me who these people were that canvassed; do you remember? I mean that were paid for canvassing? A. I have not very much knowledge of who they were; there were several, I think; there were George Reeves, for instance, for one; he was out in the country on two or three occasions.

Q. What was he paid? A. Some petty five or six dollars, enough for his expenses; he says yet that he has never got anything but only just his expenses.

Q. Is he to get more than his expenses? Was he to get so much a day and his expenses? A. No, there was no arrangement; at least I knew of no arrangement.

Q. Who else was there? A. There was one Jackson—James Jackson, I think his name is—that did some canvassing.

Q. How much was he to get? A. He was to get a dollar a day while he was canvassing.

Q. Where was he to canvass? A. Principally around town.

Q. And what particular influence had he that he was to get a dollar a day for canvassing? A. Well, he is a pretty good-looking fellow and a good talker. At that time there was very little going on, in February, and I doubt if he could earn any more. He had some love for the good cause too.

Q. How many days was he employed at a dollar a day? A. I think only some five or six. I do not think he was paid more than five or six dollars altogether.

Q. Did you know of these payments to Jackson? A. I knew he was employed.

Q. Who employed him? A. I rather think I employed him myself.

Q. If you employed him yourself will you just give us the history of it?

(At this stage James Jackson is asked to retire from the court room.)

Q. You made the arrangement with James Jackson yourself; now tell us about that? A. I wanted to call on a good many voters around town and especially the colored people, and I did not know where they lived (Note by Reporter—The man who has just been sent out of court is a colored man), and I did not know their names, and I wanted somebody that was pretty well acquainted with them and knew where they lived to go with me to introduce me; and I happened along with Jackson, and he went with me.

Q. Tell us where you first met Jackson about this matter? A. It was shortly after the campaign opened.

Q. Where? A. In the town here.

Q. But whereabouts in the town? A. I could not locate the spot.

Q. Was it in any house? A. No, I think it was about the market, and I asked him if he could not go around with me.

Q. How did the conversation commence? A. It is impossible to give you just the words that I said.

Q. But I mean the substance of it? A. Well, I suppose the conversation commenced like it always commenced, with "Well, Campbell, how is the election getting on?"

Q. Did he accost you first, or did you speak to him first? A. I could not tell you exactly which.

Q. Then instead of his saying to you, "Well, Campbell, how is the election going on?" you may have said to him, "Well, Jackson, how is the election going on?" A. Oh, he was a supporter of mine before.

Q. You were only nominated last winter? A. Yes.

Q. Was he a Knight of Labor? A. No.

Q. Was he a member of the Reform Association? A. No, I do not think it.

Q. Well, how do you make out he was a supporter of yours? A. Just the same as I would make out with different other ones that I knew were supporting me.

Q. Give me your reason? A. Well, he is a prominent Reformer; he has always voted that way, I think. I have always looked on him as a Reformer.

Q. Are you sure? A. I do not think Jackson ever voted the other side.

Q. Still he was not a member of the Reform Association. Did you ever know him to do any work for the Reform party? A. No. There was no work to do for the last—

Q. Then if he never did any work for the Reform party how did you know which way he voted since the ballot law passed? A. Well, he has often spoken to me before, and he had spoken to others.

Q. When had he met you on the street? A. During the campaign.

Q. I am not speaking of during the campaign. You were talking of this man's previous history; you were saying he was generally Reform, and I am asking you how you know so? A. Well, that is a hard thing to tell.

Q. Had you any reason to doubt him? A. He was supporting also Mr. Dillon in the local election.

Q. Perhaps he canvassed for him too? A. I do not think it; I do not know. This man was supporting me.

Q. Will you tell me anything he said or did before your interview in the market-place which evidenced he was supporting you? A. He expressed his desire and hope that I would succeed.

Q. When? A. I could not fix the time.

Q. Can you fix the place? A. No.

Q. Then are you prepared to swear that such a thing did actually take place? A. That he expressed a desire?

Q. Yes? A. Yes.

Q. Although you cannot give me the time or place? A. No; I met hundreds.

Q. You did not pay a dollar a day to hundreds, I suppose? A. No.

Q. So far this man's position is peculiar? A. Yes.

Q. What is the man's business? A. He is a laborer, I believe.

Q. What kind of labor does he usually do? A. I rather think he is a plasterer; I do not know what he does.

Q. Did anything more take place between you and him than some time or other his expressing a wish that you would be successful? A. No.

Q. Then on this day that you met him on the market-place, which was, I understand, after the campaign commenced, you commenced talking election to him or he commenced talking election to you, you cannot say which? A. I suppose that is the way it took place.

Q. Then having got that start will you go on and tell us what took place? A. I wanted to call on the colored electors at the east end of the town, and did not

know what their names were or where they lived, and I asked Jackson if he could spare the time to go with me.

Q. Did he say whether he could or could not? A. Yes, he said he could go.

Q. Anything said then about remuneration? A. No.

Q. Then he did go, did he, that afternoon? A. Yes.

Q. Would that be a Saturday? A. I could not tell you just what day of the week it was; it might have been a Saturday afternoon from the fact that I was in town generally on Saturday.

Q. Then he went with you; go on and tell us what followed? A. Then he went with me. We did not get through that afternoon, and he went with me on another occasion.

Q. How did he come to go with you on another occasion? A. By appointment.

Q. When did you make the appointment? A. That night when we separated. We did not get through with the voters that night, and I appointed with him to go on another day.

Q. It may have been on the Monday following? A. Yes.

Q. Nothing said about remuneration up to this time? A. Not a word.

Q. Now go on? A. We went the next night after dark from the fact that in the daytime we could not find the people at home; and we called at as many as we could until about eleven o'clock, when the people were going to bed, and then we quit. We did not call on all the electors at that time. I was to go to the country, and I arranged with Jackson that he should go alone and see these others.

Q. What was the arrangement you made with him? A. That he should take a day or two days.

Q. Nothing said about remuneration up to this time? A. Yes; he said then that he could not afford to spend his time.

Q. Did he make that proposition to you or did you make it to him? A. He made the proposition to me.

Q. He said he could not afford to lose his time and—just go on and tell us what he said? A. I told him to go on, that I had not time to call on these people and see them myself, and I wanted somebody to go and see them for me; and in a few words it was arranged he was to go and see these men, and I was to pay him a dollar a day.

Q. Was that to include the time already put in? A. I could not say as to that; I do not believe it was, because when he first went with me I never thought of paying him anything, nor did he mention it; but when I asked him to go and spend further time in looking after these voters, then he said he could not lose too much time.

Q. Then at this time he had put in a part of Saturday; an afternoon, was it? A. The first time it was an afternoon, and up to tea time.

Q. And the second was after tea time and up to eleven? A. Yes.

Q. And after that he was to see the rest of the electors himself? A. Yes.

Q. At night time or by day? A. When it was convenient for him to see them.

Q. How long would it take to see the balance? A. Perhaps two evenings more.

Q. Then you spoke about somewhere else that he was to go? A. Yes, to Shrewsbury; that is about fifteen miles from here, at the lake.

Q. Why was he to go to Shrewsbury? A. There are about twenty or thirty colored people that live out there.

Q. Had he a special influence over these colored people? A. No, no special influence, but we wanted somebody to see them.

Q. Was he to be provided with a rig or buggy out there? A. He was to have a rig. He was to go out and call on these people out there, and then it was arranged that Mr. George Reeves should go out the next night and hold a meeting.

Q. Who is Mr. Reeves? A. He is a colored man who lives in the town.

Q. This man was to go as a messenger in the first place? A. To notify them and also to arrange for a place of meeting, and also to get the people there the next night.

Q. And then Reeves was to go and do the talking? A. Yes.

Q. And was Reeves to be paid too? A. No, I do not think he ever was paid.

Q. But was he to be paid? A. No, there was no arrangement he was to be paid.

By the Court :—

Q. You said George Reeves was paid \$5 for canvassing in the country; is this the same man? A. Yes; he went out to different places.

By Mr. McCarthy :—

Q. And he is claiming a balance still? A. Well, he says he never was paid anything, that he did not get enough to pay his expenses.

Q. How much was paid to Jackson? A. All that I remember of him ever getting was \$5.

Q. Who gave him that? A. I think Mr. Flint gave him that just on the eve of his departure for Shrewsbury.

Q. By your authority? A. Well, I was present.

Q. Did Flint ask you whether he was to give it? A. If I remember rightly I and Flint were talking, and Jackson came up and said he was going out to Shrewsbury and had not any money, he would want a little for expenses. He wanted two dollars, but we could not make the change, and Flint just gave him five dollars, and said it would go on another time, or he could give it back.

Q. Did he give it back? A. Not that I know of.

Q. Was there any money due to him then? A. Yes.

Q. How much? A. Perhaps two dollars.

Q. For what? A. For canvassing in the town.

Q. Had he canvassed in the town? A. Yes.

Q. Did he claim there was anything coming to him? Did he claim he had performed any services? A. I do not think I asked him.

Q. Did he claim he had performed any services at that time? I do not know whether he did or not. A. I have no doubt that he did.

Q. So that at that time in your presence he got the five dollars and you do not know whether he got more than that or not? A. Not to my knowledge.

Q. Were you ever informed by your agent or any of your agents that any more had been paid to Jackson? A. No. He would not have got the five dollars at this time if we could have made change.

Q. How much would you have given if you could have made change? A. He asked for two dollars to pay his expenses.

By the Court :—

Q. Had you paid him then for the canvassing you spoke of? A. No.

By Mr. McCarthy :—

Q. Then he did not ask any then on account of services? A. No.

Q. He just asked it for his expenses? A. That was it.

Q. What expenses would he have to pay? A. He could not go out there and stay over night without some expenses.

Q. Was he being sent out by the rig? A. No, he was driving himself.

Q. The rig was being furnished at your expense? A. I suppose; yes.

Q. Then whether he did ever perform any other services or whether there was any settlement with him you do not know? A. I knew he had performed other services.

Q. How do you know? A. I met him once in Buxton.

Q. Shrewsbury was the place he was to perform services. Did you know of him being at Shrewsbury; did you meet him there? A. No, I did not meet him there, but I knew he was there.

Q. You have been told so, you mean? A. I was told so by those who met him.

Q. Where is Buxton? A. It is in the township of Raleigh.

Q. How far from Shrewsbury? A. 18 or 20 miles.

Q. You never sent him there? A. Yes, I did.

Q. He was to go to Buxton as well, was he? A. Yes.

Q. I am asking you at the time that evening when you had not time to finish your canvass and that you made the arrangement with him that he was to go on and finish Chatham and that he was then to go to Shrewsbury, did you say anything then to him about Buxton? A. You did not ask me.

Q. Was there anything said about Buxton, and if so what? A. When I arranged with him we spoke, if I remember rightly, about him going to do this other canvassing in town that we had failed to do; then he was to go to Shrewsbury and also to Buxton.

Q. And then you say you saw him at Buxton? A. I saw him.

Q. Then he had not gone to Buxton when the five dollars was paid? A. No.

Q. It takes a good deal of money to let the colored man understand how he should vote, doesn't it? A. No more than other classes, I think.

Q. At all events it took this money? You had to employ Jackson, and then you had to pay Reeves to go and speak? A. We did not pay Reeves, only his expenses.

Q. How much was paid Reeves? You say five or six dollars; do you say he was not paid ten dollars and more than ten dollars? A. I do not think he was.

Q. But you won't say that he was not? A. I would not swear he was not.

Q. Stephen Dennis, do you know of his being paid also? A. No, I do not.

Q. Was he or was he not employed to canvass? A. He was not by me, and I do not know that he was by anybody else.

Q. Did you ever hear his name mentioned? A. No.

Q. Do you know a man named Peter Emerson? A. No, I do not.

Q. Spencer Curtis? A. I know Spencer Curtis.

Q. Was he employed to canvass by you? A. No.

Q. Or with your knowledge? A. No.

Q. Or did you hear of it? A. No.

Q. Orlando Curtis? A. I do not know him.

Q. You do not know that he was employed also? A. No.

Q. A. Williams? A. I do not know him either. I may know him, but not by name.

Q. So you mean to tell me that the only colored men that were employed to canvass or paid in connection with the election were Reeves and Jackson? A. The only ones I know.

Q. You are sure about that? A. Yes.

Q. Can you say whether the names of these other men appear in the account as having been paid? A. I do not know.

Q. Who else was there employed to canvass? A. I do not know of any others.

Q. The only ones you mention then were these two? A. The only ones I know of.

Q. Did you have any knowledge of the law which said that no money at all about the election was to be paid except by the election agent? Did you know that when you were a candidate the law was specific and positive on that point? A. No, I did not.

Q. Are these your books (produced) which would show your private account? A. This is the bank book.

Q. That won't show your private account? A. No.

(Another book produced.)

Q. Is this the book containing your account during January and February? A. Yes.

Q. These cheques that you speak of are not charged here? A. They do not appear to be.

Q. Who is the book-keeper? A. Mr. Wescott.

Q. Is he here? A. No.

Q. Where is he? A. He is at the office.

Q. Now where is the money? A. It does not seem to be charged at all.

Q. Well, is there any election account kept? A. No.

Q. Well, where is it? A. Well, it has not been charged.

Q. Well, what has become of it? How can the books be kept if it is not charged? A. (No answer.)

Q. I suppose the book-keeper can tell you where he put these items? A. Yes.

Q. Would you be good enough to send for him? A. He is at the office; you can send for him.

Q. I want the books? A. I will bring you over the cheques.

Q. No, I want the books too? A. Well, there are the books.

Q. No, these are not the books; where is the account of your election expenses? A. I have no account but what is there.

Q. Where are the cheques charged? A. The cheques are in that book.

By the Court:—

Q. I think the witness had better appear to-morrow and bring his books? A. Every cheque that the bank has paid appears here.

By Mr. McCarthy:—

Q. In addition to that there is a day-book, is there? A. Yes.

Q. In which cheques, as they are given, appear? A. No.

Q. When that cheque was given it would be entered in the day-book, wouldn't it? A. It would be charged in the day-book, and if it was charged it would appear there.

Q. Then I want your day-book? A. I will bring the day-book.

Re-cross-examined by Mr. Cassels:—

Q. In regard to this canvassing had you taken advice as to whether you had the right to employ canvassers? A. Yes; I understood I had the right to employ them.

Q. And this man Jackson that you have spoken of, at all events by repute and to your knowledge and belief, was a pronounced Reformer? A. Yes.

Q. And as far as you knew from your committee and supporters and everybody else, had you any reason to doubt he was a Reformer? A. No, no reason whatever; I believed he was a strong supporter of mine.

Q. And at the time you gave him the five dollars you say he had, to your knowledge, performed certain work? A. Yes.

Q. And to your knowledge he was bound to perform other work in Buxton and Shrewsbury? A. He was going to Shrewsbury at that time.

Q. And so far as you know he did go to Buxton and Shrewsbury? A. Yes.

Q. Reeves was also a pronounced Reformer? A. Yes; but he does not vote.

Q. He has some conscientious scruples about voting for either side, I believe? A. Yes.

Q. The money given to Reeves was merely for the expenses of going out? A. Yes, feed for his horses and the like of that.

Q. Take Jackson's work, that is the two evenings canvassing, and Shrewsbury and Buxton, and so on, do you consider the five dollars a reasonable sum? A. Yes, very reasonable.

Q. What would a laboring man be getting at that time? A. From a dollar to a dollar and a quarter a day.

Q. Had you any thought or intent by making that payment to induce him to vote for you? A. No, none whatever. He was going to vote for me.

JAMES JACKSON, sworn and examined.

By Mr. McCarthy:—

Q. You are an elector, are you? A. Yes.

Q. And where did you vote? A. In Chatham.

Q. How long have you had a vote? A. Ten or twelve years.

Q. Are you much of a politician? A. Not much.

Q. Do not care much about politics, do you mean? A. Do not care much about it.

Q. Do you know much about politics? A. No, not a great deal.

Q. What is your business? A. A little of everything; common laborer.

Q. Living in Chatham? A. Yes.

Q. Saw wood? A. Yes.

Q. Garden? A. Yes.

Q. Butcher? A. A little bit.

Q. Baker? A. Not much of a baker.

Q. Plasterer? A. Plaster a little bit.

Q. But you know more about all these things than you do about politics, I suppose? A. I do.

Q. Have you ever had any feeling one way or the other in politics? Do you care much for one side more than the other? A. Well, I have always been a Reformer.

Q. Well, do you care much for one side more than for the other? A. I like that side the best.

Q. And how have you ever evinced your love for the Reform cause? Have you ever sacrificed yourself or your able-bodied relatives? A. I go to extremes sometimes to aid a friend.

Q. Have you ever been in the habit of receiving any money for your aid to the cause of good government? A. Not yet.

Q. Then you were never paid any money for your vote? A. Never in my life, and I would not take anything for it.

Q. Were you ever paid for electioneering? A. I never was paid for it, but I have had promise.

Q. Who was it promised you? A. Mr. Flint.

Q. What was it Mr. Flint promised you? A. To go round the town and canvass for him. He did not promise me money, but he said he would see that I was right. He said to go ahead and work, and he would see that I was right.

Q. When was it Mr. Flint said that? A. It was before the election.

Q. How long before the election? A. Two or three weeks.

Q. And where was it he met you? A. I was in the committee-room, talking about lots of votes up my way, and he said for me to go and talk to them, and he would see I was right.

Q. Was there any agreement made as to what you were to be paid? A. I do not know that he made any agreement, but I told him I would tax him a dollar a day.

(Here Flint is sent out of court.)

CHARGE 27.

Q. When was it you told him you would tax him a dollar a day? A. A couple of weeks. I guess, before the election.

Q. Was it at the same time he said you would be all right? A. Yes.

Q. Was that all that was said between you? A. That was all that was said.

Q. You came up to him and told him that there were a lot of people up your way that wanted talking to, and he said for you to go on and talk to them and he would see you right, and then you said you would tax him a dollar. Anything more said? A. That is all that was said.

Q. Then did you go on and talk to these people? A. I did.

Q. Did you get a list to talk to? A. I did not want any list; as I met people on the street I talked to them, all that I knew.

Q. What were you doing just then; of your various occupations what were you engaged in? A. There was nothing doing then.

Q. And how much does Flint owe you? A. I do not know. I never kept track how long I worked. He gave me such a loose way of talking I did not think I was going to get much.

Q. He gave you such a loose job, I suppose you mean. Did you do anything? A. I did a little.

Q. How many days were you engaged? A. I was around about five or six days.

Q. Where? A. Around town.

Q. You mean met people on the street? A. Yes.

Q. What would you have been doing if you had not got this job; would you have been at home or on the street? A. I would have been on the street, I suppose, any way.

Q. And I suppose if you had been on the street you would have been talking to these people you met anyway? A. I would have been doing just the same; I would have been talking anyway; if I came down town and stayed long I would have to get in election.

Q. Everybody was talking of it? A. Yes.

Q. Then you think in that way you talked of election five or six days? Did you ever present an account? Did you talk to Mr. Flint about it? A. I never presented any account. I met Mr. Flint one day on the street and asked him about some money, and he said he could not pay me any; he said the account was all exhausted. That was two or three days before the election.

Q. But Mr. Campbell is a rich man, isn't he? A. I do not know anything about Mr. Campbell being rich.

Q. Mr. Flint is rich enough to pay you that, isn't he? A. I do not know how rich he is; I am only telling you what he did not do.

Q. Did you ever get any money at all? A. I never get any money for my work.

Q. Did you get any money at all? A. I did not.

Q. Not during the election? A. I think one time—no, I did not get any money. Reeves got some money to go out into the country; I did not get any.

Q. Reeves did? A. He got some money to pay expenses going out into the country.

Q. Were you by? A. I did not see him get it, but he said he got some to go out in the country; I do not know whether it was his own or whose.

Q. Do you say you did not get any? A. I did not get any.

Q. Was any left with you; dropped in your hand or dropped on the floor. A. Wouldn't I have got it if it had been dropped in my hand? I did not get none; I got the promise.

Q. Did you ever go to Shrewsbury? A. I did.

Q. Did you get any money before you went to Shrewsbury? A. I told you Reeves got some money to go out there.

Q. Did you get any? A. I do not remember getting any.

Q. You have forgotten about that? A. I won't say anything about going to Shrewsbury, because I was not in good memory when I started.

Q. What was the matter when you started? A. I was a little off when I started.

Q. Did you get a little off before you started? A. Yes.

Q. Where did you get the money to get a little off with before you went out? A. I fell in with the opposite side, and they wanted to get me to work for them, and they heated me up.

Q. Did they get you up to about the right temperature? A. They got me a little up, and then I went to Reeves.

Q. And did you and Reeves take anything out with you to get the temperature up out at Shrewsbury? A. I did not see any.

Q. Did you take anything out to stimulate the boys at Shrewsbury? A. No.

Q. Did you get five dollars from Mr. Flint before you started for Shrewsbury? A. I won't say anything about that, because I am not sure; I told you I was in bad circumstances when I got in the buggy; I only remember when I got out there.

Q. Did you find five dollars when you got out there? A. I did not find a cent in my pocket; I had to stand a man off to get something to eat.

Q. What did you take Reeves out for? A. Reeves was the orator; he was going to speak then.

Q. Was that the first time you went to Shrewsbury for election purposes, when you and Reeves went out together? A. I was out once or twice before that myself.

Q. What did you go out before for? A. I went out on the opposite side one time.

Q. This election? A. The same election.

Q. Then you have not been very steady as a Reformer? A. I was a Reformer when I went out then.

Q. You were not a Reformer when you went out for the Conservatives? A. I did not go out for them; they sent me out, and I went out and attended to my own business.

Q. What did they send you out for? A. They asked me to go out and look after some boys out there, and I told them I would. I told them I had been looking after them, and I would look after them still, and they gave me a rig to go out.

Q. Was that the first time you were out connected with the election matters, the time you went out for the Conservatives last January? A. I guess it was.

Q. Then the first time you went out for the Conservatives, and the second time you went out was with Reeves? A. Yes.

Q. Did you ever make a bargain with any person to be paid for canvassing except what you have told us with Flint? A. I would not swear to that, because I do not know. Sometimes I was talking and making bargains when I was off and did not know what I was doing.

Q. Then you might be what is called a loose fish? A. No, I am not.

Q. Did you do anything else in this election? A. I went round the street and talked like the rest of them.

Q. You went to Shrewsbury; how long did you stay there? A. I stayed over night, went down one day and back the next.

Q. With Mr. Reeves; who was driving? Does the orator drive? A. He drove a while, and then I took the lines.

Q. What did you do when you were out there? A. Went out to a meeting.

Q. Who had called the meeting? A. Mr. Reeves had called the meeting that night.

Q. What politics is Mr. Reeves; which side is he on? A. He is a Reformer.

Q. Always, or just like you, sometimes one way and sometimes the other? A. You will have to ask him about that; I do not know.

Q. Then it was before the election that you applied to Mr. Flint for payment for your services, before the polling day? A. A day or two before the polling day.

Q. That was about the right time to get it; if you did not get it then, the chances were rather small of your getting it afterwards? A. That is what I thought.

Q. If you did not get it before you voted, you would not get it after? A. I was not getting it for voting.

Q. Tell me what you were demanding money for; what service had you then rendered that you thought you ought to be paid for? A. I had been round canvassing, and I thought I had a right to be paid as well as anybody else.

Q. Who else was getting it? A. I heard you saying somebody got \$10 for two days.

Q. How much were you demanding? A. I was out six or seven days; I think I ought to have \$6 or \$7.

Q. Where were you out the six or seven days? A. I was at Shrewsbury one day, and I was around town.

Q. How many days around town? A. Five or six days, I guess.

Q. Have you never asked it since, or have you written it off as a bad debt? A. Well, I thought if I did not get it before the election, I would never get it at all; so I never asked for it.

Q. Can you give any reason why Mr. Flint should pay you before the election, if he should not pay you after the election? A. As a general rule, if you do not get your money before the election, you do not get it afterwards.

Cross Examined by Mr. Cassels :—

- Q. You say that you think when you went to Shrewsbury you were a little off?
A. Yes.
- Q. Are you a little off now? A. No.
- Q. Quite sure of that? A. Yes.
- Q. Were not you out at Buxton canvassing too? A. That is on the way to Shrewsbury.
- Q. Did not you go there to canvass? A. Yes.
- Q. Wasn't that at Mr. Campbell's request? A. I would not be positive about that, because there was one night they told me to go somewhere, and I do not know who sent me. Me and Reeves went to Buxton and to Shrewsbury too.
- Q. Somebody asked you to go to Buxton? A. Yes.
- Q. And you did go there? A. Yes.
- Q. And you did canvass there? A. Yes.
- Q. And who that somebody was you do not know? A. I would not be positive whether it was Mr. Campbell or Mr. Flint; it was in the committee room.
- Q. If Mr. Campbell says he asked you, you would not like to contradict him, would you? A. I would not say he did not.
- Q. Reeves is the orator of the party? A. Yes.
- Q. Will you say you had not prepared the way for him the day before? A. I say I went the day before.
- Q. Then you went the day before and hired a room? A. Yes, I went out the day before and fixed the hall for them and the school-house.
- Q. And spoke to people out there? A. Yes.
- Q. Were not you requested to do that by Mr. Campbell? A. I would not say whether it was Mr. Campbell or Mr. Flint.
- Q. Well, one or the other? A. It was one or the other.
- Q. Either at the request of Mr. Flint or Mr. Campbell you had been out the day before? A. Yes.
- Q. And arranged about getting the school-house? A. Yes.
- Q. And did some canvassing? A. Yes.
- Q. With regard to this conversation you had; you claimed you ought to tax a dollar a day. You meant by that that you would be entitled to that for your work?
A. Yes. I think one or other agreed to pay me that. I remember telling Mr. Flint about wanting a dollar a day, and he said he would see me right.
- Q. What did you mean by saying one or other agreed to pay you that? A. I think I met Mr. Campbell on the street in front of Mr. Bright's Opera House once, and that he agreed to pay me a dollar a day then.
- Q. And you mentioned that to Mr. Flint? A. Yes.
- Q. And Mr. Flint said he would see you right? A. Yes.
- Q. You think you are justly entitled to charge for six or seven days a dollar a day? A. Yes.
- Q. You say you were always a Reformer? A. Yes.
- Q. That is well-known, isn't it? A. Yes.
- Q. Do you recollect going around with Mr. Campbell one afternoon or one evening? A. I remember going with Mr. Campbell one evening.
- Q. Was that on one occasion or two occasions? A. I think it was on two occasions I went around with Mr. Campbell.
- Q. And after that you went around alone? A. Yes.
- Q. Was it before or after that he agreed to give you this dollar a day for canvassing? A. I think it was then.
- Q. Where was he going to; do you recollect? A. I do not know; he said he had to go out somewhere, and he wanted me to continue the canvassing of the town.
- Q. And he agreed to give you a dollar a day? A. Yes.
- Q. Mr. Campbell says he agreed to pay you five dollars; will you contradict that? A. No, he might have.

Q. But when you subsequently asked Mr. Flint for money he just laughed at you? A. He told me his funds were exhausted.

Q. And he never did pay you anything? A. No.

Q. And you have never asked him since? A. No.

Q. This Reeves is a well-known gallery orator, isn't he? A. Yes.

Q. And a well-known Reformer? A. Yes.

Q. Then you think you are entitled to six or seven dollars' pay. A. Yes.

Q. Was a dollar a day a high rate of wages? A. It was about what is paid here in the winter.

Re-Examined by Mr. McCarthy ;—

Q. Your memory has brightened a great deal since I examined you; you told me it was Mr. Flint you made the bargain with? A. I told you I went to Mr. Flint and told him I wanted a dollar a day, and he said he would see me right.

Q. That is an improvement on what you said before? A. I told him I wanted a dollar a day, and he said it would be right or something like that.

Q. Did anybody else promise you a dollar a day as well as Flint? A. I think Mr. Campbell, one evening when he was going away, said if I would work around town and canvass the ward he would pay me a dollar a day, too.

Q. Do you remember that to swear to it? A. Yes.

Q. Was that before or after you went to Mr. Flint? A. Mr. Campbell was first; I went to Mr. Flint afterwards for the money, and he said the means were exhausted.

Q. Then if Mr. Campbell promised you a dollar a day why did you go off to Mr. Flint and tell him there were some persons to see? A. He was the treasurer.

Q. Is that the only reason? A. That is the only reason.

Q. Then you doubted Mr. Campbell's word, did you? A. I did not doubt Mr. Campbell's word, but he said he was the treasurer.

Q. It was Mr. Campbell spoke to you first? A. Yes.

Q. And what was it Mr. Campbell said to you? A. Mr. Campbell and I went around one evening canvassing. We left off that evening about nine o'clock at night, I think. The next evening we commenced about seven or eight, and we left off about eight or nine o'clock that night; came down as far as Mr. Bright's Opera House, I think. Mr. Campbell said he had to go away, and he said what would I tax him to canvass the balance of the ward. I told him a dollar a day.

Q. That is all you said to Mr. Campbell? A. Yes.

Q. Was that all that Mr. Campbell wanted you to do? A. That is all Mr. Campbell asked me to do.

Q. He did not want you to go to Shrewsbury? A. Mr. Campbell did not ask me to go to Shrewsbury; I think it was Mr. Flint.

Q. Mr. Campbell did not ask you to go to Buxton? A. He did not ask me.

Q. He wanted you to go on and canvass the rest of the people in town. At the time you agreed with him for pay did you ask him for pay or did he offer it to you? A. When he asked me to do it I told him I could not afford to lose my time, and he said how much would I tax him a day, and I said a dollar a day. On our way home we stopped in front of Mr. Bright's Opera House, and he said he was going out in the country, and how much would I tax him and go on and canvass the balance of the town, and I said a dollar a day.

Q. Did you canvass the balance of them? A. I did.

Q. Where? A. On the street and about the houses.

Q. You told me a little while ago you did not canvass about the houses, that you canvassed in the street? A. No, I canvassed at the houses; and I said I canvassed in the street, that I would have been canvassing in the street at any rate.

Q. Had you been out to Shrewsbury before the Conservatives, before you went round town canvassing for Mr. Campbell or not? A. (Unanswered.)

Q. How soon was this talk with Mr. Flint in the committee room before or after you had the talk with Mr. Campbell? A. I was talking with Mr. Campbell first.

Q. How soon after the talk with Mr. Campbell did you go to the committee room and have a talk with Flint? A. I guess it was a day or two afterwards.

Q. And what was it you said to Flint? A. I told him there was a lot more in the ward wanted canvassing. "Well," he said, "why don't you work it up?" "Well," I said, "I would." "Well," he said, "go and work it up."

Q. But you said something about taxing? A. I said I would tax him a dollar a day, and he said go on and he would see me right.

Q. Why did you go to Mr. Flint then after you made the bargain with Mr. Campbell? A. Because I wanted some money.

Q. Had you done the work for Mr. Campbell then? A. I had done part of it.

Q. You had Mr. Campbell's own word that he would pay you a dollar a day; did you ever demand that? A. No.

Q. Why? A. He was out in the country then.

Q. But you have seen him since? A. I was sick; this is the first time I have seen him since he went to the House of Parliament. I had asked Mr. Flint for the money, and he said his means were exhausted, and I was not particular whether I ever got money or not.

Q. Did Mr. Flint ever tell you you had got five dollars? A. He told me I had got something; I do not remember whether it was five dollars or not, but I told him I never had anything.

Q. When was it he told you that; was it the time he told you the funds were exhausted? A. I think it was.

Q. Did you understand that Mr. Flint was claiming that he had already paid in full, or that if he had funds he would pay you more? A. He told me he would pay me some more when he had some funds.

Q. How much more did he say he would pay you? A. He did not say.

Q. Which side did you work on in the local election? A. That has not got anything to do with this election, has it?

Mr. Christie:—I object to that. There is a petition in the Local, and he has no right to fish for evidence in this case.

(Objection overruled.)

By Mr. McCarthy:—

Q. Which side did you work on in the local election? A. Both sides.

By Mr. Cassels:—

Q. You said before to Mr. McCarthy and myself that when you asked Mr. Flint for money he said the funds were exhausted? A. Yes.

Q. And you say you never asked him since? A. No, I never asked him since.

Q. And you said, your last word to Mr. McCarthy, that he was going to give you some more? A. No, I did not; I said he was going to pay me what he owed me when he got some more.

JOHN B. FLINT, recalled and examined

By Mr. McCarthy:—

Q. You hired canvassers, according to Mr. Campbell's account? A. I did some.

Q. And amongst others will you tell me who you hired? A. Mr. James Jackson was one who was hired for canvassing and to do general work in the country.

Q. Who else, will you tell me, you hired for that purpose? A. There was George Reeves, of course; he was only a speaker.

Q. He was also paid for his services? A. Partly paid.

Q. Then who else amongst the colored gentry? A. Littleton Johnson—not for canvassing; I sent him to Detroit and Windsor to look up the voters.

Q. How much did you pay him? A. Either nine or ten dollars.

Q. For his time and expenses? A. For his time and expenses.

Q. Then anybody else was paid: Stephen Dennis, was he paid? A. No, he was not paid anything to my knowledge.

Q. Peter Emerson? A. I do not know the man at all.

Q. Spencer Curtis? A. Yes; Spencer Curtis got two dollars from me.

Q. Orlando Curtis? A. No, I never saw him during the campaign.

Q. A. Williams? A. I do not know the man.

Q. How long have you known Mr. Jackson? A. I have known him since last summer; that is, a year ago last summer.

Q. He is a laborer here? I believe so.

Q. A very poor man? A. He has a house and lot of his own.

Q. Well, he is a poor man though? A. Yes.

Q. Depending on his day's labor for his living? A. Yes, I presume so.

Q. And according to his own account he is not very steady in his political beliefs? A. He has been steady enough since I have known him.

Q. He tells us he was on both sides in the Local? A. Well, you would not judge him to be so by his actions.

Q. He says he went out to Shrewsbury for the Conservatives at this election? A. Well, he may have; I cannot say.

Q. Well, a man who does that cannot have very steady political principles? A. Well, he is a straight enough man.

Q. Why did you say that he was straight? A. Well, we had him in the Local election; he worked hard for us during the Local election, both canvassing in town and in Buxton.

Q. How do you know he worked hard? A. Because I paid him two dollars on account of what he did in going to Buxton during the Local election.

Q. Any other reason for believing him a staunch Reformer? A. Well, judging a man from the company he keeps, he was always associated with our party during the elections.

Q. Any other reason? A. No, I do not know that there is.

Q. Under what circumstances was it that you engaged his services? A. We got him to go to Shrewsbury.

Q. Was there any arrangement before he went to Shrewsbury? A. No.

Q. Sure about that? A. As far as I am concerned; not since the Local election I had not any conversation with Mr. Jackson until the day he started for Shrewsbury.

Q. Under what circumstances did you start him to Shrewsbury? A. I got him a livery and started him up to Shrewsbury to work up a meeting for the following evening.

Q. Any arrangement then about pay? A. No arrangement at all.

Q. No agreement between you and him that he was to get any money? A. No agreement whatever.

Q. That he was to be paid for his loss of time? A. Not all.

Q. Or his expense? A. No, no agreement. I gave him his expenses to start with.

Q. No agreement? A. No.

Q. Under what circumstances did you give him the money? A. I gave him the money in the Reform rooms.

Q. How much? A. I gave him five dollars.

Q. Was he drunk or sober? A. I took him to be sober; he talked very rationally.

Q. Was he as sober as he is to-day? A. I should judge so.

Q. He knew perfectly well what he was doing? A. I thought so.

Q. You gave him how much? A. I gave him five dollars.

Q. What for? A. To pay his expenses to Shrewsbury. I did not know how long he would be down; I did not know but four or five days.

Q. How far is Shrewsbury? A. I should judge seventeen or eighteen miles. We were going to give him two dollars at the time, but we had not change, and gave him five dollars.

Q. When you say "we," whom do you mean? A. Myself and Mr. Campbell. We mentioned that we might have to keep him down at Buxton four or five days.

Q. The reason for giving him five was that you could not make change? A. That was the reason.

Q. How far would you have had to go for change? A. We could have got it, I suppose, in the block.

Q. Was that before or after you left the rooms? A. That was in the old rooms.

Q. Who else was in the room at the time? A. There were very few; it was in the middle of the afternoon.

Q. Do you remember who they were? A. I cannot remember outside of Mr. Campbell. There were several in the room; but I cannot remember any of the other names. I think there was one Parker there.

Q. Did Jackson ever give you an account of this money? A. No.

Q. Did you ever ask him for an account? A. No.

Q. Why not? A. Well, he has always said he never had near enough to pay his expenses when he went out.

Q. But you knew that was all nonsense? A. I did not know about that.

Q. Did you ever ask him for an account? A. No.

Q. Why not if it was not given as a bribe? A. I did not think there was any necessity, because he was out several days.

Q. How many days was he out? A. While he went to Shrewsbury.

Q. You hired the rig for him? A. Yes.

Q. You gave Reeves money too? A. Yes. Reeves did not go with him this trip; Reeves and he went together the second trip.

Q. Well, what could his expenses be going out to Shrewsbury, 17 or 18 miles; his own meals and his horses' meals, I suppose? A. Well, election times people take advantage to charge more than at other times. There was no tavern out there, and he would have to stop at a private house.

Q. You never demanded a refund of any of the balance? A. No.

Q. Did he ever demand of you a balance? A. He came after me for money about two days before the election; he said he was out of pocket, that he wanted more money, that he had not had enough to pay expenses.

Q. What did you tell him? A. I told him that we were short of money, that we could not pay him any more.

Q. You gave him to understand that the funds had run out? A. Yes.

Q. And if you had had more money you would have given him more money? A. Well, he claimed at the time—I think he kicked for a dollar a day.

Q. When was that? A. That was just before the election.

Q. Who did he claim had hired him for a dollar a day? A. Mr. Campbell.

Q. Never you? A. No.

Q. Did he ever tell you he would charge a dollar a day? A. No.

Q. Then it is not true that he came up to the committee room and told you there were lots of more voters to look after, and that you told him to look after them, and that he said he would tax you a dollar a day, and that you said to go on and you would see him right? A. Well, he makes a mistake. At the time I paid him the five dollars to go to Shrewsbury, Jackson told me Mr. Campbell had agreed to pay him a dollar a day. Mr. Campbell was present when I paid the five dollars, but I do not think he was present when Jackson said this.

Q. You had made no bargain with him to give him anything for his time? A. No.

Q. What did he say about Campbell? A. He mentioned at the far end of the room that Mr. Campbell had mentioned about paying him a dollar a day for canvassing and work.

Q. What did you say to that? A. I do not remember that I said anything.

Q. Did Mr. Campbell hear that? A. I do not think he did; I think he was at the far end of the room talking at the time.

Q. Mr. Campbell never told you he had made this bargain? A. No.

Q. Did you ask Mr. Campbell if it was true? A. No.

Q. That is not the story you told a little while ago; you swore five minutes ago that you paid him that money for expenses and not on account of his time? A. I did not catch the connection, that is all; it is straight enough.

Q. When did you give Mr. Reeves the money? A. I gave Mr. Reeves the money when he went to Buxton, perhaps a week after this time.

Q. Whom did he go to Buxton with? A. Mr. Jackson.

Q. How much money did you give Reeves? A. Five dollars.

Q. What was that for? A. That was for paying his expenses.

Q. What expenses? A. Well, he intended to be gone about three days to Buxton, and I gave him this money to pay his expenses.

Q. Was that because you could not make change? A. Not all.

Q. He was going to speak, was he, amongst the colored men? A. He was going to speak at night and canvass in the day time.

Q. Was he a voter? A. Yes.

Q. Then were you paying for the rig that he was driving? A. Certainly.

Q. On what computation would five dollars be a fair sum? A. Well, if he was gone three days it would be very little to pay his expenses.

Q. Why didn't you give him ten dollars? A. We thought five dollars would see him through for his expenses on the trip.

Q. Did you ever ask him for an account of his expenses? A. No.

Q. Why did not you? A. Because I believe that he expended more than the five dollars in expenses.

Q. Why didn't you ask for an account? A. I did not think it was necessary.

Q. You might have given him twenty? A. But I did not.

Q. Do you think there is any difference between bribing a man with five dollars or ten or twenty? A. I did not bribe him.

Q. You told us you gave this other man two dollars? A. Curtis?

Q. Yes. What is that for? He is a colored man also? A. Yes.

Q. What is that for? A. He was to canvass on Duke street and Park Avenue and that corner of the town.

Q. Is that the same ground that the other man had to go over? A. I do not know what ground he covered at all.

Q. Perhaps you will give me the history about this Curtis case? A. Well, this was in the rooms he told us, in the first part of the election, that he was very anxious to assist Mr. Campbell in his election and to do all he could for us. That was perhaps about two weeks before the election or more; and he told me he was canvassing; in fact I enquired. Mr. Jackson told me he was doing all he could for us in canvassing. About two or three days before the election he came to me and was very hard up; said he had spent a good deal of time in the election canvassing as I had wished him to do, and that he would like some money. I enquired how long he had been working and what he had been doing, of Jackson; and he convinced me that he had earned the money.

Q. And you had no agreement with Curtis? A. No. Before this he told me his reason for being anxious for Mr. Campbell's election. He told me Mr. Smith had robbed him out of a horse and buggy.

Q. Why did you give him two dollars? A. Well, at that time my funds were about gone; I had very little money for paying expenses, and my pocket was about empty.

Q. There was no particular reason why you should have given him two, or five or ten? A. Of course I had made no bargain for what work he had done. Jackson happened to be in the room when he came in, and I enquired of Jackson then; and I do not know but I enquired of some other party there; I am not sure.

Q. In his presence? A. Yes.

Q. And the result satisfied you that his services would be two dollars' worth to the party? A. Yes.

Q. How much did you consider this man was worth? A. I never took that into consideration. I had a two dollar bill and I gave it to him.

Q. If you had had ten dollars would you have given it to him? A. No.

Q. If you had had five dollars would you have given it to him? A. I do not think I should.

Q. Then why do you give as the reason for giving him two dollars that your funds were done? A. I had not more at the time.

Q. Am I to understand you that if you had had more than two dollars in your pocket you would have given him more? A. I do not think I would have given him more than two dollars.

Q. In what way did you understand he had labored, by talking in the street or what? A. Yes, and I was informed he had given several days to it. The reason I would not have given him more than two dollars is that I did not consider he was the best canvasser in the world.

Q. Did you pay other people for canvassing? Did you pay Rock Dolsen? A. Yes, I paid Rock Dolsen for canvassing.

Q. How much? A. I could not tell you now; I was paying him a dollar and a half a day.

Q. But he was not all paid up; how much did you agree to pay him? A. A dollar and a half a day.

Q. John Smith, how much did you pay him? A. Nothing.

Q. Was he hired? A. No.

Q. Engaged? A. No.

Q. So much a week? A. No.

Q. Sure of that? A. Yes, so far as I am concerned I do not know anything about it.

Q. John Finlayson? A. Yes; John Finlayson and Rock Dolsen were the only young fellows that received pay. John Finlayson received the same as Dolsen, a dollar and a half a day.

Cross-examined by Mr. Cassels:—

Q. You know where Buxton is? A. I do.

Q. How does it lie from Shrewsbury? A. Shrewsbury is at the foot of Harwich, on Lake Erie, while Buxton is towards the west side of Raleigh, not in the same direction at all.

Q. This last witness, Jackson, in giving an account of his journey to Shrewsbury with Reeves said he stopped over in Buxton? A. He would have to go 13 or 14 miles out of his way to do it.

Q. With regard to Jackson, do you recollect taking advice as to whether you could hire canvassers before you did it? A. Yes, it was talked over in committee.

Q. Did you ask your legal advisers? A. Yes.

Q. The matter was all talked over in committee? A. Yes.

Q. This man Jackson, had he, as far as you know, a reputation for being a good Reformer? A. Yes.

Q. And you explained how you paid him the five dollars in the committee room. Mr. Campbell was present at that time? A. Yes.

Q. At that time had he earned, or was he sure to earn, the five dollars? A. I was sure he would.

Q. When Jackson went off to Shrewsbury do you know as a fact whether he went there or not? A. I do, because we had Mr. Moore and Mr. Parker in a few days afterwards, and they mentioned the fact of what work he had done there.

Q. And from what they reported to you did you believe he had done any work? A. I did; I believed he had done good work.

Q. George Reeves is an orator, a man to speak, apparently? A. Yes.

Q. Curtis is a Reformer? A. Well, I do not know that Mr. Curtis has had any particular politics at all, but of late he has been a Reformer. He was strong in the local election, and started off and went through with us in this election.

Q. Where is this Duke Street and Park Avenue? A. It is on the south-east corner of the town.

Q. I did not catch what you said about prior to this when you gave him two dollars? A. He was in the room, it was perhaps two or three weeks before the election, he was in there talking with me and expressed a wish to see Mr. Campbell elected, and wanted to do all he could to further his interests, and he said he would take that corner of the town and assist us all he could.

Q. Then when you paid him the two you made inquiries about these people you have told us about? A. Yes.

Q. Then were you satisfied he had done all they told you he had? A. I certainly was, or I would not have paid it to him.

By the Court :—

Q. What were Dolsen and Finlayson appointed for? A. To canvass the town. They were leading members of the Knights of Labor, and I employed them to look after our interests in that direction. Dolsen was a leading man in the Knights of Labor, and Master Workman.

By Mr. Cassels :—

Q. Did they spend all their time? A. Yes.

Q. You paid them a dollar and a half a day? A. Yes.

Q. Was that unreasonable? A. No; they could earn two dollars and a half a day at their trade.

By the Court :—

Q. I thought from what you said to Mr. McCarthy that although you had agreed to pay Dolsen you had not paid him all yet? A. No, I had not; I paid him \$15 at one time and \$10 at another. Finlayson was a good mechanic, and he was earning two dollars a day at that season of the year; and at another season of the year he would have been worth fully two dollars and a half.

By Mr. Cassels :—

Q. Before you made those payments had you enquired and found they were doing work? A. Yes, I did, and I found they were doing work. I found they were doing good work among the Knights of Labor.

Q. Do you recollect Irgraham of St. Thomas being brought up? A. Yes.

Q. Do you recollect whether there was any dissension among the Knights of Labor? A. Yes. Campbell was accused of going to St. Thomas and working against the Knights of Labor candidate there, and this was brought up in the Knights of Labor, and through this there was a reaction, and I engaged these young men to canvass the Knights of Labor and make that breach up again.

Re-examined by Mr. McCarthy :—

Q. What did Curtis do in the local election? A. He was around canvassing, I presume, the same as the Dominion.

Q. What do you know about Curtis in the local election? Did you ever see him at all to speak to? A. I did, several times.

Q. I think I have some witnesses here that know as much about it as you do, and I want you to be careful? A. Well, he drove a team the day of the election.

Q. Was it hired? A. No.

Q. Do you know who hired it? A. No.

Q. It was not his own team? A. No.

Q. Any other service? A. I do not know; but he was in and out of our rooms frequently.

Q. Was he there a dozen times? A. I would not swear that he was in twelve times or six times or three times; but I know he was there.

Q. He is the very class of man that goes to both rooms, isn't he? A. Well, I do not know it.

Q. What is his business? A. He has been a teamster; I do not know what he is following now.

Q. Did you assist in making up these accounts that were put in? A. No.

Q. Did you see them? A. No. I gave to Mr. Christie and Mr. Craddock what I had and what I could think of at the time, and I never saw them afterwards.

Q. You do not know whether this two dollars is down in the accounts or not? A. I do not.

Q. Or the amount paid to this Reeves? A. No.

Q. Had you any receipt for the two dollars? A. No.

Q. Did you get a receipt from Mr. Jackson? A. I did not.

Q. Did you return these moneys to Mr. Christie and Mr. Craddock? A. I am not certain whether I did or not; I think I mentioned it to them.

Q. Did you return them as moneys that had been paid out in connection with the election or not? A. I am not certain that I did; I won't swear that I did.

Q. Why didn't you? A. Well, at that time I had not my memorandum in shape so that I could give it in detail.

Q. Had you forgotten? A. I do not know.

Q. Well, then, what was the reason? A. If I had thought of it I would have given it in.

Q. Did you give in the payment that was made to these two men, Dolsen and Finlayson? A. I think I did; I am not positive.

Q. How was it you were able to think of these payments? A. They were two conspicuous cases, isolated cases I may say. These two young men were with me all the time, backwards and forwards.

Q. Was the amount of the indebtedness to them returned as a part of the election expenses? A. I am not certain that it was. I intended to have given it in if it is not.

Q. Did they render an account? A. No.

Q. Did you make out the account for them? A. I did not.

Q. Did Mr. Craddock make out an account? A. I do not know; I did not see the returns that were made.

Q. You did not make out an account to the other people? A. I did not.

ARCHIBALD CAMPBELL recalled and examined.

By Mr. McCarthy:—

Q. Did you give an order to this man Curtis that has been spoken of for two dollars on Mr. Flint? A. No.

Q. Sure about that? A. Yes. I do not remember of ever giving an order to anybody.

Q. I am told you gave an order to this man during the election for two dollars? A. I have no recollection of it.

Q. Will you swear you did not? A. To the best of my knowledge and belief I did not.

Q. That is the strongest you can put it? A. Yes.

Q. Did you see Curtis at all during the election? A. I do not remember of ever seeing him at all.

Q. Did he ask for any money? A. He never asked me for a cent.

Q. Did he ask you for an order? A. No.

Q. Did you give orders on any person? A. I did not give an order at all.

CHARGE 7.

(Charles Hadley is excluded from court.)

WILLIAM JOSEPH PROCTOR, sworn and examined.

By Mr. McCarthy:—

Q. Where do you live? A. Chatham.

Q. Had you a vote at the last election? A. I had.

Q. Did you see any person on the polling day; or rather did you see Mr. Charles Hadley on the polling day? A. I did.

A. Will you tell us what took place between you and Charles Hadley on polling day? I would like to ask your honor for the protection of the court before I go further.

The Court.—I can give you a certificate which will protect you from further proceedings in consequence of anything you have done, if you give your answers to the questions that are asked in such a way as I think is satisfactory. If you do not tell what I consider a true and straightforward story, you may be tackled afterwards.

By Mr. McCarthy:—

Q. Tell us what took place between you and Mr. Charles Hadley on the polling day? A. I saw him on the corner against the Royal Exchange; I was going down the street, and I saw several of my friends and they told me there was money on the float. I said: "Well, I want some."

Q. Whom did you say that to? A. Some of my friends.

Q. Not in the presence of Hadley though? A. No. I went down the street, and I saw Hadley and asked him if there was any money on the float. He said he did not know, but he would go down street and look, and said he would see me after a while. He came back after a while and asked me to take a drive with him. I said there was no use if there was no money going. He said he would see me after a while again; so I saw him in about half an hour on the same corner. I asked him how things were. He said: "I cannot give you any money; I don't know who to see." I said: "They say Rock Dolsen is paying some." I said: "You had best see him." So he went to see him, and came back. He asked me to get in his buggy and he took me down to where I voted. I voted.

Q. And what did he say to you going down? A. He told me: "I cannot pay you any money, Bill, for your vote, but I will lend you some, and you need not pay me back without you like."

Q. Then did you vote? A. I voted.

Q. Did you get any money? A. I got the money as soon as I left the polls afterwards.

Q. How much did you get? A. Two dollars.

Q. Did he say whom he wanted you to vote for? A. Well, he asked me if I would vote for the top name, and I said I would.

Q. Which was the top name? A. The top name on the list. I turned the list upside down and voted for Smith's name on the top.

Q. What did he mean by the top name? A. Well, Archie Campbell; his name was on the top of the ballot paper.

Q. Has he ever asked you for the money since? A. No.

Q. Has he ever spoken to you about money since? A. Not before the other night; he asked me if I had been subpoenaed yet.

Q. Did you see Rock Dolsen on the polling day? A. I saw him several times.

Q. Did you speak to him? A. No.

Q. Or he to you? A. No.

Q. How did you come to know he was paying out money? A. I was told by some of my friends.

Cross-examined by Mr. Cassels:—

Q. What are you doing now? A. Nothing particular.

Q. How long have you been out of work? A. A couple of weeks or so.

Q. And you voted for Mr. Smith, you say? A. I did, and I am not ashamed of it.

Q. A strong Conservative? A. No, I am not a strong Conservative.

Q. Well, that is your politics? A. Mr. Smith did me a great favor when I was sick, and I wanted to return the compliment.

Q. When was that? A. Nine years ago.

Q. So you are a strong friend of Mr. Smith ever since? A. Yes.

Q. You did not think he wanted you to vote for Mr. Campbell? A. He mentioned that way.

- Q. Did you tell him you would? A. I told him I would vote for the top name on the list.
- Q. Which was the top name? A. Archie Campbell; but when I turned it upside down it was Mr. Smith.
- Q. You knew what he thought was the top name? A. Yes.
- Q. And you turned the bottom name up top? A. Yes.
- Q. And you thought you were acting right there? A. To my own conscience.
- Q. You satisfied your conscience? A. Yes.
- Q. Then did you go and tell Mr. Smith? A. No.
- Q. Whom did you tell? A. I did not tell anybody particularly.
- Q. How did you come to be here? A. I came to be here through a subpoena.
- Q. Who subpoenaed you? A. The Conservative party.
- Q. Which of the Conservative party did you tell the story first? A. It was whispered around through the streets they saw me driving with Mr. Hadley.
- Q. Whom did you tell? A. I told my comrade.
- Q. Who is your comrade? A. There is Mr. Ions and Mr. Ruddling.
- Q. When did you tell Mr. O'Neil about it? A. I heard they were going to have me up for receiving a bribe, and I went and asked Mr. O'Neil's advice.
- Q. When? A. The afternoon of the election.
- Q. What time in the afternoon? A. About three o'clock as near as I can tell.
- Q. Before the election was over? A. I think it was.
- Q. Had you voted or not? A. I had voted.
- Q. And that is how the story came out? A. Yes.
- Q. What had you been doing previous to that? A. Nothing.
- Q. How long had you been out of work previous to that? A. I guess about three weeks; that is, one day now and again.
- Q. When did you first see young Hadley? A. I had seen him and known him for years.
- Q. But on this day when had you first seen him? A. In the morning of the election. I cannot hardly tell you when it was—in the forenoon, before dinner.
- Q. As early as 9 o'clock? A. Yes.
- Q. Where had you seen him? A. I saw him driving in his buggy.
- Q. Had you any conversation with him then? A. No, not at that time in the morning.
- Q. How soon after had you any conversation with him? A. Betwixt 10 and 11 o'clock, I think.
- Q. How do you fix that hour? A. Because I know the time I came home to my dinner.
- Q. What time did you dine? A. I dine sometimes at 12 and sometimes at half past 12.
- Q. Where did you meet him? A. I met him at the Royal Exchange corner.
- Q. How far is your house from there? A. My house is right here opposite the gaol.
- Q. How many minutes' walk? A. About five minutes.
- Q. Then you were away home to dinner, and you met him opposite the Royal Exchange Hotel. That is the way you fix the time? A. No, it is not.
- Q. This was in front of the Royal Exchange Hotel, was it, when you saw him the second time? A. Yes, at 10 o'clock.
- Q. Did he stop? A. Him and I were talking together then.
- Q. Was anybody else with him? A. I would not swear whether there was anybody else with him or not. I think he was talking to Mr. Sheldon; I won't be positive.
- Q. Was there anybody else with you? A. Yes.
- Q. Who? A. Young George Neill and James Ions.
- Q. Are they sitting in court here? A. Yes, James Ions is here. George Neill is not here; he is in Chicago.
- (Ions is here sent out of court.)

- Q. Those are the only two that were there? A. Yes, at that time.
- Q. Was that the time the conversation took place between you and Hadley?
- A. I think there was young Ruddling, Isaac Ruddling.
- Q. Is he in court? A. I think he is.
(Ruddling is sent out of Court.)
- Q. Anybody else there? A. That is all at present.
- Q. Were those two present at the conversation between you and Hadley? A. No, I called Hadley to one side and asked him this.
- Q. Then these two did not hear it? A. No.
- Q. You are quite sure of that? A. Yes.
- Q. You called Hadley aside; how far aside from them? A. About ten yards, I guess.
- Q. Far enough for these two not to hear? A. Well, I guess so.
- Q. Then that conversation was between you and Hadley, nobody present, in front of the Exchange Hotel the first time? A. Yes, I said that they were there when I called him to one side.
- Q. All the talk that took place then was between you and Hadley alone? A. Yes.
- Q. With nobody present? A. No.
- Q. Who began the talk? A. I asked Hadley if there was any money on the float.
- Q. What did you say? A. I said: "Charlie, is there any money on the float?" I said: "I am not working now, and I would like to get some."
- Q. What did he say? A. He said: "I do not know whether there is; I will go and see." I told him I heard Rock was paying some money, and he said he would go and see him.
- Q. Then did you part? A. Yes.
- Q. How long was he away? A. I think a little over half an hour.
- Q. And where were you during this half hour? A. I stood on the corner.
- Q. When did he come back? A. In about half an hour.
- Q. Had you a talk with him then? A. No; he told me to get in the buggy.
- Q. That was within half an hour? A. Yes.
- Q. And you had not been to your dinner? A. No.
- Q. When did you get in the buggy, and what did you say to that? A. I got in.
- Q. Anybody see you get in? A. Yes.
- Q. Who? A. These same parties that were still at the corner.
- Q. Where did you go? A. Went down to George Duff's butcher shop.
- Q. Where did you vote? A. On William Street.
- Q. Did you drive right down there? A. Yes.
- Q. Then go in and vote? A. I did.
- Q. So that would be about eleven o'clock? A. That would be about a quarter to twelve.
- Q. How long did it take you to go down? A. I guess the way we drove it would take us about five minutes; we did not go very fast.
- Q. What was said when you were in the buggy? A. I asked him if there was much money going along. He said no, there was not a great deal, all small amounts. I said I would like to have some of it, being I was not working.
- Q. Was that said in the buggy? A. Yes.
- Q. You are quite clear on that? A. Yes.
- Q. Did you make any such demand as that before you got into the buggy? A. No; I got right into the buggy as he came up to the sidewalk.
- Q. Then you got in. You asked him if there was anything going around?
- A. Yes.
- Q. What did he say to that? A. He said there were only small amounts.
- Q. What else was said? A. I asked him how he thought it was going to go, and he said he did not know, but he thought Campbell was going to be elected.
- Q. Then he took you down to the polling place? A. Yes.

- Q. Then you voted? A. Yes.
- Q. Is that all that took place in the buggy? A. Yes.
- Q. Then the whole story is this, according to your statement, that you met him at the corner, made the statement that you have said; that he went away for half an hour? A. Yes.
- Q. Drove up in the buggy? A. Yes.
- Q. Asked you to get in? A. Yes.
- Q. You got in. You asked him if there was much money going. A. He said "no; in small sums?" A. That is when we were driving down.
- Q. You then asked him how he thought the election was going to go. A. He said he thought Campbell was going to be elected. Then you went in and voted? A. Yes.
- Q. Did you come out again? A. Yes.
- Q. Then did you get in the buggy again? A. Yes.
- Q. Where did you go then? A. He drove me around to the Albert Street Bridge.
- Q. Nothing said about the two dollars? A. Yes.
- Q. He did not promise you any amount when he went down? A. Yes.
- Q. Nor did he say anything about the money in the buggy? A. Yes.
- Q. You have given all that took place. He never said in the buggy that he would give you any money? A. He said he would see what he could do for me.
- Q. The sum of two dollars was not mentioned in the buggy? A. I told him I would like to get it, and he said there were only small amounts going.
- Q. What was said in the buggy was that you asked him if there was any money going, and he said only small amounts? A. That is all.
- Q. But nothing about paying you two dollars? A. Well, he hinted it.
- Q. What did he say? A. He just told me that he would give me what was going if he could get it.
- Q. When did he tell you that? A. When I got in the buggy.
- Q. While you were getting in or after? A. While I was getting in.
- Q. What did he say while you were getting in? A. He said: "I will make it all right." That is all the words he said.
- Q. Are you sure that is while you were getting in? A. While I was getting in the buggy.
- Q. Why didn't you tell me that before? A. I guess I did.
- Q. I guess you did not? A. I told you he hinted it.
- Q. Then he drove you down and you got two dollars? A. Yes, after I had voted, after I got in the buggy again.
- Q. What was said after you voted? A. He said: "Now, I will lend you this." He said: "I cannot give it to you, but I will lend you this; you can pay me whenever you like."
- Q. Did you tell him you were in need? A. No.
- Q. Did you tell him you had been out of work? A. Yes.
- Q. Have you got a family? A. Yes.
- Q. And children? A. Yes.
- Q. And you told Hadley you were out of work? A. Yes.
- Q. That you had nothing to buy food with, I suppose? A. No.
- Q. Nothing to buy wood with? A. No, I did not; I can get my wood at Mrs. Scott's; I got it there all last winter.
- Q. Hadn't you gone off to Detroit before this? A. Yes.
- Q. Hadn't you skipped out, so to speak? A. No, I had not. It was Mr. McPherson that had skipped.
- Q. How long had you been in Detroit? A. About two months and a half.
- Q. How long had you been there before the election? A. I could not swear to that.
- Q. You were working where there? A. I was working part of the time with Mr. McPherson, and part of the time with Mr. Page.

- Q. When did you come back to Chatham? A. I won't be certain; it was quite a while.
- Q. Your family went off to Detroit too? A. Yes.
- Q. You did not pay your landlord? A. Eh?
- Q. Mr. Scott was your landlord. A. No.
- Q. On this election day, you say, Mr. Hadley gave you two dollars, using what words? A. Saying: "I cannot give it to you on account of the election, but I will lend it to you; if you want to pay me back all right; if you do not all right."
- Q. Where was it given to you? A. Betwixt Adelaide and William Streets.
- Q. Had you had your dinner then? A. No; I left then to go to my dinner.
- Q. Then you came down town again? A. Yes.
- Q. To vote again? A. No; I would have voted again if I could, for Henry Smith.
- Q. Then you went that afternoon to Mr. O'Neill, his agent? A. I did not know he was his agent.
- Q. Didn't you know he was canvassing for him? A. No.
- Q. Didn't you know he had been speaking for him? A. No.
- Q. You went at all events that same afternoon to Mr. O'Neill and told him this story? A. I did. I heard I was entitled to a penalty of some two hundred dollars and I went to see whether I could not get the thing fixed up.
- Q. You went to the meeting of the Conservatives that night and said you got five dollars, didn't you? A. No.
- Q. Did you never make an affidavit in this matter? A. No.
- Q. Did you make a declaration? A. No.
- Q. Not about this interview with Hadley? A. No.
- Q. Didn't you make an affidavit setting out what took place between you and Hadley? A. No.
- Q. Quite sure you did not say that night that you had got five dollars? A. Yes, I guess I am quite sure I did not say such a thing.
- Q. Then up to the time when you got the two dollars, as I understand you, Hadley had never promised to give it to you? A. No, only the time he went in the buggy he said: "I will make it all right"; he did not say what he was going to give me or anything.
- Q. Are you sure he used those words: "I will make it all right?" A. Yes, I am quite positive.
- Q. And nothing else was said about it? A. There was nothing else said, only I asked him what was going, and he said only small amounts.
- Q. Then he took out the two dollars and gave it to you? A. This was after I voted. After I got in the buggy I said: "Well, what about it now, Charlie," and he laid it in the seat betwixt the two of us, and I took it up, and I said: "I will get out now." So I got out and went home.
- Q. He laid it out so as to be seen? A. Yes, under the buffalo between him and I.
- Q. You have been round the town pretty loose for some time? A. I can get as good a character here as you can.
- Q. You had been out of work for some time? A. Yes.
- Q. You admit yourself you were willing to take a bribe? A. I was willing to take that money.
- Q. You admit yourself you took it and deceived Hadley? A. I took it.
- Q. You admit yourself you would have voted twice if you could? A. Yes.
- Q. You went to Hadley a few days ago, didn't you? A. No.
- Q. Didn't you see him about the 20th of October? A. I saw him two or three nights ago right against the Garner House.
- Q. Didn't you see him about the 20th of October? A. I could not say what day of the month it was.
- Q. It was about ten days ago? A. No, it was not ten days ago.
- Q. Didn't you tell him you had not been subpoenaed? A. No.

Q. And didn't you ask him for money, promising to clear out if you got it?
A. No. He said to me: "I just lent you this money;" and I said: "That is all right;" I did not give him any information. He asked me if I had been subpœnaed. He said he had. I told him I had not.

Q. Did you ask him to back your note for a hundred dollars? A. I did.

Q. When was this? A. This was the same week; the night afterwards, I think.

Q. The night after the conversation about the subpœna? A. Yes.

Q. You asked Hadley to back your note for a hundred dollars? A. Yes.

Q. Of course you would have paid it? A. Well, I guess I would.

Q. He refused? A. He did. He said he was in with his father, or something to that effect.

Q. Then you went and saw him again? A. Yes.

Q. You wanted ten dollars from him? A. I asked him if he would lend me ten dollars.

Q. That was the day after? A. Yes.

Q. He would not lend it to you? A. He said he could not.

Q. Then you asked him for five? A. No.

Q. Did anybody back your note? A. John W. West backed my note.

Q. Do you recollect an interview with Hadley, in the presence of Stone, a day or two after the election? A. Yes.

Q. Do you remember Mr. Hadley asking you, upon that occasion, about your statement of having got five dollars? A. No, not to my knowledge.

Q. What was said about it? A. There was nothing said, only we were talking about the election, all three.

Q. Was there nothing said about the two dollars on that occasion? A. No, there was not; there was nothing said between me and Hadley in Stone's presence about our dealings whatever.

Re examined by Mr. McCarthy :—

Q. You say two or three days ago, or some while ago, Mr. Hadley met you and told you he had been subpœnaed and asked you whether you had been subpœnaed?
A. Yes.

Q. And you had not been subpœnaed at that time? A. I had not.

Q. What more did he say to you? A. He just merely asked me what I was going to say, and I would not give him any information.

Q. Asked you what you were going to say about what? A. About that two dollars. He said, "I just lent it to you, you know; that is all I did." Those are the words he spoke. I saw Mr. Bottoms I think that night.

Q. You say you saw Mr. Hadley on that day first about ten o'clock in the morning? A. About nine o'clock—not to speak to.

Q. The first time that he spoke to you was about what hour? A. It would be betwixt nine and ten that I first spoke to him about it.

Q. That was at the Royal Exchange, was it? A. Yes.

Q. And that was when James Ions, George Neill and Isaac Ruddling were present? A. Yes.

Q. And they saw you speaking to him? A. Yes.

Q. Did he get out of his buggy then? A. He was out when I first spoke to him.

Q. Then you took him to one side and had some private conversation with him which the others did not hear? A. Yes.

Q. Was that the time you told him you heard Rock Dolsen was spending money?
A. Yes.

Q. And that was the time he said he would go and find out? A. Yes.

Q. Then he returned. When he returned were these people still there?
A. Yes.

Q. Did they hear at that time what he said to you? A. I think Mr. Ruddling heard him say: "Get into the buggy."

Q. He did say that to you, however? A. Yes.

- Q. And that was the time he said he would make it all right? Yes.
- Q. Then you went up, and the money was paid to you as you were driving away from the poll between Adelaide and William Streets? A. Yes.
- Q. And it was dropped between you and him? A. Yes.
- Q. The same day you went to Mr. O'Neill, did you? A. In the afternoon I did.
- Q. For what purpose did you go to Mr. O'Neill? A. I went to get his advice on the thing after I heard about this receiving money on the day of the election. I heard there was a fine of two or three hundred dollars, and I went to see Mr. O'Neill whether it was so or not.
- Q. Then did you think you were subject to a fine? A. I did.
- Q. Who was it told you that? A. It was some one down town; I could not exactly say who it was.
- Q. Why did they speak to you about that? A. Because these parties knew we were all together. I spoke that way to them, and they said: "Well, there is a fine; you had better look out."
- Q. Then did you go to Mr. O'Neill and make a statement to him? A. I told him the words as nearly as I could tell him what I have said here.
- Q. Did he take it down in writing? Did you sign it? A. I never signed any thing.
- Q. And that is the way it got out? A. Yes.

JAMES IONS, sworn and examined.

By Mr. McCarthy:—

- Q. Do you know Mr. Proctor, the last witness? A. Yes.
- Q. And do you know Charles Hadley? A. Yes.
- Q. Do you remember polling day the last election? A. Yes.
- Q. Did you see Mr. Proctor on that day? A. Yes.
- Q. Where did you see him? A. I saw him down at the corner of the bank, right opposite the Royal Exchange, and I saw him on the Royal Exchange corner.
- Q. Did you see him speaking to Hadley or Hadley speaking to him? A. No.
- Q. Did you see Hadley drive up there? A. No. I saw Hadley driving around the streets that day; that is all I saw.
- Q. For voters? A. Yes.
- Q. Picking up voters? A. Yes.
- Q. Do you know where the Royal Exchange is? A. Yes.
- Q. Were you in front of the Royal Exchange with Proctor? A. I was on the corner, the other street. I just saw Proctor standing there and I went up.
- Q. Where was Proctor standing? A. Right by the corner of the Royal Exchange.
- Q. And you went up. Where did you go up from? A. I came down street and stopped there. He was standing there and I stopped.
- Q. What time of the day was that? A. I could not say hardly.
- Q. How long did you remain there? A. Just a little while, and then I walked up.
- Q. Then while you were there Hadley did not drive up? A. No.
- Q. Then did you return back again? A. I was around there mostly all the day up and down the street.
- Q. Did you see him driving with Hadley? A. No.
- Q. You did not see Proctor and Hadley together? A. No.

ISAAC RUDDLING, sworn and examined.

By Mr. McCarthy:—

- Q. Do you remember last polling day? A. Yes.
- Q. Do you know William Proctor? A. Yes.

Q. Were you with him at all that forenoon? A. Well, just in the morning, standing on the corner.

Q. Did you see Charles Hadley that day? A. Yes.

Q. What was Hadley doing? A. When I saw him he was around the corner there.

Q. Who was he speaking to? A. He was just walking up and down along there. I did not see him talking to anybody particular.

Q. Did you see him talking to Proctor or Proctor talking to him? A. I did not.

Q. But he was at that corner, was he? He was around that corner.

Q. Was he driving that day? A. Yes.

Q. Did you see him driving Proctor? A. Yes.

Q. Where did he pick Proctor up? A. I think it was at the barn there.

Q. What do you call the barn? A. The stables back of the hotel.

Q. Who kept this hotel? A. I think Mr. McGoldrick kept it.

Q. And where did he drive him to? A. I saw him going up King street. I could not say where he took him to,

Q. Would that be towards the polling place? A. Yes.

Q. Did you see them coming back together? A. No.

Q. Did you hear him say anything to Proctor when he asked him to get into the buggy? A. I did not.

Q. Do you know what Hadley was doing through the day? A. No, no more than driving the rig around.

Q. Doing what? A. Carrying voters.

Q. Whose rig was it? A. I could not say.

Cross examined by Mr. Cassels:—

Q. Do you know James Iors? A. Yes.

Q. The last witness? A. Yes.

Q. Were you with him at the corner? A. Part of the time.

Q. But neither of you were talking to Proctor? A. I do not remember talking to him.

Q. And you do not remember, until you saw Proctor driving with Hadley, Hadley talking to Proctor? A. I saw him on the corner, as I said.

Q. But he was not talking to Proctor on the corner? A. No, I did not see him talking to him.

Q. You saw him on the corner, but the first time you ever saw Proctor and Hadley together was in the buggy driving down? A. In the buggy driving down.

Q. You could not have seen them get into the buggy, then? A. No, I could not.

Q. You said something about their getting in at the barn? A. I said I thought so.

By the Court:—

Q. Did you see Proctor get into Hadley's buggy? A. Yes, I think I did.

By Mr. Cassels:—

Q. Are you quite sure of that? A. Yes.

Q. Where did he get in? A. I think it was right at the barn, coming out from the barn.

Q. Is the barn on the street? A. Not right on, right at the side.

Q. Had the buggy gone off the street? A. It was on the street when he got in.

Q. What you mean is that he got in on the road beside the barn? A. Yes.

Q. But you had not been talking to Proctor at this time? A. No.

Q. Had not been talking to him that morning? A. No.

Q. Neither had Iors? A. I could not swear to that.

Q. Not that you know of? A. No.

Q. You did not see Proctor ask Hadley to step to one side to talk to him? A. No.

CHARGE 27.

ALFRED CRADDOCK, sworn and examined.

By Mr. McCarthy :—

Q. You are a barrister? A. Yes.

Q. You were appointed Mr. Campbell's election agent? A. Yes.

Q. But money does not seem to have passed through your hands? A. Some part of the money passed through my hands.

Q. What proportion of the money? A. I cannot say positively now.

Q. Comparatively a small sum? A. I think so.

Q. The bulk of it was paid out by Mr. Flint? A. I do not know.

Q. If it was not paid out by Mr. Flint who was it paid out by? A. I cannot say; I was not present at the payment of any part of it that was paid out by any person except myself.

Q. From what material did you make up the account, or did you make it up? A. The accounts were submitted to me, and a statement was made up from those accounts of the moneys that had been disbursed.

Q. What material had you? A. Various accounts were submitted by Mr. Christie, and I think by Mr. Flint.

Q. And from those accounts did you make up the statement? A. I am not sure that some accounts were not submitted by other persons; there may have been two or three small accounts.

Q. From this material you made up the statements under the statute? A. Yes.

Q. Do you remember any account of a man named James Jackson being submitted to you? A. I have no recollection of it.

Q. Have you any recollection of any account of a man named Spencer Curtis? A. I have no recollection I think of that account.

Q. Have you any recollection of any account of Rock Dolsen or Finlayson's? A. I have an impression that both Curtis' account and Dolsen's account were submitted, but I cannot speak positively on that point now.

Mr. McCarthy :— Perhaps you had better see the accounts.

By Mr. Cassels :—

Q. Do you recollect that there were accounts for canvassers? A. I think so.

CHARLES HADLEY, sworn and examined.

By Mr. McCarthy :—

Q. I believe you exerted yourself on polling day on behalf of Mr. Campbell? A. I had my father's rig out that day.

Q. And were you driving round getting voters? A. Yes.

Q. Do you know William Proctor? A. Yes.

Q. I believe you lent him two dollars on that day, didn't you? A. I did.

Q. Did you ever get it back? A. No.

Q. Did you ever ask it back? A. Yes.

Q. When? A. A short time ago. I have asked him for it twice, I believe.

Q. Since you were subpoenaed? A. I did once since I was subpoenaed, and I asked him for it once before.

Q. Perhaps you will tell me the circumstances under which you gave the two dollars to him? A. He said that he had no money.

Q. You saw him that day, did you? A. Yes.

Q. What time of the day did you first see him? A. It was in the morning; it was probably eleven o'clock.

Q. Where did you see him? A. Near the Royal Exchange.

Q. Did you speak to him? He spoke to me. I was talking some time.

Q. What did he say to you? He wanted to know if there was any money in the election.

Q. What did you say? A. I told him I did not know of any.

Q. What did he say to that? A. He said he knew that other parties had got it, and did not see why he should not get it.

Q. Did he mention any persons' names? A. Yes.

Q. Who? A. James Ions and Ruddling.

Q. Did he say who had paid them? A. No.

Q. What did you say to that? A. I do not know as I made him much of any reply.

Q. Then what did you do? A. He seemed so anxious that I should go and see that I went to see.

Q. You went to see if there was any money? A. Yes.

Q. Where did you go to see? A. I asked Mr. Flint.

Q. And what did Mr. Flint say? A. He said he was not buying votes.

Q. Is that all he said? A. That is all he said.

Q. Then where next did you go? A. I came out.

Q. Where did you see Mr. Flint? A. I saw him in the committee room.

Q. What did you say to Mr. Flint? A. I told him that there was a man outside that wanted money. He said that he was not buying votes.

Q. Then you went out; was that all that took place? A. That is all that took place.

Q. Where did you go next? A. I saw Mr. Proctor.

Q. And what did you say to Mr. Proctor? A. I told him I could not get any money for him.

Q. Anything more? A. I cannot think of anything more.

Q. Did you ask him to go and vote? A. No, I did not.

Q. Did he go and get in the buggy? A. Yes.

Q. Did you drive him to the polls? A. Yes.

Q. For the purpose of voting? A. He said he was going to vote.

Q. Did he go into the poll? A. Yes.

Q. Come out again? A. Yes.

Q. Did you drive him back again? A. I did not drive him back.

Q. You drove him away from the poll? A. Yes. I was going after a person to vote.

Q. And driving him away from the polls what did you do? A. I gave him two dollars of my own private money.

Q. How did you give him the two dollars? A. I took it out of my pocket and handed it to him.

Q. Did you put it down on the seat or put it into his hand? A. I put it into his hand.

Q. Are you a wealthy man? Have you plenty of two dollar bills? A. No, I have not any more than I need.

Q. Just tell us then how you came to give the two dollars? A. He said he was in bad circumstances.

Q. When did he say that first? A. He mentioned it to me several times.

Q. That he had been out of work, and that if there was any money going he wanted it? A. Yes.

Q. You knew he wanted it just in that way? A. I knew he wanted it if he could get it in that way.

Q. Then what was it you said to him? A. When he mentioned his circumstances I told him I would lend him a couple of dollars, but it was not for his vote.

Q. Did you tell him anything more? A. Not that I remember.

Q. Did you tell him he need not pay it back? A. No, I did not.

Q. Will you swear? A. Yes.

Q. You never charged it against him, I suppose? A. No.

Q. You did not take his note? A. No.

Q. What interest were you to charge him? A. I was not to charge him any interest.

Q. When was it to be paid back? A. When he got work.

Q. But he has never got work since, I suppose? A. Well, he has never paid it. I suppose he has been to work.

Q. You are a pretty young politician? A. Not very old.

Q. How old are you? A. 23 the 7th of last July.

Q. And is this your first election experience, this last election? A. I have driven a rig before in an election.

Q. Did you take an active part in the local? A. No.

Q. But you have driven rigs before on polling day? You make yourself active on polling day collecting votes? A. Yes.

Q. Who told you to take this rig? A. My father told me to take the rig. He told me that the morning of election. I did not intend to go out at all.

Q. What meetings did you attend? The meetings that were held in the town, which meetings were you present at? A. I was not present at any meetings.

Q. Do you remember a meeting in your father's office? A. There was no meeting in my father's office for that election.

Q. There was a meeting in your father's office when the election was talked over and scrutineers appointed? A. No, there was not.

Q. Are you sure of that? A. No.

Q. Was there a meeting any place else? A. Not that I attended.

Q. Do you mean to say you had not anything to do with the voters' lists, looking over voters' lists? A. Not at that election.

Q. What election? A. Mr. Dillon's election, the last local election.

Q. Why didn't you take part in this election? A. I had not the time.

Q. Is that the only reason? A. That is the only reason.

Q. Do you mean to say you never attended any meetings during the contest? A. Never attended any meeting of any committee or anything of that kind.

Q. Do you know where the rooms were? A. Yes.

Q. Have you been in the rooms? A. I have been in the rooms, but not while any meetings were going on.

Q. What did you call in the rooms for? A. For no particular purpose.

Q. You took an interest in it? A. I would like to see Mr. Campbell elected. I took no particular interest. I was on no committee.

Q. You were frequently in this committee room? A. Yes, I have been in, not in the daytime; I have been in in the evening for half an hour or something of that kind.

Q. And while you were in in the evening for half an hour the work of the committee was being done? A. No, not that I saw. I never saw any committee at work.

Q. What were they doing; were they going over the voters' list? A. There were some people; I did not pay any attention to them; I do not know what they were going over.

Q. Did you canvass any of the men? A. Yes.

Q. How many did you canvass on election day? A dozen? A. Well, there were not any more than a dozen.

Q. How many did you succeed in bringing to the poll? A. I could not say.

Q. Were you told to go for particular men, or was that left to your discretion? A. It was left to my discretion.

Q. Why did you go for Proctor? A. I did not go for him.

Q. How did you come to drive him over there? A. I said I was going across the creek, and he got into the rig and went over there.

Q. He asked you for the money before you asked him to go? A. Yes.

Q. You had your rig at that time: why didn't you ask Proctor to go? A. I had not any rig. There was a rig standing in front of the committee room. I think I took that and drove him over.

Q. Your father is an active politician, isn't he? A. He has not been very active lately.

Q. He is a strong Reformer, isn't he? A. He is a Reformer.

Q. He attended the committee meetings, I suppose, if you did not? A. Not that I know of. I never saw him there.

Q. Will you swear he did not go there? A. I will not. I never saw him there.

Q. Did Mr. Flint know you were bringing votes up? A. I do not think Mr. Flint did. I do not think he ever saw me with a rig; he might have.

Q. Did you drive to only one polling place? A. I drove to, I think, three. One was over the creek, one at William Proctor's grocery, and, I think, I took a man to Mr. Hansbury.

Q. Were you told by the people who were there, the friends of Mr. Campbell, whom you were to go for? A. Not that I remember of.

Q. These people knew you were bringing them up, didn't they? A. Yes.

Q. Where was the poll Proctor voted at? A. It was over the bridge.

Q. Who was the Reformer in charge there? A. I could not say.

Q. He knew what you were doing, of course? A. It is likely.

Q. How many rigs were there out? A. I could not say.

Q. When was it arranged your father's rig was to go out? A. The first I knew of it was the morning of the election.

Q. Did you drive a voter to Blenheim? A. I drove one in the afternoon up to the other side of Blenheim.

Q. Who was it told you to do that? A. I do not remember who it was. He said he had to be got there before the polls were closed.

Q. Have you been threatening Proctor? A. No.

Q. Have you not told him you would make this town too hot for him? A. No.

Q. Haven't you been making threats of that kind? A. Not to him.

Q. Not to him, but of him? A. No, I have not. I said that if he swore that I paid him two dollars for his vote he swore what was not so.

Q. What threat did you make? A. I do not remember making any threat.

Q. Will you swear you did not make a threat? A. I do not think I made a threat.

Q. You have made a threat within the last six hours, I am told. Have you not made a threat openly on King Street to-day as to what you would do with this man? A. No.

Q. Will you swear you did not say you would make this town too hot for him? A. I will swear I did not use those words.

Q. Will you swear you did not use words that were the same in meaning? A. I do not think I did.

Q. What words did you use that were like them? A. Mr. Holmes was there and Mr. Warren Lamrick when I was talking.

Q. Well, now, what did you say? A. I do not remember.

Q. Did you see Mr. Campbell on polling day? A. I did not see him.

Q. Was he not home? A. I could not say.

Cross-examined by Mr. Cassels:—

Q. Did Proctor ask you to back his note? A. He did.

Q. What was it took place on that conversation? A. He met me by Pratt's corner, and asked me if I would back his note; he said he was going to buy cattle and things to take on the market. I told him I could not do it, that no one would take my security.

Q. What did he say to that? A. He said that the man would. I told him the man would not take my security. He said he would. I told him I never did anything of that kind without consulting my father; and he came around the next morning, Saturday morning, and I told him it was no use. He said he had the horse and waggon, and that ten dollars would do him. I told him I had not ten dollars. Oh, he said, five dollars would do. At half-past five—

Mr. McGarthy. What is all this about?

By Mr. Cassels:—

Q. Was anything said about skipping out? A. He told me the night I got my summons that if things were right he would go, that he had not been subpoenaed. I told him he need not go on my account.

THURSDAY, 3rd November.

SYLVESTER HADLEY, sworn and examined.

By Mr. McCarthy :—

Q. You are a resident of the town of Chatham? A. Yes.

Q. And you are the father of Charles Hadley? A. Yes.

Q. You have been in public life I think here, have you not, for some years?
A. Yes, for a number of years, off and on.

Q. And you have always been in alliance with the Reform party? A. Not always. I am considered a Reformer, but not very strong. I have voted both ways in parliamentary elections.

Q. For how many years have you been with the Reform party? A. More or less for 40 years.

Q. Have you ever attended Reform conventions? A. Yes, I have, in years gone by.

Q. Will you tell me the conventions you have attended? A. I do not know that I could tell you all of them. I have attended conventions when Mr. McKellar used to run, and I think I attended one when Mr. Stripp ran.

Q. Did you attend the convention at which Mr. Campbell was nominated? A. I was at a public meeting in Bright's Opera Hall; I do not think it was a convention; it was at a public meeting; you might call it a convention. I went there as a hearer.

Q. You were there when Mr. Walker was in the chair? A. Yes.

Q. And when Mr. Walker was elected as the president? A. Yes.

Q. And when Mr. Campbell resigned or ceased to be president? A. I am not positive about that. I was there when Mr. Walker was nominated.

Q. Then Mr. Campbell at that time was in the chair? A. It might be so.

Q. We have it that it was so. After Mr. Walker's nomination, do you remember that Mr. Christie was nominated as vice-president? A. Yes, I think so.

Q. Then do you remember Mr. Christie's speech? A. No.

Q. You remember he made a speech? A. I think he did, but I could not give a word of it now.

Q. Then you were there when Mr. Campbell was put in nomination; because that was the next thing that was done, or rather Mr. Flint was re-elected secretary-treasurer; that was the next thing? A. I do not recollect about that.

Q. Well, you remember Dr. Samson nominating Mr. Campbell as the candidate?
A. I could not tell you who nominated him.

Q. Well, some person nominated him; you remember it was done? A. Yes.

Q. And you remember that Mr. Campbell accepted the nomination? A. Yes.

Q. And that Mr. Campbell made two speeches? A. I recollect about a speech, and it was pretty much a Knight of Labor, I considered it a Knight of Labor speech; I did not fancy the speech very much.

Q. You are not a Knight of Labor? A. No.

Q. Did he make a speech of that kind. A. Yes.

Q. And then he made another speech? A. I do not know as regards the other speech.

Q. The first speech was after he was nominated, and explaining his platform. Don't you remember his explaining that he had already been nominated by the Knights of Labor? A. Well, he did in this speech.

Q. And don't you remember his explaining and arguing that the platform of the Knights of Labor and the Reform platform were pretty much the same? A. No. I recollect one thing he said about the Knights of Labor; he said their platform and his views agreed very nearly, or something to that effect.

Q. You do not remember his using the expression that their platform must have been hewed by some Grit? A. No.

Q. That some Reformer must have sawed the lumber to make their platform of? A. No.

Q. You are, I understand, one of the leading Reformers of Chatham? A. I am afraid you have been wrongly informed; I do not think I am.

Q. Who would you say occupies a more prominent position in the Reform ranks than you do? A. I do not know as I remember them, but I never took a very active part in the Reform ranks. In the years gone by, when I was a good deal younger, I used to work a little in parliamentary elections.

Q. Did you not take any interest in the late election? A. Very little.

Q. Did you take any? I do not consider I took any particular interest in the election at all.

Q. Did you take any interest? Did you ever speak about elections? A. I might have asked a man which way he was going to vote, but I never tried to persuade a man.

Q. Did you go to the committee room or the room where the business was being carried on? A. I never went into the room but twice when I was passing. I just went into the committee room, and did not say anything to anybody in particular. That was in the daytime when I was passing; going down from the post office I just stepped in,

Q. What did you go in for? A. Curiosity, I suppose.

Q. To see what? A. To see who was there and what was going on.

Q. And how long would it take you to see who was there and what was going on? A. I do not think I was there over ten minutes.

Q. That was the first occasion, was it? A. Both occasions were about the same.

Q. I want to know the first time. Which committee room was that you went into? The one they occupied last? A. The one up back of the Exchange.

Q. That is the old store? A. Miller's old store. I never was in the committee room over the *Banner* office during this campaign.

Q. Whom did you find there when you went in the first time? A. I do not know as I could give you a name just now but Mr. Flint.

Q. How many people were there? A. There might have been ten or fifteen. It was in the day time, and there were very few there.

Q. What were they doing? A. The most of them were sitting on a bench there. I saw Mr. Flint, and I saw a couple of young men, I think, addressing some envelopes.

Q. What were the others doing? Were they discussing matters about the election? A. They were sitting there talking as other folks might. I am a little hard of hearing, and I cannot hear unless a person speaks pretty loud.

Q. You do not know what they were doing, but they were doing some business in connection with the election? A. Well, I supposed they were.

Q. Were you asked to withdraw? Were you looked upon as an intruder? A. No.

Q. Did you feel you were an intruder there? A. No, I did not; I have never been driven out of any place that I know of.

Q. At all events you thought the committee room of the Reform party was open to you whenever you chose to go in there? A. I supposed it was. I supposed they had respect enough for me to let me go in.

Q. And you were perfectly understood to be a supporter of Mr. Campbell's? A. I think not. It was generally reported around that I was a supporter of Mr. Smith's at that time.

Q. Whom did you hear it from? A. I heard it from several people from the country that Mr. Smith had reported it.

Q. Can you mention the name of anyone? A. I would not be positive. It seems to me one of the Houghstons told me. There were three or four parties told me it was reported up at some meeting.

Q. Did you admit the truth of Mr. Smith's statement? A. I let the thing just stay in that shape; I did not admit it or deny it.

Q. Do you think Mr. Campbell had any doubt of your allegiance? A. I do not know about that.

Q. Did Mr. Campbell ever speak to you about the election? A. I recollect speaking to Mr. Campbell once or twice.

Q. When was that? A. I cannot tell you how long, but a short time before the voting came off there was quite a rumpus between the Knights of Labor and some of the manufacturers in town, and I was one of them. I went into Mr. Campbell's office—I have a lumber yard close to his place, and sometimes go in to get a little change; Mr. Campbell was there and the election matter came up, and I said: "Mr. Campbell, I think you are hurting yourself by allying yourself so strongly with the Knights of Labor."

Q. Why did you say that to him? A. Because I thought the farming community would not like it, and I did not like it.

Q. You spoke to him then as a friend; cautioned him and warned him as a friend? Then there could have been no doubt in Mr. Campbell's mind as to your position in the election? A. I should think there would be a doubt about it from what I said.

Q. What was it you said to him? A. I said I did not believe in having the Knights of Labor rule the whole town.

Q. Are you honest in telling His Lordship that you left any doubt on Mr. Campbell's mind as to whether or not you were a supporter of his? A. I could not say what the doubt was in Mr. Campbell's mind.

Q. Had you in your own mind at that time any doubt? Had you ever dreamt of supporting Mr. Smith? A. I had never dreamt of supporting Mr. Smith; I was opposed to the man.

Q. And I suppose you were in favor of Mr. Campbell? A. Well, I do not know; it would not have taken much to prevent me voting at all.

Q. Then you voted for Mr. Campbell? A. Well, I think so.

Q. Have you any doubt? A. Well, I think I voted.

Q. Did you or did you not vote? A. I voted.

Q. Why did you say a little while ago that you thought you voted? A. Well, I did think I voted.

Q. And that is the way you express yourself? A. Yes.

Q. Were there any meetings held in your house in connection with the election, or in your office? A. Not any.

Q. Are you sure about that? A. I am sure about that to my knowledge, and I was home all the time.

Q. Neither in your house nor in your office? A. Neither in my house nor in my office.

Q. What interval was there between your first visit to the committee room and your second visit to the committee room? A. There was not much of an interval; it might have been the same day, and it might have been the next day.

Q. Was it either the same day or the next day? A. I am not positive.

Q. Then there must have been an interval of two or three days? A. I do not think it.

Q. There may have been. Then what was the occasion of your second visit? A. The second visit was, I suppose, just the same as the other.

Q. I do not ask you to suppose at all; what was it? A. I had no special business there.

Q. What was it, then, made you go there? A. Curiosity, suppose; I do not know anything else.

Q. What were you curious about? A. That is something I cannot tell you.

Q. Did your interest in Mr. Campbell draw you there? Everybody was taking part in the election, I suppose, on one side or the other? A. A great many did.

Q. The great majority? A. Well, I should think from what I saw there was a good deal of excitement, especially after the election.

Q. Well, this was not after the election. Now, were you only there twice?

A. That is all to my recollection.

Q. Will you swear you were not there more than twice? A. To the best of my knowledge I was only there twice.

Q. But you won't say you were not there more? A. No.

Q. Your horse was out on polling day? A. I think it was. I did not see it out, but I think it was out.

Q. Were you driving it? A. No.

Q. Were the horses or the rigs of the friends of the party asked to be brought out as usual? They are generally called for? A. Well, they were not called for in my case.

Q. I suppose you knew they were desirous of having all the rigs out that could be got out? A. I am unable to answer that.

Q. Do you mean to say that you did not know that your friends wanted your horse on that day? A. I do mean to say I did not know, for nobody ever asked me for it.

Q. Apart from asking did you ever see an election carried on that the horses of the friends of the party are not in requisition? A. Well, they generally are in requisition.

Q. Did you not suppose that they wanted you? A. I do not suppose things.

Q. Why did you send your horse out then? A. There was no business doing at the office, and my boy was there, and I said: "You may as well take —"

Q. Why did you send him out? A. I sent him out because I liked to have him do something.

Q. Do something what way? A. Well, election; but I did not say a word to him which way he was to do it or how he was to do it.

Q. You mean to tell us here on your oath you did not know which way your boy was going? A. I do mean to tell you on my oath that I did not know which way my boy was going to vote.

Q. Did you hear him speak about the election? A. I heard him say he was not going to do anything in this election.

Q. Did you hear him talk about the election in favor of Mr. Campbell? A. I never did.

Q. And you mean to say you allowed him to take your rig out and did not know which way he was going to work? A. I do; and I would let anybody else take my rig out if I knew he was going to haul votes against me.

Q. Did you ever do such a thing? A. I think I have; and my vote was hauled by my opponents too.

Q. How long since you lent your horses to the Conservatives? They had an election for the Local; did you lend your horses to Mr. Clancey at that time? A. I did not.

Q. Did you lend it to Mr. Smith at the former election, when he and Dr. Sampson were candidates? A. No.

Q. Was it out for Dr. Sampson then? A. I cannot remember whether it was or not.

Q. Tell me when you ever lent it to any Conservative? A. I did not say I lent it to a Conservative; I said my team had drawn Conservatives.

Q. You wanted His Lordship here to understand that you did not know which way your son was going when you told him to take the team out and haul voters that day? A. I did not.

Cross-examined by Mr. Cassels:—

Q. These Knights of Labor, I understand that you objected strongly to their platform? A. Yes, I did.

Q. And I understand you objected strongly to being identified with them? A. That is the case.

Q. And your objections to Mr. Smith are objections of a personal character?
A. The only objection I had to Mr. Smith, I did not think he was a fit man to fill the position.

Q. You objected that he was not a proper man for the Conservative party, and had he been a proper man for the Conservative candidate, as between Mr. Campbell and the Knights of Labor and Mr. Smith you would have supported the Conservative candidate? A. Well, I do not know how that is; that has not been tried yet.

Q. At all events you objected to Mr. Campbell being a candidate of the Knights of Labor? A. That was my view.

Q. In what part of the hall were you at this meeting? A. I went up in the north gallery.

Q. Were you there as an onlooker or as a delegate? A. I was there as an onlooker.

Q. You say that at that meeting you disapproved of Mr. Campbell's platform?
A. Well, I did not speak of it at all; that was my own opinion.

Q. You went away dissatisfied? A. I went away dissatisfied, and I am dissatisfied yet; that is, I am of the same opinion still.

Q. And you say you did no work of any kind at the election? A. The only work I did I went up to the polls and voted. I took no active part in it.

Q. You were going to say that you dropped into the committee room on your way to the post office? A. Well, I think it was on my way back. I dropped in twice.

Q. That is all you did? A. That was all I did. I took no part in the election.

Q. The Knights of Labour had shut down on Mr. Taylor's mill, had they? A. Yes. I saw they abused him, and I took up his case; formed a company, and I was appointed president of that.

Q. You were formerly Mayor? A. I was a couple of years.

By the Court:—

I understand that although you were personally opposed to Mr. Smith, and did not think him a fit person to represent the riding, you sent your son out with your rig or buggy to drive voters to the polls? A. All I said to my son—there was no trade in the office; I said, "You may as well take your buggy; there may be somebody who will not walk to the polls that you may get."

Q. You had no idea which way he was going? A. No, I had not. I kind of fancied from the way he talked he was going to vote for Smith; but I did not know.

JAMES GEMMELL sworn and examined.

By Mr. McCarthy:—

Q. Do you know Mr. Charles Hadley? A. Yes.

Q. Did Mr. Charles Hadley speak to you concerning the election at all? A. I do not remember.

Q. You were told within the last few hours. You remembered it this morning; and if you are not careful I will call a witness to whom you spoke this morning and to whom you told it. Now, did Charles Hadley speak to you in connection with the election; invite you to attend a meeting? A. It was Mr. Sprinthall who did that.

Q. Was Charles Hadley present? A. No.

Q. Did Charles Hadley ask you at any time? A. No, not to my knowledge; I would not swear to that.

Q. I give you fair warning, and you will hear more about this if you do not tell the truth. Did or did not Mr. Charles Hadley invite you to attend a meeting at his father's office? A. I do not remember.

Q. Have you said within the last few hours that he did do so? A. No, I never said so.

Q. What did you say about being invited to attend a committee meeting?
A. I said I was invited around to the office there, that there was going to be a meeting there.

Q. To whose office? A. To Hadley's office.

Q. Who told you? A. Sprinthall was the man who told me, and I do not know who told him to tell me.

Q. When was that? A. That was just before the election came off.

Q. How long before the election? A. I suppose about two or three weeks.

Q. Sprinthall invited you there? A. He told me to come around to Hadley's office, that there was going to be a meeting about canvassing the wards.

Q. What did you say to Sprinthall? A. I told him I could not go.

Q. And did you go? A. No.

Q. Were you invited a second time to attend? A. I think I was.

Q. Who by? I think it was by the same man.

Q. You know. Who was it invited you to attend? A. I would not swear that.

Q. Was that Charles Hadley? A. No.

Q. Was Charles Hadley present? A. No, Charles Hadley was not present that I remember of.

Q. Will you say on your oath that Charles Hadley was not present? A. Well, I will now swear that he was not present.

Q. You will now swear that Charles Hadley was not present? A. Well, that is hard to tell.

Q. Will you swear Hadley was not present when you were invited to attend these meetings? A. I will not.

Q. Did you attend the second occasion? A. No.

Q. What excuse did you give? A. The excuse I gave was that I would not be around. I told them I had something else to do that night.

Q. And are you sure these invitations were to attend at Mr. Hadley's office? The first was, you told me? A. Yes.

Q. And so was the second? A. I believe it was.

Q. Just give me Sprinthall's name in full? A. William Sprinthall.

Q. He is working where? A. Coulthart & Neilson's.

Q. Did you attend any meeting? A. Yes.

Q. Where was the meeting held that you attended? A. I was up two or three times over the printing office, and I was into the place opposite the Opera House on King Street.

Q. Was that before or after you were asked to go to Hadley's office? A. It was before. That was just about the same time, within a few days.

Q. Did you see young Hadley there? A. I saw young Hadley in there.

Q. Where? A. In the committee rooms down opposite the Opera House.

Q. Doing what? A. He was just sitting around talking about the election.

Q. What were you doing there? A. I just went in to look around.

Q. You saw young Hadley there; was it at night or during the day you were there? A. I was there during the day, and I was there at night. I think I was there twice during the day.

Q. What were you there during the day for? A. I was not working, and I was just down street and I went in.

Q. What were you doing there? A. Sitting around and hearing people talk.

Q. Were you asked to look after any votes? A. No.

Q. I suppose they had the ordinary books there, the voters' lists? A. Yes.

Q. Were they going over the voters' lists when you were there? A. Yes.

Q. Who was going over them? A. Some of the inside scrutineers.

Q. Who were the inside scrutineers? A. Well, I saw Duncan McNaughton going over lists.

Q. Who do you call an inside scrutineer? A. The man inside that represents the Reform party and sees no votes are cast but what should be cast, I suppose.

Q. Were they appointed the night you were there? How did you know Duncan McNaughton was an inside scrutineer? A. I heard he was going to be.

Q. Was he appointed the night that you were there? A. I do not know that he was.

Q. Was he spoken of the night that you were there as an inside scrutineer?
A. Yes.

Q. What were they doing with the voters' list? A. I suppose they were looking after men they thought might vote for Campbell in the voters' list.

Q. What was young Hadley doing? A. He was not doing anything; he was like myself; he was in there talking.

Q. Had he a pen in his hand? A. No.

Q. Had he a voters' list in his hand? A. No. I do not remember.

Q. Was that in the daytime or at night you first saw young Hadley there? A. At night.

Q. You were there how often? A. I was there about twice through the day.

Q. And how often at night? A. I would not swear to that. I was not there very often.

Q. More frequently at night than during the day, I suppose. A. Yes.

Q. Was young Hadley there always when you were there? A. No.

Q. All the evenings was he there? No.

Q. How often do you recollect seeing him there? A. I only recollect seeing him there once or twice.

Q. Where were you on polling day? A. I was outside scrutineer up at Lawrence's.

Q. Who appointed you to be outside scrutineer? A. I think I was appointed by Mr. Walker.

Q. And what polling division were you at? A. Number five.

Q. Were you there the night that the teams were arranged for? A. No.

Q. I mean the time they asked who would bring out their teams? I was at none of their private meetings at all.

Q. Where were their private meetings held? A. I do not know.

Q. How do you know there would be private meetings? A. I understood there would be private meetings because they asked me to come around to Hadley's office.

Q. That is where you understood the private meetings would be held? A. I understood there would be some private meetings there, or else they would not invite me around.

Q. When was the first of the private meetings that you were asked to attend at Hadley's office; was that before they moved down to the new building opposite the Opera House? A. I would not swear.

Q. The second time, what interval of time was there between the two? A. Three or four days.

Q. And when was the meeting; was it an evening meeting or a day meeting? A. An evening meeting.

Q. What was your objection to attending these meetings at Hadley's? A. Because just before the election came off the Reform party sent around to say that I was not entitled to vote, and I got mad and said it was a regular insult and I would not support the party.

Q. Did they object to your vote? A. I do not know.

Q. How do you mean they had sent you word you were not entitled to vote? A. They sent it through the post office; but it was by a mistake they sent it I was told.

Q. Is that the reason you would not go to Hadley's? A. That is the reason I would not go to Hadley's.

Q. Then why did you go to the other meeting? A. I was in the Conservative rooms and I was in the Reform rooms.

Q. Then you must have got over this little huff you had taken, because you afterwards acted as outside scrutineer? A. Yes.

Q. When did you get over your huff? When was it explained to you that it was a mistake? A. I think Mr. Walker told my father it was a mistake.

Q. You say you were an outside scrutineer, at which polling sub-division? A. Down at Lawrence's, down in William Street.

Q. What is the number of that? I think it was number five.

Q. Were you the only outside scrutineer? A. For the Reform party.

Q. Did you act all day, or was there some person to take your place? A. I did.

Q. Who was the inside scrutineer? A. There was Duncan McNaughton and Tom Holmes were inside; I do not know which one of them was scrutineer.

Q. What were your duties as outside scrutineer? A. Just to mark off those I knew that went in that voted, and to see—that is all.

Q. See what? A. I suppose send the rigs around for men to come and vote? A. I only sent around twice.

Q. Were there outside scrutineers for each of the polling places? A. I do not know anything about the other places.

Q. Were you present when the others were appointed, present at the meeting at which the others were appointed? A. I do not know as there were any others appointed when I was around there.

Q. You have no doubt that that was so; that they did the same at all the polling subdivisions? A. Oh, yes.

Q. Were there quite a number of rigs out for the Reform party? A. I do not remember about that. I did not know half that were driving around, whether they were for Conservatives or Reformers. I knew some of them.

Q. Who did you know? A. There is young Thompson; that is all I remember.

Q. You have forgotten Charles Hadley? No.

Q. Well, why don't you mention him if you have not forgotten him; he was driving around? A. I never saw him driving around.

Q. Didn't he drive voters to number five? A. I will swear I never saw Charles Hadley driving to number five.

Q. Did you see him driving at all? A. No.

Q. I understood him last night to say he had driven voters to number five? A. Well, he might have driven there and I not see him.

Q. Did William Proctor drive a voter to number five? A. I do not remember seeing Proctor around at number five.

Q. But you do swear you did not see Charles Hadley? A. I do.

Q. Did you see him driving; did you understand he was driving? A. No, I did not know whether he was driving or not.

Cross-examined by Mr. Cassels:—

Q. Will you describe where that room is situated opposite the Opera House? is it on King Street? A. It is on King Street.

Q. I am told that was Mr. Dillon's room, that Mr. Campbell never had it at all; what do you say to that? A. There was a committee room round back of the Royal Exchange.

Q. But do you know that was Campbell's committee room? (No answer.)

Q. There is no doubt it was that place on King Street you went into? You can give me the description of the house? A. It is down back of the Royal Exchange.

Q. It is exactly opposite the Opera House, isn't it? That is Mr. Dillon's room.

Q. Well, that is the room where you went in that you saw young Hadley? The room you went into in which you saw young Hadley was a room opposite the Opera House? A. Yes, that is the place, opposite the Opera House, where I saw young Hadley.

Q. Describe to me the situation of these rooms opposite the Opera House? A. This side of the Grand Central Hotel on King Street.

Q. And has it been altered since? A. I would not swear to that.

Q. Then there you have been talking to Mr. McCarthy of having dropped in and seen young Hadley? A. Yes.

Q. And that is the only place? A. I saw him around back of the Royal Exchange.

Re-examined by Mr. McCarthy:—

Q. You say you were in a room which was next the Royal Exchange? A. I did not say next.

Q. Well, near? A. Back of the Royal Exchange.

Q. What do you mean, back of the Royal Exchange? A. Back of the Royal Exchange there is a stable, and then this room.

Q. What street does the room front on? The room I mean fronts on Fifth Street.

Q. That is the room you saw young Hadley in? A. Yes, I saw Hadley there too.

Q. You also saw Hadley in Dillon's room? A. Yes.

Q. And Dillon's room was opposite the Opera House? A. Yes.

Q. And what was Hadley doing? Was he doing the same in one room that he was in the other? Was there any difference in what he was doing? A. No, he was just talking.

Q. Just talking the same way in each? A. Yes.

(It is admitted that Dillon's room was opposite the Opera House.)

Q. You say you saw young Hadley in both rooms? A. Yes.

Q. How often did you see him in each room? A. I saw him twice, I think, in the one room.

Q. Which room would that be? A. It would be opposite the Opera House.

Q. And how often in the other? Once or twice.

CHARGE 8.

JAMES IONS, recalled.

Examined by Mr. McCarthy:—

Q. Do you remember the last election, polling day? A. Yes.

Mr. McCarthy. I am going to ask you questions which entitle you, if you please, to demand protection if you give candid answers. Do you want that?

Witness. Yes.

The witness applies for protection, and His Lordship explains the circumstances under which alone he will give the certificate.

Mr. McCarthy (to witness) On polling day did you get any money? A. Yes.

Q. Whom did you get the money from? A. Rock Dolsen.

Q. Where did you get the money? A. Right in front of Pierce's in a buggy.

Q. Give me the history of how you came to get the money? A. We were standing down by the corner of the Royal Exchange, and he drove along with a buggy, and he says to me "get in." So Neill jumped in. Then he said to me "jump in." We got in, and we came up, and he gave us two dollars apiece.

Q. You were standing by the Royal Exchange? A. Close to the Royal Exchange.

Q. Was that close to McGoldrick's barn? A. I guess it was about a hundred yards from it.

Q. McGoldrick kept the Royal Exchange at that time? A. Yes.

Q. Had you a vote? A. Yes.

Q. What time of the day was it? A. I guess it was pretty near twelve o'clock.

Q. Then you did both get in? A. Yes.

Q. Then what took place? A. We just drove up street and never said anything, any of us, and he just handed the money, and we took it.

Q. Where did you drive to? A. Over the creek to number 4 polling place.

Q. None of you said anything, but he just handed you the money: how much? A. Two dollars apiece.

Q. When was it he gave you the money? A. Before we voted.

Q. Had you asked for money? A. No.

Q. Had nothing been said about money? A. No.

Q. Had you heard anything about money? A. No, only just what I heard around the street.

Q. Had he ever spoken to you about your vote before that? A. No.

Q. Had Neill voted? A. Yes.

Q. Then did you vote? A. Yes.

Q. After you voted what did you do? A. We went down street. We did not go back with him.

Q. Did you see Charles Hadley that day? A. I saw him driving around the street.

Q. Doing what? A. I could not say. He was in a buggy driving around.

Q. Whose buggy was it, do you know? No.

Cross examined by Mr. Cassels:—

Q. What are you doing now? A. Working in Windsor, a cooper.

Q. How long have you been working there? A. About a week.

Q. Did you remain in Chatham after that time? A. Yes.

Q. What had you been doing in Chatham at the time of the election? A. Cooper.

Q. What is Neill's occupation? A. Cooper.

Q. You had no conversation with Dolsen before, you say? A. No, not that day.

Q. Never asked him for anything? A. No.

Q. Gave him no idea that you wanted any money? A. No.

Q. Quite sure of that? A. Yes, quite sure.

Q. Had he never spoken to you about how you were to vote. No, he never said a word to us.

Q. Where were you standing when he drove up to you? A. Right beside the Royal Exchange.

Q. Standing on the sidewalk? A. Yes.

Q. And he just drove up? A. Just drove up and asked us to get in, and Neill got in. He then asked me to get in, and I got in, and he drove us over.

Q. Did you tell him you were hard up? A. No.

Q. Had you voted before? A. Not on that election.

Q. I do not mean on that election? A. No, nor on any other; that was the first vote ever I had.

Mr. Cassels.—I may say with regard to this witness, from inquiries I have made I am satisfied he was given the two dollars, and I am equally satisfied Dolsen was an agent, from the evidence of Mr. Flint. But I am quite satisfied the witness is not accurate in the way he puts it.

ISAAC RUDDLING recalled.

Mr. McCarthy.—I am going to ask you about being bribed, so if you please you can apply for protection.

His Lordship explains to the witness the conditions on which alone he will give the certificate.

By Mr. McCarthy:—

Q. Did you get any money on polling day? A. Yes.

Q. Whom did you get it from? A. I got it out of a stable, out of a crack.

Q. Whose stable? A. McGoldrick's.

Q. How much? A. Two dollars.

Q. Will you tell me the circumstances under which you got that? A. I just asked him for two dollars, and he said he would go and see.

Q. Where did you meet McGoldrick? A. I met him just on this side of the Royal Exchange.

Q. And what did he say to you, or what did you say to him? A. I asked him for a couple of dollars.

Q. Was that the first thing that was said? A. Yes.

Q. What did you want a couple of dollars for? A. I just asked him.

Q. Why should he give you a couple of dollars? A. I wanted to use it.

By the Court:—

Q. Were you a voter? A. Yes, I told him I had a vote, and I wanted a couple of dollars.

By Mr. McCarthy:—

Q. And what did he say? A. He said he would go and see.

Q. Did he go and see? A. He went and saw.

Q. Where did he go to? A. He went out towards the barn and he came back.

Q. Did he go into the barn? A. Yes.

Q. And came back? A. Came back, and Mr. Charlie Hadley came out of the barn, and he told me to get in the buggy and go and vote.

Q. Who told you to get in the buggy and go and vote? A. Mr. McGoldrick.

Q. Told you to get in whose buggy? A. Charlie Hadley's.

Q. Well? A. I got into the buggy and went and voted over the creek at number four polling place.

Q. You were driven then, by Hadley over? A. Yes.

Q. And then what? I went in and voted, and came out and got in the buggy and came back.

Q. The same buggy? A. Yes; driven back by Charlie Hadley.

Q. Any conversation between you and Hadley? A. No.

Q. Simply drove you up? A. Yes.

Q. Then what happened? A. He drove me back to the stable or barn, and Mr. Hadley went into the barn and came out again and walked in with me.

Q. Why did you go in with him? A. He asked me to go in with him. I went in there and McGoldrick was in there, and Mr. Hadley went in a stall and turned his back towards me. Mr. McGoldrick showed me where the two dollars were.

Q. What way did he show it? A. Just turned around and put his hand like that to the crack.

Q. What crack was the two dollar bill in? A. In the stall.

Q. In the same stall Hadley was in? Yes.

Q. I did not quite understand when it was you first saw Charles Hadley. You saw this man McGoldrick, and McGoldrick went into his barn; when did you first see Charles Hadley? Was he in the barn when McGoldrick went in; the first time I mean? A. I saw him come out of the barn.

Q. That is the first time you saw him? A. Yes.

Q. Then McGoldrick went into the barn? A. Yes.

Q. And then Hadley came out and McGoldrick too? A. Yes.

Q. And then McGoldrick told you to jump into the rig? A. Yes.

Q. Did you see any money paid that day except this two dollars? A. That is all I saw.

Mr. Cassels.—This is a different charge from what I expected to meet.

Mr. McCarthy.—I ask to add a charge in pursuance of this witness's evidence.

The Court.—You can say whether you are taken by surprise by this.

Mr. Cassels.—I would like to make enquiries about it. With regard to the Ions charge I am instructed that that was money paid by an agent of the candidate, but without his knowledge; because there is no doubt that Dolsen was an agent; that is, after what Mr. Flint stated, and I fancy that voids the election.

The Court.—I should like to hear Rock Dolsen's evidence if I am to make any report on the election that is to be of any value.

Mr. Cassels.—I would like this particular charge to stand over until after the recess.

Mr. McCarthy.—I have no objection to that.

Mr. Cassels.—I will submit that if the election is voided on the ground of bribery by agent, the only question before the Court is the personal charges against the candidate. If Your Lordship will look at the West Northumberland case of 1884

Your Lordship will see the Court refused to go on with any other evidence as to charges with respect to payments by agents.

The Court.—I do not think I should require Mr. McCarthy, or think it right, to go into any other further enquiry, going through all the particulars; but at the same time I mean to hear Rock Dolsen's evidence.

Mr. McCarthy.—It is impossible to say the extent of this as it affects the respondent without going into these details.

The Court.—I will not at present stop anything.

Mr Cassels.—I submit Your Lordship cannot take all these charges by agents and go through them on the personal charge.

The Court.—I am not going to stop at this moment any investigation.

Mr. Cassels.—My objection is this, that under the decision in the West Northumberland case it having been proved—or at all events admitted by counsel—that there is an act of bribery by an agent, the only question then that the Court has to deal with is the personal charges against the candidate.

CHARGE 1.

The witnesses on this charge, including the respondent, are put out of Court.

NAPOLEON TERRAULT, sworn.

Examined by Mr. McCarthy :—

Q. Where do you reside? A. Chatham, on King Street.

Q. Were you living here last December? A. Yes.

Q. What is your business? A. Boot and shoe business, retail.

Q. Do you know James O'Neill, the man who was sitting here, that stood up?
A. Yes.

Q. Is his name James or John? A. I know one to be O'Neill. I know his name is not John.

Q. Do you remember O'Neill being in your place some time in December? A. Yes, not this O'Neill, his brother.

Q. Where does his brother live? A. In Raleigh.

Q. What is his name? A. John.

Mr. McCarthy.—It seems the wrong O'Neill has been subpoenaed, and I shall have to ask to amend, John for James. I shall have to ask that the charge be allowed to stand over.

GENERAL EXAMINATION.

ARCHIBALD CAMPBELL, recalled.

Mr. Cassels.—I would like to know on what charge.

Mr. McCarthy.—I am going to examine Mr. Campbell in continuation of the examination I commenced yesterday.

Mr. Cassels.—There is no charge here with reference to the accounts or to the expenditure of money.

The Court.—It is just the kind of examination that was entered into and continued without objection, and I think it was a very proper examination, just such an one as was entered into in the North Oxford case.

Mr. Cassels.—Up to the examination yesterday, which was for a different purpose, we had had no notice or had not made any search.

The Court.—This is an examination of the sitting member himself.

Mr. Cassels.—I do not understand, however, that an examination has got to be inquisitorial, without particulars.

The Court.—I must rule, as I ruled before, that an enquiry must be made of the most searching kind into what the candidate knows about the establishment of an election fund. It was enquired into quite thoroughly in the North Ontario case.

By Mr. McCarthy :—

- Q. Does this book you have brought complete the history of your books? A. Yes.
- Q. That is, your books consist of a day-book, which is here? A. And a journal.
- Q. This is what you call the journal? A. Yes.
- Q. And in addition to that there is this book which is called the bank account book? A. Yes.
- Q. This journal is more what would be called a ledger, isn't it? Do you keep no ledger? A. No, just the day-book and the journal.
- Q. Why do you call it the journal; isn't that a ledger? A. No, I think it is a journal.
- Q. Well, where are the items that are in this so-called journal taken from? A. They are taken from the day book.
- Q. When a cheque is drawn does it go into the day-book? A. No, not generally.
- Q. When a man is paid by cheque what book does that go into? A. It goes into the bank book.
- Q. In the first place? A. Yes.
- Q. When it goes into the bank book where does it go next? A. It does not go anywhere else.
- Q. If you draw a cheque for your private purpose where does it go? A. It should go into the day-book, and then posted into that book.
- Q. Where are the other cheques? A. The cheques of our business we do not enter in the day-book at all.
- Q. Why? A. It would make too much work for one thing, and it is not necessary.
- Q. Do you post them into the journal? A. No, we just enter them in the day-book.
- Q. Do you not keep a cash account? A. No.
- Q. No cash account of any kind? A. No.
- Q. You told me of a cheque for \$300 and one for \$150? A. I find I was wrong about the \$300 cheque. I find that I paid first a cheque for \$100; then I find a cheque for \$220. I paid out of that \$220, \$150 to Mr. Flint and kept \$70 for myself.
- Q. Where is the first cheque? A. The first cheque was given on February 7th for \$100. (Produces cheque.)
- Q. Is that cheque here? A. Here it is.
- Q. Who drew that cheque? A. I drew it.
- Q. And that cheque is here; how do you know that cheque is for the election; don't you draw something for household expenses? A. Not by cheque generally; it is always cash.
- Q. Where do you get the cash? Q. We always have some money in the office.
- Q. When you get money in the office isn't it charged to you? A. Yes.
- Q. Who keeps the money in the office? A. Mr. Stephens keeps that; but we keep very little in the office; we pay generally by cheque.
- Q. How much would you keep in the office generally? A. Not often over a hundred dollars, and not often that, except on Saturday when the bank closes we take out perhaps \$800 or perhaps \$1,000 to pay for wheat as it comes in.
- Q. What would be the hundred dollar sum; what would you keep that for? A. That would be the collections during the day from the sales.
- Q. Do you ever draw money out of the bank for carrying on your business? A. Yes, often. We pay the men Friday afternoons, and we always draw two or three or three or four hundred dollars on Friday afternoon before the bank closes, so as to have a little on hand on Saturday morning for small lots of wheat.
- Q. Supposing you drew a couple of hundred dollars out of the bank, who keeps that? A. It is put in the safe.
- Q. Who accounts for it? How is it accounted for? A. There is no particular account kept of it.
- Q. Would the books show that as paid out? A. No.

Q. Is there no one of the firm has that, or is that put in the safe, and can any member go there? A. Any member can go there.

Q. Supposing he paid it out for wheat, what about that? A. That would be simply an end of it.

Q. No entry would be made of it? A. No entry would be made of it.

Q. Then you have no cashier in your firm? A. No. Our book-keeper seldom pays any money unless we happen to be out. If both of us happen to be away and the safe is open he will pay it.

Q. Then that cheque is not charged? A. No. I was away from the office; it was not drawn in the office; I think it was drawn over at the Bank of Commerce.

Q. And is that the reason it was not charged? A. No; the reason it was not charged is that a good deal of this expenditure that was made, the whole of my expenditure during the campaign, there was a question arose whether the firm should pay that and the firm reap any emoluments from anything I should receive, or whether it should all be charged to myself and it be an independent thing.

Q. The first question was whether you were to go into Parliament as a member of the firm? A. Yes.

Q. In which they were to pay the expenses and you get the profits, or whether you should go into Parliament as an independent man and make your own profits? A. Yes.

Q. That was undecided at first? A. Yes.

Q. First it was treated as an open matter? A. It was left in abeyance.

Q. Is it still in abeyance? A. Yes.

Q. And did you open a suspense account? A. No.

Q. So you do not know now whether you have been sitting in Parliament as Archie Campbell or as Campbell, Stephens & Co.; it is left in abeyance, you say?

A. The reason it has been left in abeyance so long is that when this protest was entered it was supposed there might be additional expense.

Q. What account would it be in; under the head of Parliamentary, or what? A. There was no entry made of it.

Q. Are you sure? A. Yes.

Q. I suppose you got a thousand dollars, did you not, for your Sessional indemnity? A. Yes.

Q. Well, that went into the firm? A. What remained of it.

Q. Where is that credited? A. It is not credited at all.

Q. Are you quite sure about that? A. Yes, I am.

Q. You are quite sure that of those sums there is no account kept? A. There is no account kept, I am sure.

Q. Has your book-keeper kept track of it? Supposing it should be determined that you should be charged with these items, what means is there of ascertaining how much was spent on the election? A. Take the cheques.

Q. But supposing there were not cheques. You have told me some of them were not cheques? A. Well, we have confidence in one another.

Q. But how would you get at the matter, supposing it should be determined you should be charged with these matters and not the firm, and you told the book keeper to make up the account? A. He could not do it, but I could do it.

Q. You would just take your cheques? A. Yes.

Q. And you have given us one cheque on the 1st of February for \$100? A. Yes.

Q. You say that money was spent, how? A. That was given to Mr. Flint.

Q. In one sum? A. I think the cheque was handed to him.

Q. Then of course he got the whole of it? A. Yes.

Q. I may remind you it is not the account you gave us yesterday, and it is not the account Mr. Flint first gave? A. Well, I only spoke from memory.

Q. The next payment that you remember of? A. I find the next payment was on the 14th of February; it was a cheque; I drew the money myself.

Q. What is the amount of the cheque? A. \$220, out of which I paid Mr. Flint \$150. (Produces cheque.)

Q. This cheque is not charged at all? A. That cheque is not charged at all.

Q. It is not even in the account of the bank? A. Yes, it is.

Q. I cannot find it? A. It is charged on the 3rd of March.

Q. Whose writing is that? A. That is Mr. Westgate's

Q. Now, the next you remember of? A. The next was on the 19th of February,

\$200. You will find it "paid to D. Smith."

Q. Who is D. Smith? A. He is a farmer, but he merely took it for Mr. Flint.

Q. Where was this drawn? A. That was drawn in the Bank of Commerce.

Q. Are these made up by your book-keeper? A. When he gets the cheques.

Here it is entered on the 3rd of March also. D. Smith is a farmer; he lives down in Raleigh.

Q. Why was it the cheque was made payable to D. Smith? A. Because Mr. Smith was in the room at the time, and Mr. Flint wanted Mr. Smith to see him and get the money from him.

Q. Then what more? A. Then I find that on the 1st of February I gave a cheque for \$40. That was for myself.

Q. In connection with the election? A. Yes.

Q. Have you got that cheque here? A. This is the cheque. (Produces.)

Q. When is that entered? A. That is entered under the 3rd of February, \$40.

Q. Now what more? A. Then on the 3rd of February I gave a cheque to O. J. Dolsen for \$20.

Q. Who was he? A. He kept a flour and feed store in Chatham. He belonged to the order of the Knights of Labor, and it was for the purpose of procuring wood, I think, for the committee rooms of the Knights of Labor, or possibly paying for some mottoes or something they had got to decorate the rooms.

Q. Then what more? A. Then on February 11th I gave O. J. Dolsen another cheque for \$25.

Q. That is charged on the 3rd, too. Then what else? A. Then I gave Mr. Flint on the 14th of February a cheque for \$200.

By the Court:—

Q. That we have? A. No, this was another one; this was for making my deposit with the sheriff.

By Mr. McCarthy:—

Q. Anything more? A. Then on March the 8th I gave Mr. Flint a cheque for \$200 of deposit.

Q. That went into the fund then? A. Yes.

Q. What more? A. I paid Mr. Flint nothing more.

Q. What did you do with the \$70 over the \$150 you gave Flint out of the \$220? A. Kept it for myself.

Q. For the purposes of the election? A. Yes. I may have spent some of it for my family.

Q. That is \$850 you gave Mr. Flint? \$850 I gave Mr. Flint.

Q. You say that is all you gave to Flint? A. That is all.

Q. You never gave him any cash then? A. Only the \$150.

Q. And that is all you gave to the Knights of Labor, this \$15? A. I think it is.

Q. You commenced your canvass about the 18th of January? A. About the 18th of January.

Q. Did you not make any payment to Mr. Flint in January? A. The first I made him was that \$100 cheque.

Q. That was on the 1st of February? A. On the 7th, I think.

Q. Then no entry at all was made of these cheques? A. No.

Q. And the reason of that, you say, was what you have told us? A. Yes.

Q. Who gave the instructions that the account was to be kept in that way? A. There were no instructions given.

Q. Surely the book-keeper would require to get some instructions, or he would have charged them up to you, naturally? A. Well, yes, I suppose he would.

Q. Then why didn't he? A. I do not know as he would either. He did not know about the cheques until they came in from the bank.

Q. Well, when they came in from the bank he would see these cheques were yours on private account; wouldn't he have charged them to you? A. No, he would not.

Q. Why not? A. He would not know whether they were given for my private account, or for wheat, or for what.

Q. Wouldn't he make some enquiry about them? A. I suppose he would.

Q. Wouldn't it be his duty to make enquiry about them? A. No, he would see the cheques were all right, that they were given by a member of the firm. If he did ask about them—probably he did—if he did Mr. Stephens would probably ask him to leave them in abeyance.

Q. He has charged one cheque to you personally, \$200 on the 8th of March? A. If you look back in the day-book I think you will find I charged that cheque myself.

Q. We will look in the day-book and see. Perhaps you can find it; I cannot? A. Here it is; it is charged by Mr. Westgate.

Q. Not by you? A. No.

Q. Whose writing is that? A. That is the book-keeper's, Mr. Westgate's.

Q. Why should he have charged that \$200 and not the rest? A. Well, I suppose I told him to charge it.

Q. Do you say that you instructed him not to charge these cheques that you were drawing during the election? A. No, Mr. Stephens just told him to leave it in abeyance for the present.

Q. And you did not? A. I might have too.

Q. I want to know what you did do? A. Well, I am telling you as near as I can.

Q. Well, did you or did you not? A. I think Mr. Stephens told me.

Q. I am not asking about Mr. Stephens; I am asking about you? A. I could not say whether I did or did not.

Q. Will you turn up the cheque there of \$300 to Joseph Brown at the end of February? A. There is no such cheque in February.

Q. It seems to have come in along with these other cheques?

(His Lordship directs that the cheques be examined during recess, which then takes place.)

AFTER RECESS.

By Mr. McCarthy:—

Q. How can you account for that \$300 cheque which is not produced, the Brown cheque? A. It may be in the March cheques; I have sent for them.

Q. Do you know who Joseph Brown is? A. No, I do not.

Q. I find these cheques here to Mr. Duggan; who is Mr. Duggan? A. He is a grain buyer in Wallaceburg.

Q. Was he in the riding during the election? A. I think he was.

Q. Here is a cheque, I see, on the 14th of January to him for a \$1,000, and I think there are two more cheques to him for \$500 each? A. Yes, I think so.

Q. I find his account here is squared by giving him credit for a balance of \$500 which is not accounted for? A. Yes.

Q. Is that the way you square up your accounts? A. That is the way we squared his.

Q. Balance allowed to make settlement \$523.19? A. Yes.

Q. How does there come to be a balance against him of \$523 that is allowed?

A. Well, he was buying grain for us for this last three or four years, and last fall cars were very scarce, and he could not get cars to ship the grain in, and he was storing it in his warehouse in Wallaceburg, and represented to us that he had so much wheat on hand, and we of course advanced him money to keep on purchasing wheat. Then when we came to settle in the spring, when we got all the wheat he

was short, he owed us about \$1,500, and he had not any wheat. He could not account for the wheat. We advanced him the money to purchase wheat, and he could not account for the deficiency at all. We threatened him then with criminal proceedings, and he promised that just as soon as he could raise a loan which he was then getting on his property he would pay it. So when he got the money—Mr. Rankin acted for us in that matter—when he got the money he went to Detroit, and we to make a settlement accepted a \$1,000 in full.

Q. Did he claim he had paid out any of the money during the election? A. No.

Q. You swear he made no such claim as that? A. Certainly.

Q. How is it then that a man who dealt so unsatisfactorily with you is still in your employment? A. He is not in our employment.

Q. You advanced him money after the settlement? A. We purchased wheat from him the same as anybody else. Before that we were advancing him money; he was really our agent; but since the settlement he buys the wheat, furnishes the money, sends the cars over here, and we pay him for it.

Q. Can you tell us why one of these cheques was charged to you and not the others? A. I cannot give any reason for it. I thought more were charged.

Q. Who were the men who were in your employment? There was Mr. Walker, wasn't there, and Mr. Holmes, and who else as a grain-buyer? A. Mr. James Ritchie.

Q. What did he do for you? A. He was buying grain.

Q. Where was he buying grain? A. He was on the market here in Chatham.

Q. Who is James Holmes? A. There are a good many James Holmeses; it is quite a common name; there is one a bookseller and stationer here.

Q. Had you any dealings with him? A. No, not of any kind.

Q. I suppose this Littleton Johnson, whose name is here, is the colored gentleman we have heard of? A. Yes. (At page 132 of the Journal.)

Q. February 8th, I see he seems to have got some flour and wheat? A. Yes.

Q. Has that account ever been rendered to Littleton Johnson? A. I could not say; I think it has.

Q. Ever been paid? A. No; it would have been credited there if it had been paid.

Q. When do you render your accounts? It has not been added up even? A. We have no particular time of rendering the accounts, every three or four months.

Q. Can you tell me why this account has not been rendered? A. I have no explanation except the book-keeper, Mr. Westgate, was away during the summer a good deal in British Columbia, and during his absence the books were rather neglected. There are a great many small accounts in town that we do not render at all; the parties generally come in and pay.

Q. What is the name of your miller? A. J. R. Walker is the head miller.

Q. Who is Thomas Holmes; is he a miller? A. Yes, there is a Thomas Holmes a miller here, owns the Excelsior Mills.

Q. He is not in your employment? A. No.

Q. Are any of these cheques written by you, or whom are they written by? A. That one is mine (dated January 24). They are all Mr. Stephens', except the one to Mr. Duggan for \$1,000.

Q. Do you know anything about this cheque to John Holmes for \$330.38? A. No, I could not say what that is for.

Q. He was a grain buyer, was he? A. No.

Q. What was John Holmes' business? A. He was weighing wheat for us, had charge of the elevator; he was weighing in the grain. I think that cheque is for John Holmes' salary.

Q. Take one of these items and explain to us how the account would be kept about that. Cheque, January 15th, \$300 to the office? A. We would draw that \$300.

Q. How would that appear in the books? A. It would not appear at all; it would be simply so much cash brought into the office, and if it was used for my personal expenses or for Mr. Stephens' it would be charged.

Q. If any of the money was spent for the election how would that appear? A. It would not appear at all.

Q. Then there is no way of ascertaining from the books whether this money that was drawn and came in as cash was expended for the election or not? A. No.

Q. If it was paid out for wheat you could not trace it? A. No; but if you will go back through the list of cheques you will find that on every Friday afternoon there was a cheque given for that amount, every Friday for the last two or three years.

Q. Do you pay your men on Friday afternoon? A. Yes, Friday evening. It takes about \$300 a week to pay the men and the coopers.

Q. Did you tell me who James Holmes was? A. There are several. There is one James Holmes, a farmer, down the river.

Q. I think it is the one you told me about being a stationery man; I see that is the one referred to here. That cheque of Mr. Brown appears to have come in the same time as the other cheques connected with the election? A. I do not know why it does not appear there in February. We have lost cheques before, and they are considered as old lumber as long as they are checked off.

Q. When does the book keeper enter them? A. He enters them always when they come in, or sometimes when they come in. Generally if they are given in the office he enters them on the stub; but if we happen to give a cheque over town or in the bank he does not know about it until we tell him, till the cheques come in from the bank. We do not keep our stubs.

Q. Take the month of March and point me out where you drew money out, as you say, cheques for "ourselves" or "office?" You have got down as far as the 22nd of March without striking one. Now I will show you how many of these were drawn in January and February? A. Here is one on the 25th of March for \$150; 7th of April I find \$200.

Q. I will show you what there is in January. Commencing on the 14th of January there is \$300, the 15th \$300, the 21st \$300, the 25th \$100 and the 29th \$100, making \$1,100. Now we will take February. February 4th \$200, February 18th \$200, and February 25th \$200—\$600 in February; and all there appears to be in March is \$150. Can you explain how it is that there is that difference, \$1,100 in January and not on Fridays? A. In the month of March our local sales are larger than the whole year; there is a great demand for feed; there is a great demand for mill feed; and we frequently take in \$100 or \$150 a day cash sales in the mill. We never deposited the cash we received; if there was a lot of money came in to-day we paid it out for wheat.

Q. I find a cheque here for \$150 on the 16th February to Flint that you have not told us about? A. That is Mr. Stephens' writing.

Q. What is it for? A. I could not tell you; it is endorsed by Flint and R. J. Ebberts.

Q. Who is R. J. Ebberts? A. He is assistant secretary of the Reform—well, he was the assistant secretary of the Young Men's Liberal Club, and I think he was assisting in the office through the election.

Q. Then that appears to have gone for election purposes? A. Well, possibly; I do not know.

Q. That brings it up to a thousand dollars that you gave? A. No, I did not give a thousand dollars.

Q. Well, I mean that comes out of the establishment that was supplying the funds. Now, is there any doubt that went to Mr. Flint? A. There is no doubt that it went to Mr. Flint.

Q. Who signed that cheque? A. That is Mr. Stephens' writing.

Q. It is not charged in Mr. Stephens' account. Had Mr. Stephens authority to give money for this election? Had he authority to give that cheque and give such sums of money as were required? A. Certainly he had a right to draw cheques just as readily as I could, and they would be honored at the bank.

Q. And he had your authority or implied authority to draw them in connection with the election? A. He had not.

Q. Then did he draw these cheques without your authority? A. Without my authority or knowledge. If it is for election purposes I know nothing at all about it. In fact I know nothing about the cheque at all.

Cross-examined by Mr. Cassels:—

Q. You have a very large mill here, I understand? A. We have.

Q. What is the capacity of this mill? A. 450 or 500 barrels a day.

Q. Take the month of January, were the purchases larger then? A. Of wheat?

Q. Yes? A. No, I do not think it.

Q. Who is the manager of the Bank of Commerce? A. Mr. Thomas.

Q. He has been here for a great many years? A. For several years. It depends a good deal on the season of the year; if there are good roads then the receipts of wheat are pretty large. We grind from 1,500 to 2,000 bushels of wheat a day.

Q. How is that bought? A. A large portion of it is bought here, and then we are buying in Wallaceburg and Preston and Port Lambton and at Stony Point.

Q. Do you know there were meetings held by Blake and Laurier and Sir Richard Cartwright, and so on, during the election? A. Yes.

Q. And these halls had to be provided? A. Yes.

Q. And the expenses of these had to be provided for? A. Yes, the expenses were very heavy. Peter Ryan was here on two occasions too, and the Hon. Mr. Hardy was here. Then we had several speakers belonging to the Knights of Labor. Mr. Langelier was here from Quebec too.

Q. And these halls had to be hired? A. Yes.

Q. And there were flare-ups after the election? A. Yes.

Q. Bonfires? A. Yes.

Q. And brooms and bands? A. Yes, the usual things.

JOHN B. FLINT, re-called and examined.

By Mr. McCarthy:—

Q. We have traced to your hands now from the firm of Campbell, Stephens & Co., a thousand dollars, which is a considerable advance on what you spoke of yesterday? A. I would like to see the cheques. Of course I spoke from memory yesterday.

Q. Tell me if that is a cheque you got from Mr. Stephens? A. Yes, I got that cheque from Mr. Stephens for election expenses.

Q. Why did you go to Mr. Stephens? A. Because I was out of money, and Mr. Campbell was in the country.

Q. How did it come to be endorsed by Mr. Ebberts? A. Because Mr. Ebberts was in the room, and I sent him to the bank for it.

Q. How did Mr. Ebberts come to be in the room? A. He was writing for me.

Q. Did you get any money from Mr. Stephens? A. I did not.

Q. This is the only sum you got from him? A. Yes.

By the Court:—

Q. Did you get that personally from Mr. Stephens? A. Yes.

By Mr. McCarthy:—

Q. That \$150 then you acknowledge. That \$200? A. I acknowledge that too.

Q. Is that other \$200 right? A. Yes.

Q. Did you get that \$200 through Mr. D. Smith? A. I do not recollect.

Q. Do you say that you did not? A. No, I won't say that I did not, because I am not prepared to say.

Q. Who is Mr. D. Smith? A. He is a farmer in Raleigh.

Q. I want to know whether you got that money or not; whether you sent Mr. Smith for the \$200 or not? A. I won't swear that I did. To the best of my knowledge I did not.

Q. Is Mr. Smith a Reformer? A. Yes.

Q. An active Reformer? A. He votes that way.

Q. Then Mr. Campbell must be mistaken when he says he sent that money to you through Mr. Smith? A. Well, I have no recollection of it.

Q. There would be no reason for getting money from Mr. Smith? A. (No answer.)

Q. Then do you remember getting money from Mr. Campbell at another time, about the 14th of February? A. Mr. Campbell paid me one time some money without a cheque.

Q. How much? A. I do not recollect how much; I know there was not a very large sum; it may have been \$50; I cannot say.

Q. He says he paid you \$150? A. Well, I have no recollection.

Q. Will you say it was not \$150? A. No, I will not.

Q. Might it have been \$200? A. I could not say; I should not judge it was that amount.

Q. Supposing he is right about that, let us see how it will work out. \$150 in cash and these cheques that you acknowledge. That makes \$900 including the Smith cheque. \$800 you admit. Do you remember the meetings that were held at Mr. Hadley's place, private meetings as they were called? A. There were no meetings held at Mr. Hadley's place to my knowledge, during this campaign. There was during the Local election. I know Mr. Sprinthall called a meeting there during the Local election.

Q. And was Mr. Hadley present at these meetings? A. I do not know; I was not present myself. I got Mr. Sprinthall to call a meeting there during the Local election.

Q. How many meetings did they hold there during the Local election? A. Only the one to my knowledge.

Q. For what object was that meeting held? A. To go over the voters' lists.

Q. Do you remember young Hadley coming to you on polling day and asking you for money? A. He did not ask me for any money; he came and asked me if we were paying for votes, and I told him we were not.

Q. What time of the day was that? A. It was in the forenoon some time.

Q. Did he give you any explanation of why he wanted to know? A. No.

Q. Did he say any person had asked him for money? A. He did not; he mentioned no names.

Q. He was driving a rig on that day? A. Not that I am aware of; I was in the rooms all the time. I left the rooms once to go down to number nine division.

Q. Although you did not see him didn't you know he was driving? A. I did not.

Cross-examined by Mr. Cassels:—

Q. During this election how many public speakers were speaking through the constituency? A. We had Mr. Hardy and Mr. Ryan here—that is, from abroad; of course we had a lot of local men.

Q. Mr. Langelier? A. Yes. Well, that was just previous to this campaign. I suppose it was the same election.

Q. And Mr. Blake? A. Yes.

Q. And Sir Richard Cartwright? A. Yes. I may state here during this election I paid out several bills belonging to the local election. There was one of \$50 to Mr. Dezilly, several livery bills; in fact there was some hall rent from 1884 election.

Q. These canvassing items, do you know whether there were any accounts under that head? A. There were no bills rendered. Perhaps towards the end of the week I would give them some money, what I thought was right.

Q. I see in the bill in the *Chatham Banner* that part of the expenses there was put down for canvassers? A. Yes.

Q. Were those not entered in the return? A. Yes.

CHARGE 8.

ROCK DOLSEN, *sworn and examined.*

By Mr. McCarthy :—

(The witness asks for a certificate.)

Q. You are charged with having paid money out on polling day ; now, is it true or not? A. Yes.

Q. Whom did you pay money to? A. James Ions.

Q. How much? A. Two dollars.

Q. Who else? A. George Neill, two dollars.

Q. Who else? A. Nobody else.

Q. Where did you get that money? A. I got it from Mr. McGoldrick.

Q. For what purpose? A. To give to these boys.

Q. Is that all you got from McGoldrick? A. That is all.

Q. And was that four dollars to give to these two boys? A. Yes.

Q. Why did you go to McGoldrick for money? A. Well, I could not say; I thought I would be likely to get it from him.

Q. What made you think so? A. Well, I do not know, any more than that I knew he was in the habit of having money.

Q. What time of the day did you get it from him? A. It was in the morning some time; I would not be certain of the time.

Q. Do you mean in the forenoon? A. Yes.

Q. How much did you get yourself in connection with the election? A. I think about ten or twelve dollars.

Q. Under what circumstances did you get that money? A. I got it from Mr. Flint.

Q. For what purpose? A. It was pay for canvassing.

Q. Were you hired to canvass? A. Yes.

Q. When were you hired? A. I do not remember the date. It was about two weeks before the election, I think.

Q. Where? A. It was in the committee rooms over the *Banner* office.

Q. Just give me the history of your being hired? A. It was Finlayson and myself—we were both together and Mr. Flint engaged us as canvassers at a dollar and a half a day.

Q. For how long? A. I do not know that; there was nothing mentioned as to how long; we supposed it would be until the elections were over.

Q. And where were you to canvass? A. In town among the mechanics.

Q. Then on polling day what were you doing? A. I was around town among the mechanics.

Q. Were you driving? A. Yes, some of the time.

Q. Whose horses were you driving? A. I had Mr. McGoldrick's horse at one time, a team at another; I do not know who the team belonged to.

Q. Did you see Charles Hadley? A. I think I did see Mr. Hadley with it.

Q. What was he doing? A. When I saw him he was in the street between the Committee room and the Royal Exchange.

Q. That is very near to this barn? A. Yes.

Q. The barn is between the two? A. Yes.

Q. Did you see him in the barn? A. No.

Q. Were you in the barn? A. Yes.

Q. Is that where Mr. McGoldrick was paying out money? A. That is where he gave me money.

Q. Was that where he remained most of the day? A. I could not say.

Q. Were people brought in there to him to get money, sent in? A. Not that I am aware of.

Q. You saw Hadley standing there; did you see him inside of the place? A. No.

Q. Did you see him driving? A. No, I do not remember of seeing him driving.

Q. Now you say upon your oath that the four dollars is all the money you got or all the money you know of being got from McGoldrick? A. Positive.

Q. Do you say you have no knowledge of any more money being spent by McGoldrick? A. Not to my knowledge.

Q. You did not know of Ruddling getting money that day? A. I do not remember of speaking to Ruddling that day at all.

Q. Do you know Sheldon? A. Yes.

Q. Did you see him that day? A. I think I remember of seeing him.

Cross-examined by Mr. Cassels:—

Q. This McGoldrick was a tavern-keeper? A. Yes.

Q. Do you know whether he had bets on the election? A. I could not say.

CHARGE 6.

WILLIAM TROT, SWORN.

Examined by Mr. McCarthy:—

(The witness Pardoe is put out of court. It is intimated to the witness that he may have an order for protection if he wishes. He says he does not want it.)

Q. Do you know Mr. Ludson Pardoe? A. Yes.

Q. I believe he is the Deputy Reeve of Raleigh? A. Yes, he used to be; I do not know whether he is now.

Q. Did he ever canvass you for your vote? A. No.

Q. Did he ever ask you for your vote or speak to you about your vote. A. No; only this, he was at our house—he came to pay me some money—and I asked him whether he would drive me down to the polling the next morning. He said yes, supposing I would vote as he did.

Q. Is that all that took place between you? A. He promised to give me a load of wood on conditions of me being lame.

Q. How long have you been lame? A. About 17 or 18 months.

Q. That is the only promise you ever had about a load of wood from him, I suppose? A. Yes, and I never got it.

Q. He never promised you a load of wood before? A. No.

Q. What money was he paying you? A. He was paying me \$27 for two pigs I sold him.

Q. And he came to see you? A. Yes, he brought the money to pay me for those pigs.

Q. And then he talked to you about election? A. No, nothing only I asked him if he would give me a ride down the next morning, and he said yes he would if I was going to vote the same way he did.

Q. Which way was he going to vote. A. I do not know.

Q. Did you never ask him? A. No, but I judge he was for Mr. Campbell.

Q. Then what did he say about the load of wood? A. He has not given me a load of wood. There is another gentleman that has given me over twenty loads of wood, and I thought he would be as good as other folks.

Q. It was in this same conversation that he spoke about taking you down to vote that he spoke about the load of wood, wasn't it? A. Yes.

Q. The first thing you said to him after he paid you the money was that you asked him if he would drive you down to vote because you were lame, is that it? A. Yes.

Q. Then Mr. Pardoe promised he would do so provided you voted the way he did, is that correct? A. Yes.

Q. Then what did he say about the wood? A. He said he would send me a load of wood.

Q. Well, did you go and vote? A. Yes.

Q. Did he come for you? A. No.

Q. Did he send for you? A. No. There were several parties came during the day.

Q. Well, how do you know he did not send for you? A. I do not know, I am sure.

Q. But you went down; whom did you go with? A. I went along with one of the DeClutuses.

Q. Where do they live? A. They live the next farm to where I do.

Q. What time of the day did you go down? A. About four o'clock.

Q. Did you ever speak to Mr. Pardoe about the load of wood? A. No.

Q. Hadn't you some claim against the township for some work done? A. Yes, I had then.

Q. Did you speak to Mr. Pardoe about that? A. Yes. He sold my right of ditching to another man to finish, and allowed me eight dollars for it.

Q. When did you do this ditching? A. Before I was lame.

Q. And he sold you the ditching when? A. A year before that.

Q. Would it be two years ago or three years ago you did the ditching? A. It was three years ago.

Q. How long before the election was it you did the ditching? A. Eight or nine months.

Q. How were you lamed? A. I fell out of a cherry tree a year ago last July.

Q. That would be in July, 1886? And how long before that did you do the ditching? A. The spring before.

Q. Then when was it the job was taken off your hands by the Council? A. It would be about twelve months ago.

Q. Was it before you were lame? A. No, after.

Q. You did not do the job on account of this accident? A. Yes.

Q. Then it was taken off your hands? A. Yes.

Q. Did you ever make a claim on the Council for payment, and when did you first make that claim? A. Soon after I got lamed.

Q. That would be some time in the summer of 1886? A. Yes.

Q. What did you claim for the work you had done? A. Nothing, all I could get.

Q. Did you claim any particular sum. A. No.

Q. You made a claim just for all they would grant you? A. Yes.

Q. Did they take any notice of your claim during that summer or that fall? A. No.

Q. When were you paid? A. I was paid about last June.

Q. Did you speak to Mr. Pardoe about that on this day he came to see you and pay for the pigs? A. Yes.

Q. What did you say about that? A. I asked him how much they were going to allow me. No, I believe I asked him for that money.

Q. You asked him why you had not got your money; isn't that the way? A. Yes.

Q. What did Mr. Pardoe say to that? A. He said he would have paid me that day if he had the book.

Q. He said he would pay you that day if he had the cheque-book? A. Yes. He said he would bring the cheque-book next day and give me the cheque.

Q. Was that the same time you were talking about the voting? A. Yes.

Q. How often had you applied to the Council for settlement before this day? A. Once or twice, or three times.

Q. What answer did they make to you? A. They always told me they would allow me.

Q. And why didn't they allow you? A. I do not know.

Q. Then you did not get the money out of them until the time of the election? A. I did not get the money then.

Q. Did you get the promise then? Was that the first time you got a promise? A. No.

Q. How much did Mr. Pardoe say he would pay you then? A. Eight dollars.

- Q. But you did not get that until June? A. No.
- Q. And you never saw the load of wood he promised you? A. No.
- Cross-examined by Mr. Cassels :—*
- Q. You got this contract for a ditch? A. Yes.
- Q. Had something been done? A. Yes.
- Q. Then on account of your accident it was re-let? A. Yes.
- Q. And there was an allowance made as against the new contractor for some money to be paid to you? A. Yes.
- Q. Do you remember at what time of the year that contract was re-let? A. I suppose it would be about a year last September.
- Q. And that allowance was on account of the work you had done that the other contractor was getting the benefit of? A. That was being deducted off the contract.
- Q. And the Council agreed to give you that much money? A. Yes.
- Q. Mr. Pardoe, I believe, was Reeve of Raleigh at the time he came? A. Yes.
- Q. He was paying you for some pigs at the time. Just explain this wood, what kind of wood you got? A. It was stove wood.
- Q. Do you remember what you were doing when this conversation commenced, at the stove? A. I was mending the fire.
- Q. With chips, I believe? A. Yes.
- Q. Doesn't he own a mill? A. Yes.
- Q. And wasn't it the slabs from the mill he was offering you? A. I do not know; He was going to send it.
- Q. Don't you know people all round were getting wood from him from the mill? A. Yes.
- Q. And have been ever since he has been in the business? A. Yes.
- Q. And knowing that you asked him if you could get some? A. Oh, I had the privilege before this time.
- Q. And had you got wood before this time too? A. I had some in our own yard.
- Q. But from Mr. Pardoe's mill? A. No.
- Q. But prior to that he had given you the privilege of getting it? A. I always had that privilege; he gives everybody that privilege.
- Q. How long have you had that? A. All the time I have lived there, six or seven years. There is a certain class of wood he does give away.
- Q. That is the slabs? A. Yes.
- Q. He did not go for you to vote? A. No.
- Q. And you did not see him any more about it? A. No.
- Q. Have you been a Reformer all your life? A. I do not study it much.

THOMAS L. PARDOE, SWORN.

Examined by Mr. Cassels :—

- Q. Are you still Reeve of Raleigh? A. No.
- Q. When were you? A. I was Reeve for 1881; that is the only year I was Reeve. I was Deputy Reeve in 1885 and 1886 and for several years before that.
- Q. Have you got a mill? A. Yes.
- Q. You are accused of bribing this witness by giving him wood to vote; just explain? A. Well, I do not think Mr. Trot ever got a load of wood there, not to my knowledge. I called on Mr. Trot. I was Commissioner on a drain that was sold in October, 1885. Mr. Trot was one of the contractors. He took the job late in the fall, and he did a small portion of the work, and it froze up and he could not do any more, and in the spring it came so wet that he could not do any more at it, and before he got at it again he had the misfortune to fall and cripple himself. I saw him, and he asked me to sell the work again, to try and sell his portion as well, but within the estimate, so that I could pay him. He claimed nine dollars. I re-sold the job for eight dollars below the estimate. I told Mr. Trot what

I had done. He asked me for the money several times, and I told him as quick as the work was completed I would give it to him. Mr. Clive was along before he got the work completed, and I paid him a portion of his work, but not in full. Mr. Trot was in bad circumstances, and I called on him, I think the day before the election, and he again asked me about this claim, and I told him as quick as the work was completed to my satisfaction I would give him an order for it. It never was a disputed claim. He was badly crippled, as I have told you, and he was sitting by the stove at that time—that would be in February—breaking staves his son-in-law brought him, I think, from some mill. He was breaking this stuff across his knees and putting it in the stove in rather a cold house, and this stuff almost as fine as straw; and I told him if he would send his son-in-law or someone down I would give him a load of slabs, as I had told many other people; but he never came after them.

Q. He says he thinks you told him you would send them to him? A. I do not remember that I told him I would send them, but if I did it it would not be the first time I have sent them to people.

Q. Are the neighbors in the habit of getting slabs from you? A. Yes; we have given away cords and cords of them.

Q. This man was apparently in great need at that time? A. Yes.

Q. He says he asked you to take him down to vote the next day? A. Yes; I asked him if he would be out to vote, because I knew he had always been on our side in politics. I asked him if he would be down to vote, and he said he did not know whether he would be able to get down, because he was on two crutches. Mrs. Trot said, "It will not hurt him, Mr. Pardoe, to go; if you come after him he will go." I did not go after him; and he was actually, I was told, taken down to the poll by the Conservative party.

Mr. McCarthy.—I do not press that charge.

CHARGE 23.

Rev. EDWIN MCCOLLIM, sworn.

Examined by Mr. McCarthy:—

(Mr. Flint is sent out of court.)

Q. You live at Toronto, I think? A. I do.

Q. And I think you had a vote in this riding at the last Dominion election?

A. Yes; I had a vote in the township of Raleigh.

Q. Did you vote? A. I did.

Q. Were you then living in Toronto? A. Yes.

Q. Were your expenses paid? A. I paid them myself.

Q. Were they returned to you? A. They were not.

Q. Not by any person or in any way? A. Not by any person or in any way.

Q. Directly or indirectly? A. Not directly or indirectly.

Q. Did you get any money from Mr. Flint at that time? A. No.

Q. Did you borrow any from Mr. Flint? A. I did not.

Q. Not from Mr. Flint or any person? A. No.

Q. Who requested you to come to vote? A. I got two or three letters.

Q. Have you got the letters here? A. No; I got one from Mr. Campbell, and I think two from Mr. Flint, and I think one from Mr. Fleming—I am not sure about Mr. Fleming.

Q. Have you kept these letters? A. No. And I got one from my father-in-law, Stephen White, and one from one of his daughters.

Q. Did you destroy these letters, or are they in existence yet? A. Well, I do not know; they may be lying around the house; I did not take any pains to preserve them.

Q. Do you take pains to preserve letters? A. No, not letters of that kind, unless it is something of importance.

Q. How did you come; did you come to Chatham first? A. Yes.

Q. How were you sent from Chatham? A. I took the buggy belonging to my father-in-law and drove myself. He was living in Chatham.

Q. Were you promised your expenses if you would come and vote? A. Well, I do not know whether you would call it a promise or not. The letter I got from Mr. Flint said "never mind your expenses, call and see me."

Q. And did you call and see him? A. Yes.

Q. And what was said about your expenses? A. Not a word.

Q. Did you not speak of them? A. No.

Q. Did he not? A. He did not.

Q. What did you understand by that? A. Well, of course I understand by those things in election times it was an indirect way of hinting the expenses would be paid; that is what I understand.

Q. If so, why didn't you ask for the expenses? A. Because I did not want them.

Q. That is the only reason you did not ask? A. Yes.

Q. Then did you determine not to ask? A. Yes.

Q. Why; did you think it an improper thing to ask your expenses? A. Yes.

Q. Did you ever speak to Mr. Campbell about it? A. No.

Q. What were your expenses? How much did it cost you to come here? A. The car fare is \$8.85, a return ticket.

Q. It cost you then in the neighborhood of \$3, I suppose? A. Under \$10, at any rate.

Cross examined by Mr. Cássels:—

Q. That is your recollection of Mr. Flint's letter? A. Yes.

Q. And from that you just drew your own meaning, whatever it might be? A. Yes.

Q. There was no promise made by him of your expenses? A. No.

Q. And no talk about it? A. No.

Mr. McCarthy.—I think there is a promise made out.

The Court.—I do not think so; I think I shall have to dismiss that charge.

CHARGE 1.

NAPOLÉON TETRAULT, recalled.

Examined by Mr. McCarthy:—

Q. Do you know Mr. Campbell? A. Yes.

Q. I think you told me you know a man of the name of John O'Neill? A. Yes.

Q. Do you remember John O'Neill being in your shop or store early in December? A. Yes.

Q. The 4th of December, you say? A. It was the 4th.

Q. What was O'Neill doing? A. He came in on Saturday afternoon—it was about one o'clock in the afternoon—and started to look at some overshoes, pricing them. In a moment after Mr. Campbell came in, and as soon as he came in they were talking about the election.

Q. Who were talking about it? A. Mr. O'Neill talked to me about it a little bit. As soon as Mr. Campbell came in Mr. O'Neill pointed me to Mr. Campbell and said, "Here is a Dillon-Campbell man," meaning on that side.

Q. Dillon was a candidate for the Local House? A. Yes.

Q. Campbell was a candidate for the House of Commons? A. Yes.

Q. He said, "This is a Dillon-Campbell man." And what did you say to that? A. I said, "I do not think I am generally found on that side."

Q. Then what further happened? A. He kept on trying the overshoes; and Mr. Campbell called me to one side and pressed me to support him. It was between me and him; he talked a little lower. I told him I could not do so—that it was not my politics. I presume that he had been informed that I would be with them.

Q. What arguments was he using to you? A. He said he was a citizen of the town; he had been quite a long time in town. I told him I had no objection to him personally, and the like of that.

Q. Were you speaking loud enough for O'Neill to hear what you were talking about? A. I do not think it.

Q. What more took place? A. I went back to Mr. O'Neill—it was a few steps between us—and he was still trying on those overshoes. He said, "If Mr. Campbell says it is right for these overshoes—it makes them right—I will wear them and I will work for the election, and I know plenty more voters I can get."

Q. Were the overshoes on him at the time? A. He had them on. In saying so he pointed to me and to Mr. Campbell, and I said, "Well, just as Mr. Campbell says."

By the Court:—He said, "If he makes it right for those overshoes," what? A. "I will keep them."

Mr. McCarthy:—Q. And what more? A. He said he would vote for him and get more voters he knew—lots more he could get.

Q. Then you said, looking at Mr. Campbell, "It is just as Mr. Campbell says;" what did you mean by that? A. Meaning if he wanted either to pay for them or charge them. I was selling the overshoes.

Q. What did Mr. Campbell do or say? A. He paused for a while, and we talked a little more about election, and then Mr. O'Neill repeated that same thing, looking at both of us. So Mr. Campbell paused a little bit, and looked at me and nodded at me, and said "I guess you had better charge them to me."

Q. And did you do so? A. I did so.

Q. And what was the price of them? A. Two dollars.

Cross-examined by Mr. Cassels:—

Q. You have been rather a pronounced Conservative? A. Not pronounced.

Q. You have said so. For years you have been so? A. I did not say how long I was or anything of that kind.

Q. How long since you have been found on the other side of politics? A. Well, I guess ever since I was born.

Q. Then you are a pretty old Conservative? A. Well, from that I believe; I am about 45.

Q. And had always been known to be a pretty good Conservative? A. I presume so.

Q. Everybody knew it? A. I think so; I am a public man in business.

Q. Just the kind of a man a good Reform candidate would like to catch? A. Yes.

Q. He came into your store? A. Yes.

Q. Was O'Neill in there first? Yes, a few minutes.

Q. What did O'Neill come in for? A. He started to look at some overshoes.

Q. Who else was there? A. There were some other customers in some other parts of the store; I cannot say who. My son was there.

Q. What is his name? A. John Tetrault.

Q. Where was O'Neill? A. In the front part of the shop.

Q. And your son was there when he came in? A. Yes.

Q. Whom did O'Neill ask for the overshoes? A. Myself.

Q. What did he say about them? A. He said he wanted to look at some overshoes.

Q. For what purpose? A. I did not ask him for what purpose. I showed him some men's overshoes.

Q. You presumed he wanted them to wear? A. Yes.

Q. Then you put him down to try them on? A. Yes.

Q. And he was trying them on when Campbell came in? A. Yes.

Q. Then Campbell took you aside? A. A few steps.

Q. Out of O'Neill's hearing? A. I do not know that it might be out of O'Neill's hearing; but he spoke a little lower.

Q. And tried to get you to vote for himself? A. Yes.

- Q. Did you tell him you would not do it? A. I told him I could not do it.
- Q. You satisfied him you would not do it? A. Yes. I presume he might have had some hope still.
- Q. But still you tried to leave him under the belief? A. Yes, because I never mislead anybody.
- Q. And you think that Campbell would leave you firmly believing you were not going to vote for him? A. No.
- Q. Then he left you in disgust? A. No, I think not; he shook hands with me very kindly before he left.
- Q. And after he shook hands was it this conversation took place that you have told us? A. Yes, after O'Neill walked off with the overshoes.
- Q. Conversation was before? A. Yes.
- Q. And Campbell had shaken hands with you? A. No, not then.
- Q. You had told him you would not support him then? A. Yes.
- Q. Was it as he was passing out that O'Neill used these words about the overshoes? A. No, not passing out. He was standing on the same place that he was trying on the overshoes.
- Q. O'Neill was? A. Yes.
- Q. What were the exact words? A. He said, "If Mr. Campbell says it is right for these overshoes I will keep them and wear them."
- Q. He had them on at the time? A. I presume they were both on. He was in the act of fitting them on.
- Q. Then, as far as O'Neill was concerned he had gone in, as far as you observed, to buy overshoes? A. He did not say he would buy them. He was trying them on.
- Q. As far as you believed, he went in to get a pair of overshoes? A. I presume so.
- Q. And when he first spoke he had these overshoes on his feet? A. He was in the act of trying them on.
- Q. And then what remark did he make? A. He said, "If Campbell says he will make it right for these overshoes I will keep them and wear them; and if he does that I will vote for him and I will work, and I can get plenty more voters."
- Q. You are sure that was said in Campbell's presence? A. Yes.
- Q. What remark was made by Campbell after that? A. He did not make any remark; he paused a little bit.
- Q. What next? A. He and O'Neill talked about the majority they were going to get.
- Q. What else? A. Mr. O'Neill repeated the same demand, and then Campbell paused a little bit and looked at me and at O'Neill. I said: "Just as Mr. Campbell says." Mr. Campbell looked at me and looked at O'Neill. He nodded to me, and said: "I guess you had better charge them."
- Q. Then did Campbell go out? A. Not just then.
- Q. How long was he in after that? A. Just a few minutes.
- Q. Have you been paid for those overshoes? A. Yes.
- Q. Have you ever rendered an account for them? A. Yes.
- Q. When did you render the account? A. When I got ready.
- Q. When did you render an account? A. Sometime about a couple of months ago, I presume. I made out a little bill; I happened to need a little change; we had to make up a little bill, and I sent the boy over to Mr. Campbell. He happened to be out, and he did not present it; so when he came home with it I tore it, and said "I will present it on some future day."
- Q. And you have not presented it since? A. No.
- Q. Will you present it now? A. I will present it when I see fit.
- Q. You have not presented it yet? A. No.
- Q. Have you got your books here? A. Yes.
- Q. When did you charge it? A. Charged it the very day it took place.
- Q. Let me see your book. You have had some flour from Campbell's mill since? A. Yes.

- Q. Which you paid for? A. No, I did not.
- Q. I think you have? A. My son probably paid for it.
- Q. When did you get that flour? A. Some time in the spring.
- Q. What was the date of this conversation? A. 4th of December, 1886.
- Q. Some time in the spring you got flour at Campbell's mill. It was not paid for at the time you ordered it? A. No. The bill was presented in one of my shops, and my son paid it.
- Q. When was that bill presented? A. I could not say the exact date; it was not long ago. My son told me he paid it.
- Q. And you never rendered your off-set since? A. No. I have got lots more like it.
- Q. When did you tell Mr. O'Neill about this, or Smith? A. I did not say I told O'Neill. Here is the original entry, on Saturday afternoon, the 4th of December (referring to book).
- Q. What is this entry? A. "Mr. Archibald Campbell, for one pair overshoes for John O'Neill, Junior, \$2.00."
- Q. "Per?" A. Well, it is either "per" or "for."
- Q. When was that altered? A. It never was altered.
- Q. What is that, "John" or "James?" A. John.
- Q. You put down first "James" and altered it? A. No, I did not. I put his name down first, and I had another transaction with him, and I looked it up and put his name down John.
- Q. When was that entered up, page 93? A. I could not exactly say what date.
- Q. When was it entered up? A. It does not matter when it was, because I post my book when I get ready.
- Q. I ask you when it was written up? A. I cannot tell you.
- Q. Can you tell me within four months? A. No. I presume it was inside of four months.
- Q. You presume; you cannot say? A. No.
- Q. That has been written in since, the lower line? A. It might be for all I know.
- Q. It was put in at a later date; you can see the ink as well as I can? A. Well, it does not matter; I have a right to put what I like in my own book when I remember the transaction, providing it is true and square.
- Q. Will you swear that lower line was not written at a later date than the upper? A. No, I will not deny it was put later.
- Q. Who was it—was it Mr. Smith or anybody on his behalf that showed you you had not entered it right? A. Nobody did.
- Q. You have altered the date, I see? A. No, I have not.
- Q. Now, that entry is made in August of this year? A. Well, it might have been.
- Q. But it is? A. Well, supposing it is.
- The Court.*—Read the whole of that entry? A. "To one pair overshoes per John 'O'—for O'Neill."
- Mr. Cassels.*—You see that these words written on the second line are written in after the upper words? A. Yes.
- Q. There is no doubt about that? A. No doubt about that.
- Q. That you have admitted? A. Yes.
- Q. So that the lower part there, whatever it means, is written in after the upper part? A. Yes.
- Q. Now, that lower part was written in after this election contest had commenced? A. It may have been.
- Q. Was it not? A. I do not know.
- Q. Wasn't that lower entry made for the purposes of this trial? A. No.
- Q. At all events the entry itself is made after this election protest is commenced. You knew when this petition was presented, didn't you? You knew Mr. Smith was protesting Mr. Campbell's election? A. I heard that.
- Q. The upper line, "H. E. Woods," is August the 15th, 1887? A. Yes.

- Q. Then this lower entry would be after that date? A. I presume it is.
- Q. Now tell me when you put in those words underneath? A. I cannot tell you the exact date.
- Q. Whom had you seen connected with the election contest before that? A. I did not see anybody at all.
- Q. Whom did you go to and tell about this? A. I did not go to anybody.
- Q. Whom did you tell? A. I do not know.
- Q. What have you rubbed out in the original entry? A. I could not tell you.
- Q. I ask you what was rubbed out? A. It was Jon.
- Q. When was that "93" put opposite that? A. I could not say; I suppose when it was posted.
- Q. Who used this green ink? A. I did.
- Q. When? A. That would be last January, I presume.
- Q. Whose writing is that "Mr. Christie"? A. That is my son's, I presume.
- Q. You have never demanded payment of that account from that day to this except in the way you have told? A. Once in that way, and he was not in the office.
- Q. You have been getting goods from Mr. Campbell's store since that that were paid for? A. It was paid in my absence.
- Q. You are reserving this account for present use? A. No reserving.
- Q. You were acting as deputy returning officer? A. Yes.
- Re-examined by Mr. McCarthy:—*
- Q. Is this your own handwriting, on the 4th of December? A. Yes.
- Q. "Mr. Archibald Campbell." That is intended for what, "per"? A. Per O'Neill; and that is intended for "for." That is, for overshoes.
- Q. This you have written in since? A. Yes, I wrote in "Jon."
- Q. And when did you write in "junior"? A. The same time I wrote in the original entry.
- Q. Then the first entry you made was "O'Neill junior per Campbell for overshoes, \$2.00"? A. Yes.
- Q. Then when did you write in "Jon"? A. Sometime after I wrote this. I looked up his former account and found his name was Jon.
- Q. What do you call this book? A. It answers as a day-book, and it is a blotter as well.
- Q. Is this your only book? A. No.
- Q. What does this contain? A. It contains an account of all the goods that go out, on approbation or any way.
- Q. Have you a larger day-book in which you put entries? A. No.
- Q. Is your business a cash business? A. Yes, with a few exceptions.
- Q. Then this book is just an entry of those goods which are not cash or which go out on approbation? A. Yes. Sometimes the accounts will remain here a couple of months before I post them.
- Q. What is the entry in green ink? A. It may have been transferred sometime to another page in the book or in another book that would follow this one, so as not to be entered in the ledger.
- Q. When did you commence using the green ink? A. That was, I presume, last fall some time, or December or January.
- Q. Is there any other entry posted on this page but that one? A. That seems to be the only one on that page.
- Q. On the preceding page is there any entry that was posted? What is that there? A. That would be carried on to another similar book.
- Q. Is that 39 posted? A. I presume it would be. That is posted to Pegley.
- Q. Now, 93 is this account. Can you tell at all when you posted that? Have you any regular time of posting these? A. No, I have not.
- Q. As I understand you, this was first transferred to some other book? A. Yes.
- Q. In order to be settled? A. Yes.

- Q. Before it was posted at all? A. Yes.
- Q. You intended to charge in your ledger Mr. Campbell with this entry? A. Yes.
- Q. Why did you charge in this book at all? Why didn't you rely on the little book? A. Because if any man comes up in a hurry I refer here; but perhaps if they come in a little time I enter them right there.
- Q. Do you remember when you did put this into the book? Just try and remember when you posted this? A. It might be within the last two months.
- Q. At the time you rendered the account which did you take it from? A. From the blotter.
- Q. Then were all these entries that are on page 93 made at the same time? A. I presume the whole page was put down together on the one day.
- Q. Then you commenced apparently backwards. You have gone back. You see you commenced with August, 1887, and then you go to June, 1887, and then to December, 1876. Then you posted back apparently. Would you post that way out of this book? Would you post backwards? A. No, I would not post backwards. I would skip an entry very often.
- Q. Why would you go back here and mark it 93? When did you mark 93? A. That is when I posted here.
- Q. Would not that show you posted from this book and not the other one? A. I did post from this one. I posted this entry from another similar book; since January that has been.
- Q. Then where did you post the June item from? From that same new book.
- Q. Then where did you post this December item? A. From the other book.
- Q. Show us that, P. Miller? A. There it is.
- Q. When was that posted? A. That would be last January, I think—either January or December.
- Q. That is, "To balance of overshoes" also? A. Yes.
- Q. \$2.50? A. Yes.
- Q. Do you remember as a fact that this first line and the second line were written in at different times? A. Yes.
- Q. What is the second line? A. "Per self for John O'Neill, Junior."
- Q. Do you remember when it was you wrote in this second line; how long ago? A. It might be a month ago.
- Q. You rendered the account about when? A. Some time in the spring; I could not say what date.
- Q. Do you know anything about the dealing you had for flour with Campbell, Stephens & Co.? A. Yes; I went and ordered a hundred of flour personally, flour and shorts.
- Q. Was the account rendered to you? A. No, not to me.
- Q. Still do you know anything at all about whether it was paid or not, of your own knowledge? A. Any more than what my son told me.
- Q. Did he tell you how he paid it? A. Yes.
- Q. How did he pay it; because it is H. J. Stephen's account here? A. Well, young Stephens was in and bought a pair of shoes, and I think he presented the bill on account of it. So the boy told me.
- Q. Is young Stephens a son of the partner? A. Yes.
- Q. He was in and got a pair of shoes? A. Yes.
- Q. And then the account was settled in that way? A. Yes. (On page 328 of the ledger, settled by H. J. Stephens' account, \$2.70.) I think young Stephens would take a more expensive shoe and pay some cash to the boy.
- Re-Cross-examined by Mr. Cassels:—*
- Q. Were not you in some difficulties in March with the Locoming Rubber Company? A. Has that anything to do with this?
- Q. They were pressing you for payment then; you had a note then that you were trying your utmost to meet? A. I believe there was.

Q. And you were trying your best to collect all you could in order to meet that note; isn't that so? No; I did not pay enough to make any effort on that note.

Q. You were about \$700 short then? A. You are not right with the account.

Q. Well, they were pressing you at that time, weren't they? A. About what time?

Q. Sometime in March? A. I guess so.

Q. And you tried your utmost to meet your liabilities at that time? A. Yes.

Q. You tried then to collect all you could to make headway, didn't you? A.

My efforts were not directed in collecting. They were directed in settling with them by an extension or otherwise.

Q. Then you tried your best to get in all your assets, didn't you? A. That might be. I presume it would be about that time I presented the bill.

Q. How did you come to get Miller here in one book and the other in the other?

A. Because Miller was allowed to remain longer there, thinking he would pay it from day to day.

Q. Where is that other book you talk of? A. I have not got it.

Mr. McCarthy:—Did O'Neill pay you for those shoes? A. No.

Q. Did you ever ask him for it? A. No.

JOHN TETRAULT, sworn.

Examined by Mr. McCarthy:—

Q. You are the son of the last witness? A. Yes.

Q. Do you know O'Neill? A. Yes.

Q. Do you remember O'Neill trying on a pair of overshoes in your father's establishment in December last? A. Yes.

Q. Which O'Neill was that? Do you his first name? A. I do not.

Q. Had you known him before? Had he ever been in the store before? A. Yes, he had bought goods from me before.

Q. Did any person come in while O'Neill was there? A. Not that I remember, except Mr. Campbell.

Q. You say that you remember Mr. Campbell coming in? A. Yes.

Q. What was O'Neill getting? A. A pair of overshoes.

Q. Do you remember O'Neill saying anything? What were they talking about?

A. He was talking of the election with my father, I think, before Mr. Campbell came in.

Q. And after Mr. Campbell came in what was he talking about, or what were they talking about? A. They continued then on the same subject.

Q. What was Mr. Campbell talking about? A. Mr. O'Neill says, pointing to my father—I forget the exact words he used though—meaning to say “He is on our side; he is a Liberal; that is a good man,” or something like that.

Q. What did your father say to that? A. He said, “No, Sir, I do not think it.”

Q. Then what did Mr. Campbell say? A. Then Mr. Campbell started figuring on the counter; and he said, “Oh, we will have a majority in Dover of so many,” which I forget; “We will have a majority in Raleigh of so many,” which I forget.

Q. Who did he say would have a majority? A. Oh, he thought he would get in all right. Then he called my father aside and spoke to him a few minutes.

Q. Did you hear what he said to your father? A. No.

Q. After that what happened? A. Then Mr. O'Neill said, “Well, I will take this pair if Mr. Campbell says it is all right.”

Q. What pair was he referring to? A. To a pair of overshoes he had on his feet.

Q. Did he say anything more than that? A. No, that is all he said. He said something more, and that is all he said—that he would work for him and get some more votes for him; I forget the exact words he used.

Q. What did Mr. Campbell say to that? A. He did not say anything; he bowed his head and started talking again about the election; and then Mr. O'Neill asked him the second time, and he said, “I will take this pair if he makes it all right.”

Q. That is, repeating what he had said already? A. Yes. Then Mr. Campbell nodded his head to father, and said, “I guess you had better give it to him.”

Q. Did he get them? A. Yes.

Q. Did he pay for them? A. No.

Q. Were they charged? A. Yes.

Q. Who was it charged them? A. My father, I think.

Q. Do you make entries in this book? A. Yes.

Q. Look on the 4th of December and see if you see any entry? A. This is my writing with the indelible pencil.

Q. Is there any person else in the store but you and your father? A. There is my mother and my sister, but they very seldom charge anything. The first two entries on this page are by me, and then the entries down to Christie are by my father. Then the next entries are made by me down to the last entry, which is made by my father.

Q. Do you ever post into the book? A. No.

Q. Who does the posting? A. My father.

Cross-examined by Mr. Cassels:—

Q. Where is this shop of yours? A. In King Street, opposite the Opera House.

Q. What sized store is it? A. It used to be a double store; it is single now.

Q. Was it double in December? A. Yes, we had it all in one.

Q. With counters on each side? A. A counter in the centre reaching across, and two small counters along the sides.

Q. And where was your trying-on place? A. On the left hand side in the front of the shop behind the show window.

Q. What was there behind these counters? A. There were very short counters.

Q. What was there beyond the counter? A. Nothing but shoes on the side of the wall.

Q. Who attended the shop generally? A. I did, and my father.

Q. Who attended to your books? A. My father.

Q. How old are you? A. 18.

Q. 18 now? A. 19 in January.

Q. You recollect O'Neill coming in, do you? A. Yes.

Q. Anyone with him? A. No.

Q. Quite sure? A. Yes.

Q. Is your recollection on that as good as on what you have been telling us?
A. Yes.

Q. Nobody else came in with Mr. O'Neill when he came into the store? A. Not that I remember of.

Q. Not a lady, at all events? A. No.

Q. Did not take his sister with him on that occasion? No.

Q. His sister was not there on that occasion? A. No.

Q. You would remember it if his sister was there on that occasion? A. I think he came in alone.

Q. You are quite positive she was not there? A. Yes.

Q. If you are mistaken on that you may have been dreaming about the conversation? A. I do not think so.

Q. You say O'Neill came in to get shoes for himself? A. It was not shoes, it was overshoes.

Q. Did he tell you he wanted overshoes when he went in? A. Yes.

Q. You or your father? A. It was me.

Q. What did he say to you? A. I forget the exact words. He asked for a pair of overshoes.

Q. For himself? A. Yes.

Q. Did he ask the price of them? A. I think so, I am not positive about it.

Q. You set him down to try them on, did you? A. Yes.

Q. Were you helping him to try them on? No.

Q. Who was? A. I do not know. I was not. I never saw anybody helping him.

- Q. Who gave him the shoes to try on? A. I did.
- Q. How many pairs did you give him? A. I could not say.
- Q. Half a dozen? A. I could not say.
- Q. He was trying on these shoes that you were giving him when Mr. Campbell came in? A. Yes.
- Q. Where was your father standing? A. I do not remember. I think he was in the back part of the shop.
- Q. Then did Campbell sit down, or what did he do when he came in? A. He did not sit down. He leaned against a small counter.
- Q. Is that the one that ran across the shop? No, lengthways.
- Q. What was the first thing that was said? A. I cannot remember.
- Q. You have not paid much attention to it? A. No.
- Q. You cannot remember what was first said? A. No.
- Q. Can you remember who first spoke? A. I could not say that at all.
- Q. You do not know whether Campbell or O'Neill first began the conversation?
- A. No.
- Q. You do not know whether your father may not have begun it first? A. I do not know.
- Q. Can you remember some of the words that were said? A. As I said a little while ago, Mr. Campbell started talking about his majority.
- Q. You are quite clear about that? A. Yes.
- Q. Just talking about his own election? A. Yes.
- Q. Didn't he talk about Dillon's election too? A. Yes.
- Q. Who was he addressing the remarks to about the majorities? A. My father.
- Q. Not to O'Neill? A. No.
- Q. You are quite sure of that? A. Yes. He had his back turned to O'Neill when he was saying that.
- Q. Standing up? A. No.
- Q. Then he was talking to your father about the majorities? A. Yes.
- Q. Did you hear any conversation that took place between your father and himself? A. He called him aside.
- Q. Where did he call him aside to? Where did he go to? A. Just a few paces.
- Q. You did not hear what was said then? A. No.
- Q. Then did he come back again? A. Yes.
- Q. To the same place where he was before? A. Yes.
- Q. Then who spoke? A. I do not exactly remember.
- Q. You do not remember whether it was Campbell or O'Neill? A. No.
- Q. Do you profess to repeat the exact words? A. I cannot say the exact words.
- Q. It is the sense you take from them that you are purporting to give to-day?
- A. Yes.
- Q. To repeat the exact words would be impossible to you? A. No, not some parts.
- Q. Just tell me what you heard said, the exact words? A. Mr. O'Neill said "I will take this pair if Mr. Campbell makes it all right."
- Q. To whom did he say that? A. I guess to my father. I do not know who he was saying it to.
- Q. What did Mr. Campbell say? A. That is the first time; Mr. Campbell did not say anything then.
- Q. What did your father say? A. I think he said, "If Mr. Campbell says so." He said something of that description; I could not say the exact words.
- Q. How do you come to remember that now and did not before? A. I always did remember it.
- Q. Then what was said? A. Then they started again talking about the election. I do not remember who started. Then Mr. O'Neill said again, "I will take this pair, if Mr. Campbell says he will make it right."
- Q. Then what was said? A. Then Campbell said, "I guess you had better give it to him," and nodded his head.
- Q. Then Mr. Campbell went out? A. Yes.

- Q. That is all you remember? A. Yes.
- Q. Now repeat again what took place? A. Mr. O'Neill came in first, wanted to buy a pair of overshoes.
- Q. I want the words that were said? A. I told you I did not know who was the first one that spoke.
- Q. However, what you do recollect is just what you have told me now, that Mr. O'Neill said, "I will take those overshoes if Mr. Campbell makes it all right?" A. Yes.
- Q. To that Mr. Campbell said nothing? A. No.
- Q. The second time O'Neill made the same remark? A. Yes.
- Q. Is that all he said? A. Yes.
- Q. And Mr. Campbell nodded his head and said to your father, "I guess you had better give it to him?" A. Yes.
- Q. And then he went out? A. He did not go out right away.
- Q. Then talked some? Yes.
- Q. To whom? A. To the three of them.
- Q. Did your father tell him he could not vote for him; that he was a life-long Conservative? A. I could not say.

Re-Examined by Mr. McCarthy:—

- Q. Did O'Neill, when he said, "I will take this pair if Mr. Campbell makes it all right," add anything to that, or was that all he said? After he said that did O'Neill say anything more? A. Not that I know of.

WILLIAM ATKINSON sworn and examined.

By Mr. McCarthy:—

- Q. You attempted to serve John Neill, junior, I think, to-day with a subpoena? A. Yes.
- Q. You left here after the mistake was discovered in the middle of the day? A. Yes.
- Q. Were you able to serve him? A. No.
- Q. Why not? A. I was told, when I got out there, that he had left for Bay City on Tuesday morning.
- Q. Whom did you get that information from? A. From his father and also from his brother.
- Q. Did they tell you for what he had left for Bay City? (Objected to.)
- The Court.*—It is not evidence in the case; it is only evidence directed as to the postponement.

Witness.—He said he had an aunt dying in Bay City.

By Mr. McCarthy:—

- Q. Did he give the lady's name? A. No.
- Q. Tuesday morning; that was of this week? A. I understood so.
- Mr. McCarthy.*—That is the case subject to Mr. O'Neill. It was only after the case was called we discovered the wrong O'Neill was subpoenaed; I think O'Neill ought to be here.

CHARGE 9.

WILLIAM DALTON, sworn and examined.

By Mr. McCarthy:—

(The other witnesses in the case are put out of court.)

- Q. Do you know John Hendershot? A. Yes.
- Q. If you choose you can apply for protection? A. I do not think it is necessary.
- Q. Who is Mr. John Hendershot? A. He keeps a livery stable.

Q. In the town of Chatham? A. Yes.

Q. Were you at his stable on polling day, the 22nd of February last? A. No.

Q. Did you see him on that day? A. Yes.

Q. Where did you see him on that day? A. I saw him at my shop.

Q. Your shop is also in Chatham, I suppose? A. Yes.

Q. What was he doing there? A. I do not know.

Q. Was he there about the election or about some other business? A. I do not know any more than that Vanstone was there.

Q. Samuel Vanstone was there; what was he doing there? A. He was working.

Q. For you? A. Yes.

Q. What is your business? A. Waggon and carriage business.

By the Court :—

Q. Is Vanstone working for you still? A. No; he is working in the shop, but he does whatever work comes in and takes the proceeds.

Q. Do you know if he were subpoenaed to attend this trial? A. Yes.

Q. How do you know that? A. The sheriff's officer was in the shop with the summons.

By Mr. McCarthy :—

Q. And you saw him served? A. Yes.

Q. When was that? A. Last week.

The Court.—Make out the order.

By Mr. McCarthy :—

Q. Mr. Vanstone was at that time working in your shop? A. Yes.

Q. Was Crump there too? A. Yes.

Q. What did you see between Hendershot and Vanstone? A. The day of the election Vanstone said to me—(Objected to.)

Q. Don't mind what Vanstone said to you. Just tell us what you saw. Did you see any money paid? A. There was some money left in a drawer in the blacksmith's shop. It was left in a book.

Q. How do you know that? A. Vanstone said it was left there for him.

Q. That is the way you know? A. That is the way.

Q. Well did you see it? A. Yes.

Q. Just tell us how you saw it. In whose possession did you see it, or how did you see it? A. I saw it in the drawer in the book, in a small account book. I opened the account book and saw the two dollar bill in it.

Q. Who got this two dollar bill? A. Vanstone got it.

Q. Did you see any person put the money in the drawer? A. No.

Q. Do you know who did put it in there? A. No; I could not swear who did.

Q. Did you put it in there? A. No.

Q. Who is the blacksmith? A. Vanstone.

Q. Had Vanstone told you something about it before you saw it? A. Yes.

Q. And from what he told you what did you do? Did you and Vanstone go together? A. No; I saw Hendershot and him together in the blacksmith shop, and Hendershot went away and I went out the back door of the carriage shop and went in the back door of the blacksmith shop and went to the drawer in the vice bench and opened it; and just as I opened it Vanstone came to the back door and said: "You cannot do that." I opened the book and saw the two dollars in it.

Q. Then you saw Hendershot and Vanstone talking together in the blacksmith's shop? A. Yes.

Q. Does the blacksmith shop adjoin the carriage shop? A. There is about ten feet between them.

Q. They are separate buildings, are they? A. They are separate.

Q. Where were you when you saw Hendershot talking to Vanstone? A. I was in the waggon shop.

Q. How were you able to see? A. I saw through the window.

Q. You saw through the window of the shop? You saw Vanstone talking to Hendershot, or Hendershot talking to Vanstone? A. Yes.

Q. Then how did you come to suspect anything, or did you suspect anything? A. Well, I suspected that he was trying to buy him.

Q. Why did you do that; what reason had you for suspecting that? A. It was from Vanstone's own words.

Q. When had Vanstone spoken to you on the subject? A. It was about eleven o'clock of the same day, or between eleven and twelve.

Q. What time of the day was it that Hendershot was in there? A. He came in there some time in the forenoon; at least from what Vanstone said; but I did not see him until afternoon. He came into the waggon shop after dinner; I suppose it would be a while after one o'clock; and he asked if Vanstone was in. I said that he was not, that I thought he was up town.

Q. Did he come back again? A. In a few minutes I saw Vanstone outside, and then a while afterwards Hendershot came along and went into the blacksmith shop.

Q. And then you saw them together? A. Yes.

Q. Why did you go to this desk; was it from anything you had been told? A. Yes.

Q. Who was it told you? A. Vanstone.

Q. Had Vanstone a vote at the election? A. Yes.

Q. Do you know Frank Crump? A. Yes.

Q. Did you see him there? A. I do not remember of seeing him there at the time.

Cross examined by Mr. Cassels:—

Q. You are not working now? A. I am working in the same shop.

Q. In the carriage shop? A. Yes.

Q. The carriage shop is adjoining the other shop; have you been working there all along? A. Yes.

Q. Who is the owner of the shop? A. It belongs to Mr. Backus.

Q. Did you vote yourself on election day? A. Yes.

Q. Did you vote after you went to the drawer or before? A. Before; I voted early in the morning.

Q. You have been one of whose supporters? A. Smith's.

Q. All along, haven't you? A. Yes.

Q. Pretty strong supporter? A. Well, I always voted that way.

Q. When did you first see Hendershot there; what hour of the morning? A. Along in the forenoon.

Q. Was it about dinner time? A. No, it was about ten o'clock.

Q. What kind of work do you do? A. Repairing waggons and buggies.

Q. Were you at work on this day? A. I was.

Q. What kind of work were you doing when Hendershot came in? A. I do not remember.

Q. You had no conversation with Hendershot? A. Not any more than to ask me if Vanstone was around, and I said no.

Q. Then two or three hours afterwards you saw Hendershot and Vanstone together? A. Yes.

Q. You saw that through these two windows? A. Yes.

Q. Through the two windows you had to see through? A. Yes.

Q. There is a space of ten feet between these two shops? A. Yes.

Q. You looked through the two windows and saw Hendershot and Vanstone together? A. Yes.

Q. Then you saw Hendershot go out? A. Yes.

Q. And then he went straight to the desk? A. Yes, a few minutes after.

Q. Where is the desk? A. In the back end of the blacksmith shop.

Q. That you could not see through the window? A. No.

Q. As soon as you saw Hendershot go out you went straight to that desk and opened the drawer? A. Yes.

Q. That you did alone? A. Yes.

Q. What kind of book was kept there? A. A small account book.

Q. Belonging to whom? A. Belonging to Vanstone.

- Q. What is Vanstone's position in this shop? A. He is a blacksmith.
 Q. Is he a master blacksmith or a workman? He is a workman.
 Q. What kind of a book does he keep? A. Just a small ordinary grocery account book like a pass-book.
 Q. Had he been in the habit of keeping that always in the office? A. No. At least Crump and he went in together doing horseshoeing.
 Q. You went into this office as soon as you saw Hendershot go in, and you say you opened this book? A. Yes.
 Q. And you say you saw money there? A. Yes.
 Q. Two dollars? A. Yes.
 Q. Where was Vanstone when you went into the office? A. He came through the front of the waggon shop and saw me going out the back way, and he followed me.
 Q. He came in the front of the carriage factory? A. Yes.
 Q. And he followed you where? A. He came the back way into the blacksmith shop, and I was through then; I just had the drawer open.
 Q. That is all you know about it? A. That is about all.

FRANK CRUMP SWORN.

Examined by Mr. McCarthy:—

- Q. You desire to ask for protection, do you? A. Yes.
 Q. Do you remember the polling day last February? A. I remember the day but not the date.
 Q. Did you vote on that day? A. Yes.
 Q. Where did you vote? A. On Queen Street, I think it is.
 Q. In Chatham here? A. Yes.
 Q. We are speaking of this election between Mr. Campbell and Mr. Smith? A. Yes.

Q. Did you get or were you promised any money?

Mr. Cassels.—There is no charge, I find, in regard to this witness.

By Mr. McCarthy:—

- Q. Do you know Mr. Hendershot? A. Yes.
 Q. Did you see Mr. Hendershot on polling day? A. Yes.
 Q. Where did you see him? A. He came to my shop where I was working.
 Q. Where is your shop? A. It was in my blacksmith shop in rear of the Rankin House.
 Q. At that time were you working in William Dalton's shop? A. Yes, he was working in the wood shop and I was working in the blacksmith shop.
 Q. Do you know Samuel Vanstone? A. Yes.
 Q. He was working in that shop? A. Yes.
 Q. Did you see Hendershot there that day? A. Yes.
 Q. Did you see him speaking to Vanstone? A. No.
 Q. Do you know of any money having been paid to him or left for him by Hendershot? A. No.
 Q. Did you see any? A. No.
 Q. Do you know anything about money that day? A. Yes.

Mr. Cassels.—Now I object.

Mr. McCarthy.—I would ask for leave to amend to include this man's name.

Mr. Cassels.—I submit it should not be granted. I will give your Lordship authority for it—two or three reasons for it. As I pointed out, the question of bribery by an agent without the knowledge of the respondent is practically conceded. The purport of these charges is simply to show the same things. There is no personal charge alleged of Mr. Campbell. It is simply inquisitorial.

The Court.—I think it is a substantial reason that the election is practically voided.

Mr. McCarthy.—It depends on the amount of this evidence as to the extent to which Mr. Campbell is implicated. We have one charge against Mr. Campbell which Mr. Campbell will be called on to explain. He says he gave Mr. Smith a hundred dollars for Mr. Flint, which Mr. Flint never got. I am showing there was a scheme of bribery. I think I have shown it with regard to the man in the barn; and I think I am now going to show it equally clearly that this man, Mr. Hendershot—

The Court.—I do not think I will allow this charge to be added.

JOHN HENDERSHOT SWORN.

Examined by Mr. McCarthy:—

Q You took some part in this last election between Mr. Campbell and Mr. Smith? A. Yes.

Q. You, yourself, busy on polling day? A. Not very.

Q. Did you pay any money on that day? A. No.

Q. Leave any money for anybody? A. Yes.

Q. Who for? A. Mr. Vanstone, I believe.

(The witness here asks for protection.)

Q. You left money for Vanstone; for what purpose? A. To vote.

Q. How did you leave it? A. I left it in a book or desk; I do not know which it was.

Q. How did you come to do that? A. I had some money bet on the majority in town and I wanted to win it; that was all.

Q. Was that the only money you paid that day? A. Yes.

Q. Or promised that day? A. Yes.

Q. Do you know Frank Crump? A. Yes.

Q. Did you pay him any? A. Not that day.

Q. How soon after the election did you pay him? A. It was after the election; I would not say.

Q. How much? A. Two dollars.

Q. Anybody else? A. No.

Q. Whose money was that? A. My own.

Q. Whom did you get it from? A. I cannot tell you who I got it from. It was my own money.

Q. Did you get any money from any person to spend in the election? A. No.

Q. To spend in bribery? A. No.

Q. Did you get this money back from any person? A. No.

Q. Did you ask for it? A. No.

CHARGE 42a.

Q. You are a livery stable keeper? A. Yes.

Q. How many rigs of yours were out on polling day? A. I could not tell you.

Q. How many do you think; half a dozen? A. I do not know.

Q. Would there be more than half a dozen or less than half a dozen? A. I do not know how many were out.

Q. Was there more than one? A. Yes.

Q. More than two? A. I think there was.

Q. More than three? (No answer.)

Q. Were they hired? A. Some of them were.

Q. Who by? A. Mr. Gardner, I think, had one out.

Q. A hired one? A. Yes.

Q. Who else? A. I think that was all.

Q. How many were there out? You have told me of three; who hired the other two? A. Some were hired and some were not hired.

Q. Who were driving the other two? A. I could not tell you.

Q. How did you come to let them go out? A. They were out before the election day, and did not return.

Q. Did you charge the election day? A. I charged for those that were out, that went out that day.

Q. You say they were out before the election day? A. Yes.

Q. Didn't come in? A. Yes.

Q. When did they go out? A. Some of them were out a day and some two days before the election.

Q. Who had them out? A. I could not tell you now who had them out.

Q. Had you any election bill against Mr. Flint or against Mr. Campbell, any livery bill? A. Yes.

Q. Did you charge for these horses to Mr. Flint or to Mr. Campbell; did you charge for them for election day? A. I do not think I did.

Q. Will you swear you did not? A. No, I will not swear I did not; I do not think I did.

Q. How many of your rigs had they out, single or double horse rigs, whether they were taken out that day, or before or after it, how many had they? A. I think there were a couple.

Q. Were they taken out on that day or were they taken out prior to that day and kept out? A. Out prior to that day.

Q. Both of them? A. I think so.

Q. And kept out? A. Yes.

Q. Do you know who had them? A. I think Mr. McCormack had one.

Q. What is McCormack's name, Sam. McCormack? A. I think so.

Q. Who had the other? A. I could not say.

Q. Did you hire those two teams to Mr. Campbell or to Mr. Flint? A. No.

Q. Whom did you hire them to? A. I did not charge them to anybody.

Q. Why not? A. Well, I understood I could not charge for them on election day.

Cross-examined by Mr. Cassels:

Q. This Gardner team, don't you know he drove out to vote for Mr. Mills in Bothwell? A. Yes, I know he went there. It was not for Mr. Campbell's election. That went to Chatham township.

Q. That is where Mr. Mills' election was being held? A. Yes.

Q. None of these others were paid for? A. No.

The Court.—Have you any more evidence on charge nine, Mr. Cassels?

Mr. Cassels.—No.

The Court.—Charge nine is proved as far as bribery is concerned.

SHERIFF MERCER, recalled and examined.

By Mr. McCarthy:—

Q. Have you been able to find the papers? A. I cannot find the vouchers.

Q. Have you been able to find anything at all? A. I have nothing but the summary published in the *Banner*.

Q. Have you the summary that was published? A. Yes. (Produces.) I have one voucher; that is all I can find. (Summary foots up \$1,116.88, including \$112 of personal expenses.)

Q. Which voucher have you there? A. Mr. Campbell's certificate.

(Certificate that personal expenses were \$112.)

Q. Have you any idea what has become of them? A. I have not. My election clerk has been taken ill. I only got my subpoena yesterday. He has been confined to his bed three or four days.

Q. Is he not well enough to be seen on the subject? A. I suppose he is.

Q. Have enquiries been made of him as to whether he knows anything about them? A. I have not seen him to ask him.

Q. Were they handed to you or to him? A. That I do not recollect; I rather think they were handed to him.

Q. Then it is possible when this gentleman is well we shall be able to get them? A. Yes.

Q. Do you know where they ought to be? Is there any particular place in the office where they should be? A. No. We have had two elections so close together that all my Sheriff's papers have got mixed up.

Q. Do you think they have been taken from the office? A. No. This that I produce is the abstract furnished with the vouchers and published in the papers.

Cross-Examined by Mr. Cassels:—

Q. You never got a subpoena before yesterday? A. No.

Q. Nor were requested by the petitioner to get them before yesterday? A. No.

Mr. McCarthy.—Upon that material I ask your lordship now to amend. It now appears there has not been so much money accounted for as Mr. Campbell expended in the election, taking Mr. Campbell and Mr. Flint together. I ask to amend by adding that money has been given to Mr. Smith to be used in bribery. We find a cheque produced by Mr. Campbell which he says was intended to have been sent to Mr. Flint. It does not appear to have reached Mr. Flint.

The Court.—That I would not be certain about; Mr. Flint is not very positive about it.

Mr. Cassels.—If there is any possibility of bringing the matter to a close; or if the Smith charge is a single one, not to be extended out, that we can try in Toronto with the balance of that other charge, I have no objection to its being added. I do not think we ought to be put to the expense of an adjournment in this regard.

The Court.—I think there is some *prima facie* ground for allowing an amendment of that kind. I say that not as attaching anything to the respondent, but as meaning that there is something there ought to be some explanation about. I think the amendment will have to be allowed.

Mr. McCarthy.—The section I apply under is 69. I do not propose to give evidence of any further charges unless the personal charges.

The Court.—Then the case stands over for further evidence in these two charges; that is, with regard to Tetrault and Smith.

Mr. McCarthy.—I have not yet abandoned the matter with regard to the colored man to whom the \$5 was paid. There were two colored men to whom money was paid. I submit Flint has been clearly guilty of bribery with regard to that payment to Spencer Curtis. I propose to argue that against both Flint and the respondent. As far as Hadley is concerned he has admitted the bribery. As far as the agency is concerned I think that is equally plain; but that is a matter of no consequence. In a similar case, the Durham case, Baron Bramwell expressed no doubt as to agency.

The Court.—Canvassing and bringing up voters to the polls is no doubt some evidence of agency; it requires very little more.

Mr. McCarthy.—The circumstances of this case, I take it, establish agency: 2 O. & H., 137. With regard to Curtis the payment of the \$2 is admitted, and of course the agency of Mr. Flint cannot be disputed. That the payment of the \$2 was as clear a case of bribery as ever was established appears to me to be beyond controversy. As to the payment to Jackson the evidence must have convinced your lordship that that was a colorable payment. Which account we are to accept, Mr. Flint's, Mr. Jackson's or Mr. Campbell's I do not pretend to decide; it is for your lordship to judge. It is utterly impossible for your lordship to come to any other conclusion than Jackson was a loose fish of the first order; and I would ask your lordship to come to the further conclusion that the man's character as an elector and as a man could not have been unknown to Mr. Flint and Mr. Campbell. According to his own account he did not do anything more than he would have done if he had not been paid. If your lordship sanctions the payment of such men as canvassers you will wipe out the Corrupt Practices Act.

The Court.—You had better address that argument to the Supreme Court.

Mr. McCarthy—There is a case later than the one your lordship refers to.

Mr. Cassels.—The Berthier case.

Mr. McCarthy—In that case of Gibbs there was no unanimity among the judges on the point.

The Court.—It is quite open to you to argue that paying canvassers is a mode of bribery.

Mr. McCarthy—That is all I am doing. Is this a man Mr. Campbell could honestly have believed could influence anybody to vote? I ask, in the second place, is this payment in advance one that the court is going to sanction? I ask also was any account ever presented? At the time there could not have been more than \$3, at all events, due. It is not pretended that the sum of \$5 was paid on account of services; the pretence is that it was paid on account of expenses. That contention is not borne out. It was not included in the account of expenses afterwards.

Mr. Cassels.—As to canvassers I would refer your Lordship to the Berthier case.

The Court.—Have you the case?

Mr. Cassels—No, but I have the Lennox case, which is the same. In the Berthier case the point is conclusively set at rest. 9, Supreme Court Reports, 107. With regard to this five dollars, my learned friend asks you seriously, in a case of this nature, involving not merely the penalties to Mr. Flint, but involving the candidate, not to accept the statements that have been made as to that, but to draw an inference from Jackson's employment. If you put Jackson's statement aside you have Mr. Campbell's and Mr. Flint's. If Campbell has a right to employ canvassers, this man was a well-known Reformer. He had been going around with Mr. Campbell, and Mr. Campbell made that bargain with him. It is proved he was working there the number of days, and it is sworn a dollar a day is not an unreasonable charge. The whole circumstance is explained. The fact is the man came and made a charge for more, but it was not allowed. In the case of Curtis there was the preliminary promise by him. Then the only other point is as to the agency of Hadley: (Continues speaking while the reporter, by direction of his lordship, is referring to his notes.)

The Court.—It seems to me I should find the work Curtis did was in consequence of a previous agreement he had with Flint. To dispose of that case I would say as to the employment of canvassers (applying what I say now to this case, and to Jackson's case and Reeve's case—all the cases of canvassing), that it is certainly a most dangerous thing to do; that it becomes especially dangerous when it is found to be done in connection with persons who are not very well off, and to whom the payment of small sums for canvassing might be enough to induce them to vote on the side on which they were paid. I think it is a dangerous thing to do, and for that reason might in many cases, with very little else, lead the judge to the conclusion that the employment of such people as canvassers was merely colorable and to secure their votes. But on the whole I do not feel I am justified in finding that with regard to Curtis or Jackson. With regard to Curtis, I find that the canvassing was done in consequence of a previous arrangement; and I do not think I can disregard the evidence of Mr. Flint; that is, to the extent of doubting what he said in stating that he employed Curtis for the purpose of canvassing. I think it is a case in which suspicion might be very justly aroused; and I will not say my own mind is perfectly free from suspicion; but a judge, in disposing of a case of this kind, if his conclusion is adverse to the person charged, must come to a conclusion which taxes the person with the commission of a crime. I confess I am not prepared to disregard the oath Mr. Flint has pledged as to the reason why Jackson was employed. I do not think I can hold so far to my suspicions as to find the employment of Curtis was bribery. So with regard to Jackson. Jackson certainly went out in the first place with Campbell, at his request apparently, to introduce him to his colored friends and the colored voters, but subsequently found he could not spend so much time, and, if I am to believe Mr. Campbell—and I confess I have no more reason for disbelieving him on that point than for disbelieving Flint,—Curtis agreed with Mr. Campbell he would continue to

canvass for the payment of one dollar a day; and something of the same kind was said to Mr. Flint. The evidence does not hang together in all particulars; and I suppose one would not expect it. So I must find there was an arrangement between Campbell and Jackson that Jackson was to canvass for the sum which Campbell spoke of. Then Jackson was paid five dollars. Certainly he was paid that on the occasion of his going out to the village of Shrewsbury; but at that time, it seems to me, he had earned the money he was to be paid by Campbell as canvasser; and it might not have been present in Campbell's or Flint's mind at the time how much Jackson had earned; but I think probably it occurred to them that this was not the first occasion they employed Jackson on which he was to be paid, and that that made them less careful as to what they paid him. I feel I am bound to regard evidence of that kind with very great care; because if I find this five dollars was paid as a bribe to Jackson, it involves the disqualification of the respondent; and every judge who has ever had to deal with a case of the sort has always scrutinized the evidence with the greatest care, and has leaned towards that view of the evidence which would not lead to disqualification. Therefore I find that these two sums were paid, as the witnesses say, for canvassing. With regard to Hadley I think the decision in the Ontario case must lead me to the conclusion there is not enough evidence to find that Hadley was an agent. The only evidence of agency is that he drove this rig on election day, and that he was seen once or twice in one of the committee rooms. He did not appear to be taking any part in the work of the committee; and there is no doubt from what the witnesses have told us that persons other than the persons actually engaged in the committee were in the habit of going into those rooms. He may have gone in, being a member of the party, as a mere matter of curiosity. I cannot at all events trace any employment of him by any one member of the committee. He went out at his father's suggestion, and I must say I do not attach very much weight to what his father says. I must say I think his father knew he was going out to drive voters for his father's party. But not being able to fasten young Hadley as being connected with the committee or employed by anyone connected with it, I do not think that I can find that he was acting as an agent. I find he went to the committee rooms and asked if there was any money going, and Flint very properly told him there was no money going. Notwithstanding that he gives this money on his own account. Afterwards we find him dealing with somebody who was not an agent and being privy to a bribe with somebody else. However I do not think any evidence has been given sufficient to connect him with anybody for whose acts the respondent is responsible. Therefore I find he was not an agent, and so far the respondent was not responsible for his acts. But the election must be voided, although it is unnecessary yet to declare on what ground. Consequently I will not make any order until the case is concluded.

Mr. McCarthy.—I ask for summonses against Charles Hadley and McGoldrick. Case adjourned to be resumed at Chatham on 15th November.

CHATHAM, 15th November, 1887.

The case was resumed to day pursuant to adjournment; W. R. Meredith, Q.C., and Mr. O'Neill appearing for the petitioner; and Mr. William Lount, Q.C., with Mr. Christie appearing for the respondent.

FRASER WESTCOTT, sworn and examined.

By Mr. Meredith:—

Q. You are the book-keeper in the establishment of Campbell, Stephens & Co.? A. I do most of it.

Q. When did you enter their employment? A. In September four years ago, I think.

Q. And have you been employed there continuously since that time? A. No; I went away for three months and then came back again.

Q. At all events for the last year and a-half you have been continuously in their employment? A. No, I have not; I was away in June, July and August of this year, and did not think I was coming back again.

By the Court :—

Q. He was in the employment of this respondent during and shortly before and after this election? A. Yes.

By Mr. Meredith :—

Q. What is the system of book-keeping in your establishment, single or double entry? A. It is all single entry.

Q. What are the books kept in connection with the business? A. They are the day-book, ledger and bank-book.

Q. Is this the day-book (produced)? A. Yes, my blotter.

Q. This is the ledger (produced)? A. Yes.

Q. And this I think you call the bank-book (produced)? A. Yes, that is a copy of the bank-book that the bank send to us. This is my copy of it.

Q. Made after you get the cheques returned? A. Partially, and partially before.

Q. Then, as I understand you, so far as you have the payments made by the bank on account of the firm you enter them in the book as you go along? A. I enter most of them from the stubs of the cheques.

Q. Then at the close of the month if you found cheques of which you had no entry? A. I take them from the cheques themselves which are returned to me from the bank.

Q. Of course you keep the stubs of the cheques? A. No, we do not.

Q. I thought you said you took them from the stubs? A. I take them from the stubs in the first place, and then I check them over when I receive the cheques.

Q. When are the stubs destroyed? A. They are destroyed after the bank balance is found to be correct, to agree with my book.

Q. Have you made any search among the books and papers of the concern for the stubs and cheques of last winter? A. No, because they are given out to the grain men to use for grain tickets.

Q. Do you keep any cash-book? A. No.

Q. Have you any account with a man by the name of Joseph Brown in your books? A. I do not recollect. There are two or three Joseph Browns.

Q. Do you know a man named Joseph Brown? A. I know one Joseph Brown by seeing him.

Q. What does he do? A. I do not know whether he does anything or not. He was a tall man. I do not know whether he is a farmer or not. I do not know what he does.

Q. Is he a timber dealer, a tall man? A. I think he is.

Q. Do you know any other Joseph Brown? A. No, not that I recollect.

Q. Is there any account in the books with Joseph Brown? A. I could not tell whether it was with that man or not.

Q. With any Joseph Brown? A. There does not appear to be any in the book.

Q. Will you look at page 391 of your bank-book? Are the entries on page 391 in your handwriting? A. Yes.

Q. Who are the red ticks made by? A. The red ticks were made by me when I received the books back from the bank to know that they agreed with this book.

Q. I would judge from the way you have made the entries for the month of February that down to about the 28th you have made the entries of your cheques? A. Yes.

Q. And that for the next month you have got in the cheques from the bank and entered the rest from the cheques themselves? A. Yes.

Q. That figure "3" represents the third of February, does it? A. Yes.

Q. All the cheques from that entry of the third of February on page 391 appear to have been entered from the cheques themselves? A. Yes, but they may not have been after that date.

Q. But they would have been entered from the cheques themselves? A. Yes, so I think.

Q. I see amongst them there is a cheque, self, A. Campbell, \$40; \$25, self, O. J. Dolsen; \$220, self, A. Campbell; \$200, J. B. Flint; \$200, D. Smith; \$300, Joseph Brown. I suppose it would have been your duty as book-keeper, upon receiving these cheques and making the entry here to charge them to some account? A. No, it would not, because I would take it for granted Mr. Campbell and Mr. Stephens would know of them when they gave them.

Q. Would you make no enquiry? A. Sometimes I would and sometimes I would not, unless it struck me it was one that wanted some explanation.

Q. Do you recollect that you did make any enquiry about these cheques? A. No, I do not.

Q. Why not? A. Every month they came in, more or less.

Q. I see in the month of January there were two of them apparently that came in? A. Yes. Mr. Stephens checks them over at the end of the month with the ledger, and sees that they are all charged.

Q. In December there does not appear to have been more than one? A. No.

Q. November 30th, there are just two there? A. Yes. Sometimes Stephens issues cheques at Halifax or in the North-West.

Q. Was he in Halifax or the North-West during the month of February? A. No, he was at home.

Q. Did you know anything about an election account? A. No.

Q. Or about cheques having been drawn upon that account? A. No.

Q. Did you get any information from Mr. Campbell or his partner about it? A. No.

Q. Were there any charges made to Mr. Campbell's personal account, with regard to any election expenses? A. Not that I am aware of. I would not know whether they were his election expenses or the expenses of his house.

Q. This one, self, A. Campbell, wouldn't you charge that, in the ordinary course, to Mr. Campbell's account? A. Isn't it charged to his account?

Q. I think not? A. If it was not charged to his account, there was a couple Mr. Campbell said he would look over afterwards and have them charged.

Q. What has become of that cheque of Joseph Brown's? A. That is more than I can answer for.

Q. What do you do with the cheques after you have checked them over with this book? A. Give them to Mr. Stephens and he checks them off with the ledger to see that they are properly charged.

Q. Then I suppose each month's cheques were filed away by themselves? A. Yes.

Q. And can you give any reason why that cheque only amongst them is missing? A. It ought to be there.

Q. And you can give no reason why it is not there? A. No. Of course there are a great many cheques to look over; some months there are 1,300.

Q. Do you find the \$220 charged to Mr. Campbell's account? A. No.

Cross-examined by Mr. Lount:—

Q. A large amount of money was chequed out by Campbell & Co. each month; how many cheques do you say a month? A. I cannot say; in the month of October sometimes there may have been 1,300 cheques.

Q. I understand that a large amount is chequed out to grain sellers? A. Yes.

Q. As much as three or four hundred dollars to one man? A. Yes.

Q. And where cheques go to a grain seller they were usually made payable to bearer, weren't they? A. We generally kept all the cheques when we received them back from the bank.

Q. I understand those payable to bearer when they came back were not kept at all, because they were not receipted? A. They were kept.

DAVID SMITH sworn.

Q. Where do you reside? A. Township of Raleigh.

Q. I believe you were an active supporter of Mr. Campbell in the last Dominion election? A. I supported Mr. Campbell.

Q. Had you anything to do with any money in connection with the election? A. I drew \$200 from the bank.

Q. From which bank? A. From the Bank of Commerce, I think.

Q. For what purpose? A. Mr. Flint asked me to go and draw it.

Q. Who is Mr. Flint? A. Mr. Flint is the Secretary of the Reform Association, I believe.

Q. Where were you when he made the request that you should? A. I was in the committee room.

Q. Who were there? A. There were a large number of persons.

Q. Was Mr. Campbell there? A. No.

Q. Was it talked of openly, publicly before the committee, or was it discussed in a private room? A. No, it was not discussed privately.

Q. Had you but the one room for your committee? A. There were other small rooms there.

Q. Were you in the committee room or in the small one? A. I was in the large one.

Q. Do you remember what day of the week it was? A. I do not.

Q. How many days before the election? A. I could not say.

Q. Why should you be asked to get these moneys from Campbell? A. Mr. Flint came to me and said he wanted me to go to see Mr. Campbell, to get \$200 from him, as he had not time to leave the room.

Q. What for? A. I do not know; I did not ask the question.

Q. You did not ask the question what it was for, and had no idea? A. I had not.

Q. Did you suppose it had anything to do with the elections? A. I supposed Mr. Flint wanted it for some purpose connected with the election.

Q. Did you ask him what it was? A. No.

Q. Did you want to shut your eyes so that you would not find out what it was wanted for? A. No.

Q. Did you get any instructions in what bills you were to get the money? A. I was to get it in small bills.

Q. You got instructions to get it in small bills? A. Yes.

Q. Did you get the instructions in writing? A. No.

Q. How many of the particular denominations were you to get? A. Nothing said about that.

Q. Had you brought in a report the day before from Raleigh? A. I do not think I had.

Q. Had there been any discussion about money being wanted in Raleigh? A. Not that I know of.

Q. Did you discuss it with anybody? A. I did not.

Q. Had the committee discussed the need of money there? A. Not that I know of.

Q. Or not that you heard from anybody? A. No.

Q. Having got this request from Mr. Flint, what did you do? A. I went out to find Mr. Campbell.

Q. Did you find him? A. Yes, I found him on the street.

Q. Then what did you do? A. I gave Mr. Campbell a little note from Mr. Flint, I think.

Q. Mr. Flint gave you a little note from Mr. Flint to Mr. Campbell? A. Yes.

Q. Was it in an envelope? A. No.

Q. Did you read it? A. I think I did.

Q. Can you tell us what it said? A. I think it was asking Mr. Campbell for \$200; I think that is all.

(Note called for; not produced.)

Q. Having delivered that to Mr. Campbell, what took place between you and him? A. We went to the bank together.

Q. Surely there must have been more than that before you went to the bank? A. There was not.

Q. You did not talk about it at all? A. No, just crossed the street to the bank. We may have talked, but I do not recollect that we talked about the election.

Q. Had you seen Campbell before that day? A. No.

Q. What time of the day was it? A. I think it was about three o'clock.

Q. What was the purpose of your going in that day? A. I do not know that I had any particular purpose. I came in almost every day.

Q. Where was the first place you went that day? A. I could not say.

Q. Did you walk or drive in that day? A. I cannot say.

Q. How far do you live from the town? A. About two miles and a half.

A. Had you a meeting of the committee the day before? A. I could not say.

Q. Were you at any meeting of the committee the night before? A. I could not recollect.

Q. Will you undertake to say you did not? A. No.

Q. You generally have a pretty good memory, haven't you? A. Yes.

Q. Well, were you at any meeting the night before? A. I do not know whether I was or not.

Q. Were you at a meeting within two or three nights? A. I attended a number of meetings; I could not say.

Q. Were you at a meeting within two or three nights of this visit to Chatham? A. I could not say.

Q. Had you got a list of the doubtful voters? A. No; I do not think I had.

Q. Cannot you do any better than that? A. No; I cannot. I made out a list myself.

Q. Did you or anybody else, the committee or anybody else, make out a list of the doubtful voters in Raleigh? A. The committee did not. I did myself.

Q. Was it in writing? A. Yes.

Q. What did you do with it? A. I kept it in my pocket.

Q. Where is it now? A. I do not know.

Q. How many were on it? A. I cannot tell you.

Q. Were there ten or twenty or fifty? A. I could not tell you.

Q. Were there as many as fifty? A. I could not tell.

Q. Can you tell within thirty? A. No.

Q. What is your business? A. Farmer.

Q. Your early education been neglected, or are you a pretty good scholar? A. I cannot say.

Q. You met Campbell, and without any talk at all, by some mesmeric action you got across to the Bank of Commerce? A. Went right across to the Bank of Commerce.

Q. And nothing passed between you about this money? A. I do not think there was a word.

Q. Had you any bad news that day? A. No.

Q. Then you went to the Bank of Commerce, and then what happened? A. Mr. Campbell drew the cheque.

Q. At the bank counter? A. Yes.

Q. And whom did he make it payable to? A. I think he made it payable to me.

Q. You intended to get the money in the bank, didn't you? A. Yes.

Q. Will you tell me how the cheque was made payable? A. I do not know whether it was to myself or order; I think it was.

Q. If you were going to draw the money in the bank there why didn't Mr. Campbell draw it himself? A. I could not tell you.

Q. Campbell knew as well as you that the \$200 you were simply to take over to the committee rooms to Mr. Flint? A. Yes.

Q. Was anything said about who the cheque was to be payable to? A. The cheque was to be payable to me.

Q. Who said that? A. I think Mr. Flint said the cheque was to be made payable to me.

Q. Said that to you, or said it in the writing? A. I could not say; I am not sure.

Q. Was there any talk about who the cheque should be payable to? A. Payable to me.

Q. Who was that talk with? A. Mr. Flint.

Q. Then there was talk about it? A. Yes.

Q. Where? A. At the committee room.

Q. Who was by? A. I do not know that any person was by.

Q. Why was it to be made payable to you? A. Well, I was to draw the money upon it.

Q. If you were to go to Campbell and get the money why shouldn't Campbell draw the money and give it to you? A. I could not answer that question.

Q. At all events Mr. Flint's instructions were to have the cheque payable to you? A. Yes, or order.

Q. Was that in the writing? A. I do not know.

Q. Then how did Campbell come to draw the cheque to your order? A. I do not know.

Q. Did Campbell stay until you drew the money? A. I do not recollect; I do not think he did.

Q. You mean to say no question was asked by Campbell of you, nothing was said by you to him of the purpose this cheque was required for? A. Not at all.

Q. To whom did you present the cheque? A. I presented it to the teller at the bank.

Q. What is his name? A. I do not know.

Q. Did you tell him what kind of bills you wanted? A. I told him I wanted small bills.

Q. I believe you got fifty twos and one hundred ones? A. I do not recollect.

Q. I see on the back of the cheque in the teller's writing fifty twos and one hundred ones; is that about right? A. I could not say; they were small bills.

Q. It was a pretty large bundle? A. Pretty large.

Q. What did you do with it? A. Put it in my pocket.

Q. What did you do with it? A. Carried it over to the committee room.

Q. Whom did you find there? A. Found Mr. Flint.

Q. Anybody else? A. There were a number of persons in there.

Q. Can you tell anybody else who was there? A. I cannot tell anybody else.

Q. What did you do with it? A. I gave it to Mr. Flint.

Q. Did you get no reason? A. No, I got nothing whatever.

Q. What did Flint do with the money? A. Put it in his pocket.

Q. How much of it did you take away? A. I did not take any.

The Court:—What day was this?

Mr. Meredith:—19th of February. (To Witness) The election was on the 22nd, wasn't it? A. I think it was.

Q. How much money did you get from the committee room? A. I never got any.

Q. You swear you got no money from anybody, from the committee room or anywhere. A. I received no money from the committee room or anybody.

Q. Did you pay out any money? A. No, not for the Dominion election; I subscribed two dollars and a half for the Local.

Q. Did you see Campbell about this cheque before the previous trial of this case? A. Yes.

Q. Did you have any discussion of this matter? A. Yes, we had.

Q. But before that? A. I do not recollect any conversation with Mr. Campbell.

Q. Had you any talk at all with Mr. Campbell about this cheque until the one you have just referred to? A. I do not recollect any.

Q. Who was it came out to your place to see you about this cheque? A. There was nobody came.

Q. When did you first hear that you were charged in connection with this \$200? A. I got a subpoena to come to court.

Q. When? A. I think it was two or three weeks ago Thursday evening.

Q. Before that had anybody seen you in Mr. Campbell's interest? A. No.

Q. Had you seen about it in the paper? A. No.

Q. Having got the subpoena did you go to see Mr. Campbell? A. No.

Q. Have you got the subpoena with you? A. No. Yes, I think I have too (produces).

Cross examined by Mr. Lout :—

Q. As I understand you were at the committee room, and Mr. Flint wanted you to go to see Mr. Campbell and get some money? A. Yes.

Q. And he gave you a note to Mr. Campbell? A. Yes.

Q. And you went and saw Mr. Campbell? A. Yes.

Q. And you got this cheque from Flint? Yes.

Q. You got the cheque cashed? A. Yes.

Q. And you took the money and gave it to Mr. Flint? A. Yes.

Q. And you never got any of that money? A. Not a cent.

By the Court :—

Q. You do not feel disposed to recall any of your evidence, anything you have said? Mr. Flint told us on the last occasion that to the best of his recollection he did not get the amount of this cheque. You have no doubt of it? A. Not a particle of doubt.

CHARGE 1.

JOHN O'NEILL sworn and examined.

By Mr. Meredith :—

Q. Where do you reside? A. Township of Raleigh.

Q. Do you know Mr. Tetrault of Chatham? A. Yes.

Q. What is your occupation? A. Farmer.

Q. Are you a married man? A. No.

Q. Where do you live? A. With my father.

Q. On what lot? A. 17 in the 9th concession.

Q. You have a brother named James? A. Yes.

Q. Does he live with you, too? A. No.

Q. Where does he live? Is he a married man? A. Yes.

Q. Where were you on the second of November last? A. I could not say.

Q. Try and recollect? A. Probably in Chatham.

Q. The day of the trial, the second of this month; where were you then? A. I think I was home.

Q. How did you come to say you were in Bay City? A. I did not say so.

Q. Did you tell anybody to say so? A. Yes.

Q. Whom did you tell to say that? A. I told my father to say so.

Q. Did you expect him to swear to it? A. No.

Q. And the story to be told, that you agreed to be told, was that you had gone to Bay City? A. Yes.

Q. What was the object of that? A. I did not want to come to court.

Q. You knew that you were wanted at court? A. Yes.

Q. And you did not want to come to court? A. No.

Q. Who saw you with reference to keeping out of the way? A. I do not know.

Q. What do you mean by that? A. I do not know the person.

Q. Some person came? A. Yes.

- Q. Did he tell you who he was? A. No.
- Q. When did he come? A. In the afternoon.
- Q. Of what day? A. I do not know the date of the month.
- Q. How long before the trial opened? A. I think it was on the third.
- Q. On the third? A. I think so. I think it was the second day of the trial he came.
- Q. Would you know the man again? A. I think so.
- Q. Is he in court? A. No, I do not know as I see him.
- Q. Have you seen him since? A. I met him on the street last night.
- Q. And did you ask him his name? A. No.
- Q. Did he tell you his name? A. No.
- By the Court :—*
- Q. Mr. Meredith asked you the question, was he in court? You said you did not see him. Is he in court? A. I do not know. I do not see him.
- By Mr Meredith :—*
- Q. Take a look through the court and see whether he is not here? A. I do not see him.
- Q. Take a look at each face and see if you see him? A. I do not see him.
- Q. Was he a white man or a colored man? A. He was a white man.
- Q. What time of the day did he come? A. It was in the afternoon.
- Q. Did he come alone? A. Yes.
- Q. With one or two horses? A. One horse.
- Q. What kind of a horse was it? A. An iron grey, I think.
- Q. What kind of a buggy? A. An open buggy.
- Q. You had never seen the man before? A. It seems I did; I would not say.
- Q. Did he look like a lawyer? A. No.
- Q. What sort of a looking man was he? A. A small-sized man, a young fellow.
- Q. What age? A. I could not say; twenty may be, or may be more.
- Q. How was he dressed? A. He had a long dress coat on him.
- Q. And he told you you had better get out of the way? A. Yes.
- Q. Did he say why? A. Yes.
- Q. On account of this Tetrault charge? A. Yes.
- Q. What did you say? A. I said that I thought they were going to bring me up. Well, he said that he thought I had better get out of the way.
- Q. And you did get out of the way? A. Yes.
- Q. And where did you go? A. I went to my brother's.
- Q. And hid away? A. I did not hide.
- Q. Where did you stay? A. In the house.
- Q. You did not go? A. No.
- Q. Did you know they were up there looking for you? A. Yes, afterwards.
- Q. You did not let them find you? A. I did not know they were there till afterwards.
- Q. You met this young man last night on the street? A. Yes.
- Q. And what did he say to you? A. He asked me if I was in on this trial, and I said yes.
- Q. Did you go to any office in town? A. I went to a lawyer's office here.
- Q. That is Christie & Lewis'? A. Yes.
- Q. Who took you there? A. I went alone there.
- Q. How many times did you go? A. Yesterday?
- Q. At all? A. Twice.
- Q. When was the first time? A. The first time was before the trial.
- Q. Did you tell him what was the matter with you? A. No, he asked me the statement.
- Q. If your name was in the charges? A. No, not about the charges. He knew there was a mistake made in the name of my brother.
- Q. Your brother's name was there instead of yours? A. Yes.
- Q. Tell you then you had better keep out of the way? A. No.

- Q. Did you go again into his office? A. No.
- Q. After you had seen the young man? A. Yes.
- Q. Did the young man tell you you had better go there? A. No.
- Q. Who recommended you then to go; who asked you to go? A. I went of my own accord.
- Q. You had not seen anybody to talk to them about this matter. Did you go alone the first time? A. Yes.
- Q. How did you come to go there? A. I was told that he wanted to see me about it.
- Q. By whom? A. Mr. James Dillon told me.
- Q. James Dillon came to your place, did he? A. Yes.
- Q. And told you Mr. Christie wanted to see you? A. He said when I would be in to drop in and see Mr. Christie.
- Q. Do you recollect being in Tetrault's boot store? A. Yes.
- Q. In the month of December? A. I think it was.
- Q. How was the election running just then; pretty hot; excitement? A. Yes, middling.
- Q. Did you say anything, when you were in Tetrault's, to Mr. Campbell? A. Yes, Mr. Campbell came in after I was there. I and my sister were in there when Mr. Campbell came in.
- Q. What did you go in for? A. To get overshoes.
- Q. A pair of overshoes for yourself? A. And for her.
- Q. Did she remain with you? A. Yes.
- Q. And you both left together? A. Yes.
- Q. Did you get a pair of overshoes? A. Who?
- Q. You? A. Yes.
- Q. Did you pay for them? A. No.
- Q. What was the price of them? A. Two dollars.
- Q. Had you any talk about election matters when you were there? A. Yes.
- Q. With whom? A. Mr. Campbell.
- Q. Mr. Campbell solicit your support? A. Not for himself.
- Q. He was working for Dillon then, was he? A. He was speaking for Dillon. He was asking me which party I was going to support.
- Q. Did you tell him? A. Yes.
- Q. During the conversation did you tell him you would do all you could for him and Dillon? A. Not that I remember.
- Q. Will you swear you did not? A. I will swear I do not remember it.
- Q. Will you swear you did not mention that? A. I do not remember.
- Q. Will you swear you did not? A. I will not swear it because I do not remember it.
- Q. You will not pledge your oath you did not tell him? A. No.
- Q. Was there any talk about his giving you the overshoes? A. Yes.
- Q. Who said it? A. I said it. I was fitting the overshoes on when he came in, and I wanted him to pay for the overshoes for me.
- Q. And I suppose you said if he did you would do all you could for him? A. No.
- Q. Well, why should he pay for your overshoes? A. I do not know that he should pay for them.
- Q. Why did you ask him? A. In a joke.
- Q. And in a joke you told him if he paid for the overshoes you would support him and do all you could for him? A. No, I did not.
- Q. Then in a joke you asked him if he would not pay for the boots? A. No.
- Q. In a joke he said he would not? A. Yes. He did not say it in a joke; he told me he was a candidate and he durst not do it.
- Q. Did you say it would be all right if it was charged to him? A. No.
- Q. When you went in did you intend to pay for them? A. No.
- Q. You left without paying for them? A. Yes.

- Q. Had you the money to pay for them? A. I do not just remember.
- Q. Have you ever paid for them? A. Not yet.
- Q. Have you ever had any talk since with Mr. Campbell about this matter?
A. I just met him, and he asked me if I remembered the night.
- Q. When did you meet him? A. I met him last night.
- Q. Where did you meet him last night? A. In his office.
- Q. How did you come to get there? A. I went to see him.
- Q. What did you want to see him about? A. I wanted to see what he remembered and how I remembered.
- Q. And you compared how the two of you did remember? A. No.
- Q. You told him you came to find out how he remembered, did you? A. No.
- Q. Who was by when you were there? A. Where.
- Q. In Campbell's office? A. Mr. Stephens.
- Q. Mr. Stephens, his partner. And did anybody come to you to get you to go to Campbell & Stephens, or did you go of your own accord? A. He sent word that he wanted to see me.
- Q. Did this Jim Dillon come for that purpose? A. No.
- Q. Who came to tell you that; this boy that brought the message? A. No.
- Q. Who then? A. He was telling my father that he wanted to see me.
- Q. When was that? A. Some time last week.
- Q. Was this the first time you came into the town, last night, since you had been hiding? A. Yes.
- Q. And you went to see him? A. Yes.
- Q. When you went to see him, did he tell you he wanted to know what you remembered about this thing? A. Yes.
- Q. I thought you told me your object in going was to see how he remembered?
A. Well, I went to hear how he remembered, and he wanted to hear how I remembered.
- Q. When did it come into your mind that you wanted to hear what he remembered? A. When he sent for me.
- Q. Were you sure then what you remembered? A. Well, I was sure of what I could remember.
- Q. But you were not sure of what you could not remember. Now, why couldn't you have come like an honest man straight to the court and told your story?
A. Well, it is a place I never care about coming to.
- Q. What time was it you got to Campbell's office last night? A. It was shortly after six o'clock.
- Q. And did he ask you what you remembered? A. Yes.
- Q. Did he say this was a bad scrape you had got into? A. No.
- Q. Did he say it was an unfortunate trouble you had got into? A. No.
- Q. Did he say anything about the Tetraults? A. Yes.
- Q. What? A. He asked me if I saw Mr. Tetrault's evidence.
- Q. Did he go over Mr. Tetrault's evidence with you? A. No, not the whole of it.
- Q. How much of it did he go over? A. He spoke of some of it.
- Q. What was the some of it he spoke to you? A. I cannot tell you.
- Q. You cannot recollect even that? A. No. Well, he was just saying how Tetrault swore that he had said to charge the shoes to him.
- Q. Did he tell you any more? A. And how his son swore that my sister was not in; that was just about all.
- Q. Did you tell him what you remembered? A. Yes.
- Q. Did he tell you what he remembered? A. Yes.
- Q. Did he tell you it was all a joke? A. No, there was no joke about it, he said, because he denied the charge.
- Q. Did you tell him it was a joke? A. Yes.
- Q. And he said it was not a joke? A. He did not say anything of the kind.
- Q. I thought you said he said it was not a joke? A. No, I did not.

Q. Then did he say it was a joke? A. I do not understand you.

Q. Did Mr. Campbell say, when you were talking last night, that what took place between you and him was a joke? A. No, he did not say anything at all about it being a joke.

By the Court :—

Q. Did your sister buy the rubbers? A. Yes.

Q. Who gave her the money? A. I did. I think I did.

Q. What did you give? How much money? A. I think a dollar and a half.

Q. In what was it given? A. I could not say.

Q. A five dollar bill? A. I do not think so.

Q. A four? A. I do not think it. I think it was just a dollar and a half.

Q. You got a pair? A. Yes.

Q. Why didn't you pay for them? A. I was not prepared.

Cross-examined by Mr. Lount :—

Q. Had you had any dealings with Tetrault before this? A. Yes.

Q. Was that the place where you usually dealt? A. Yes, most of the time. I deal a good deal at Powell's too.

Q. And did you run an account with him before that? A. Yes.

Q. Do you recollect ever paying for any goods you got from Tetrault at the time you got them? A. Yes, I have paid for them at the time, and got them charged.

Q. You have done both ways? A. Yes.

Q. So that your position with Tetrault was that you thought he would give you credit if you wanted it? A. Yes.

Q. Never had any difficulty, I suppose, in that way? A. Not at all.

Q. Do you recollect whether, on that occasion, you had any more money than the dollar and a half that you paid for your sister's? A. I cannot remember.

Q. You went to Tetrault's, you say, for the purpose of buying overshoes? A. Yes.

Q. For yourself and your sister. And you have no doubt that your sister was with you? A. No.

Q. And you have no doubt she got a pair of overshoes? A. No.

Q. And that you paid for them? A. Yes.

Q. Who was it served her with the overshoes? A. It was either Mrs. Tetrault or her son.

Q. And who was it attended you? A. It was Mr. Tetrault.

Q. What part of the building did your sister go into; was it the same part that you were in? A. Yes, it would be on the other side of the shop.

Q. So that if your sister was there young Mr. Tetrault should have seen her? A. Yes, it appears to me it was him that waited on her. I would not swear positively but it appears to me that it was him waited on her, because his father waited on me.

Q. Were you both waited on at the same time? A. I think so.

Q. And waited on in the same room? A. Yes.

Q. How long had you been in there before Mr. Campbell came?

By the Court :—

Q. Does young Tetrault know his sister? A. Yes, I think he does, because they dealt there before.

By Mr. Lount :—

Q. How long had you been in before Campbell came? A. I could not say; a few minutes, I think; a short time any way.

Q. And that was the first you had seen of Campbell, was it, that day? A. Yes.

Q. Was it the first you had seen of him since the time he was nominated? A. Yes.

Q. You had had, therefore, no conversation with Mr. Campbell before going into Tetrault's? A. No.

Q. You say you were served by Mr. Tetrault, and Campbell came in; what took place immediately after Campbell came in? A. I says, "Hello! Mr. Campbell,

you are just the man I want to see ; election times, and you never made me a present in your life, and I want you to buy me those overshoes." So he says, "No, I cannot ; I am a candidate, and I cannot do anything of the sort." So we talked. The subject was dropped, and we talked about the elections and such matters ; I cannot just remember what.

Q. At the time you stated to Mr. Campbell that he had never made you a present, and wanted him to pay for those overshoes, and he answered and said he could not do it, that he was a candidate—were the overshoes on you then or how ?
A. I had one on before he came in, I am sure ; and I think I had them both on by this time.

Q. Do you recollect where your sister was at this time ? A. Yes, she was there sitting on the bench over on that side of the shop, and I was on this side.

Q. What distance was there between you ? A. There would be the breadth of the shop.

Q. Would there be 20 feet ? A. There might be 20 feet. It would hardly be 20 feet ; I think 16 or 18 feet.

Q. Where was young Tetrault ? A. I could not say if he was not around with my sister.

Q. When Campbell made that answer to you, you say you got talking about other matters and about election ; then what took place ? A. I asked him again if he was not going to pay for those shoes, and he said no.

Q. Then what ? A. The subject went on again about one thing and another ; I do not just remember any of it ; I have a kind of short memory anyhow.

Q. Then did Mr. Campbell go away ? After my sister got served she came around the front, and Mr. Tetrault and Mr. Campbell and I were standing talking, and when she came around she came towards me, and I left the two and went to meet her, and she and I were talking when Mr. Campbell went out, and we bid good-night, Mr. Campbell and I.

Q. You spoke to Mr. Campbell when he came, and said to him that he had never made you a present, that he ought to pay for those shoes ? A. Yes.

Q. Campbell's answer was that he was a candidate and could not do it ? A. Yes.

Q. You talked about some matters, and then you repeated it ? A. Yes.

Q. And Mr. Campbell gave the same answer, and said no, he could not do it ?
A. Yes.

Q. Was there anything else said, or did he go out then ? A. That is all I remember ; it was dropped.

Q. And he went out ? A. While I was speaking to my sister he went out.

Q. You say it was a joke ; what do you mean by that ? A. I was just chaffing with Mr. Campbell when he first came in on account of the elections going on.

Q. You were just chaffing with him when you made that remark ? A. Yes.

Q. How long did you remain after Campbell left ? A. I do not think—after my sister and I got through talking we went out and went home.

Q. And you say you did not pay for the shoes ? A. No.

Q. And you are not able at the present to say why not. If an account had been rendered to you would you have paid for them ? A. Yes, I would if I had had it convenient at the time. I would not disown the charge.

Q. You say Mr. Campbell spoke to you last night at his own shop in the presence of Mr. Stephens ? A. Yes.

Q. What did he say to you ? A. He just asked me if I remembered anything about the night, and I said yes, that I had a recollection of it. He asked me what I remembered of it, so I told him just as I have told you.

Q. Anything else ? A. No ; nothing further.

Q. You say that he mentioned to you what Mr. Tetrault had said about charging it to him, and he mentioned also what young Tetrault had stated ? A. Yes.

Q. With regard to your sister not being there ? A. Yes.

Q. Are those the only matters he mentioned with regard to the evidence of Tetrault and son ? A. I think so.

Q. Did you hear Mr. Tetrault asking Campbell if they were to be charged to him; or did you hear Mr. Campbell say to him that they were to be charged to him? A. No.

Q. If those words had been used would you have heard them? A. It appears to me I would.

Q. You were near enough? A. I was near enough.

Q. Mr. Tetrault makes that statement. You say you did not hear such a remark made? A. No.

Q. By Tetrault to Campbell or by Campbell to Tetrault? A. No.

Re-examined by Mr. Meredith:—

Q. I understand you to say you were engaged in conversation with your sister when Campbell went out? A. Yes.

Q. Had you any account with Tetrault at this time; did you owe him anything? A. I do not remember.

Q. Have you paid him anything since? A. I have not; sometimes my father pays the bills, and more times I pay the bills.

By the Court:—

Q. Did you say "If Campbell makes it all right for these, I will take them and wear them and vote for him?" A. No; I do not remember.

Q. Did you or did you not? Did you say to Tetrault, having these India rubbers on your feet "If Mr. Campbell makes it all right for these overshoes I will wear them and vote for him?" A. I do not remember.

Q. The question I asked you is whether you did or not? A. To the best of my knowledge I did not.

Q. Then did Tetrault say in answer to that: "It is just as Mr. Campbell says?" A. No.

Q. Then Mr. Tetrault says that Mr. Campbell said: "Well, I guess you had better charge them to me?" A. I do not remember any of it.

Q. Do you say no such conversation took place? A. Not to my recollection.

ARCHIBALD CAMPBELL recalled.

Examined by Mr. Lount:—

Q. You were at Mr. Tetrault's? A. About what time?

Q. About the 4th of December. Will you state what took place? A. I went into Mr. Tetrault's for the purpose of buying a pair of shoes for myself; and when I got in there there was a young man sitting on the lounge trying on a pair of overshoes, and Mr. Tetrault was waiting on him.

Q. Did you know who that young man was at the time? A. I did not. Mr. Tetrault called him O'Neill afterwards. I knew him just like I know a great many. They know me, and I had seen him at the mill, but where he lived or what his name was I do not know.

Q. Was there any person else besides the young man? A. There was a lady in the other side of the store, and Mr. Tetrault's son; I think it was his son was waiting on her.

Q. Did you know who the lady was at the time? A. No; I did not; I understood she was Mr. O'Neill's sister.

Q. Did you understand that at the time or subsequently? A. Subsequently.

Q. I am speaking of at the time? A. No, I did not know who she was.

Q. What took place after you went in? A. When I went in Mr. O'Neill, or this young man who was O'Neill, was sitting on the lounge with these overshoes on and Mr. Tetrault was waiting on him; and after I came in he spoke to me, and I think shook hands; and after a remark or two he says: "Here, Campbell, you had better buy me these overshoes; it is election times now, and I shall want them this winter." I replied: "Oh, I am a candidate, and candidates cannot buy overshoes, cannot do anything." We talked a little while about matters, and he said again,

"You never gave me anything in your life; you had better buy me these shoes." I replied that was bribery and corruption, I could not do anything of that kind. Then after some further talk about the result in Dover Mr. O'Neill's sister came around from the other side of the store to the door, and Mr. O'Neill left us and went to speak to her; and I thought it was a good time to get out, and I said good-bye to Mr. Tetrault, and went past them and bid them good-bye, and went out.

Q. Have you told us all that was said about the overshoes? A. Yes. Mr. Tetrault says that when you went in O'Neill exclaimed, pointing to Mr. Tetrault, "Here is a Dillon-Campbell man," meaning Tetrault; do you recollect that remark? A. No, I do not recollect any such remark. It could not have been made or else I would have heard it.

Q. And that Tetrault made as answer that he was not generally found on that side. Then he says that you talked, discussed politics with him, canvassed Mr. Tetrault? A. I never canvassed him in my life.

Q. That you took him back and canvassed him? A. I knew he was one of the bitterest opponents I had. In every contest I had had in this county I had met him down in Dover and other townships opposing me.

Q. You say you did not then go back with him and canvass him? A. Most certainly I did not.

Q. Then he says that O'Neill said: "If Mr. Campbell says it is right for these overshoes it makes it right, I will wear them and I will work for the election, and I know plenty more voters I can get." Was any such remark made by Mr. O'Neill? A. I do not think there was. I never heard it.

Q. And then Tetrault says that he said to you: "Well, just as Mr. Campbell says." Now, did Tetrault say anything of that kind? A. No, he did not.

Q. And then O'Neill repeated it, the same question: "If Mr. Campbell says it will be right for those overshoes it will be right," and that he would vote for you? A. That conversation could not have taken place.

Q. Did it take place? Have you any recollection of it taking place at all? A. No recollection whatever.

Q. If it had taken place would you have recollected it? A. Certainly I would.

Q. Then Mr. Tetrault says that Mr. Campbell paused a little bit and looked at him, Mr. Tetrault, and nodded, and said: "I guess you had better charge them to me."

Q. Did you make any such statement as that? A. No such statement at all, never thought of it.

Q. It is put in another form farther on. O'Neill says: "If Campbell says he will make it right for these overshoes I will keep them and wear them, and if he does that I will vote for him and I will work, and I can get plenty more voters." Was there any such expression as that used by O'Neill? A. No such expression.

Q. And you did not say, "I guess you had better charge them?" A. I never said anything of the kind.

Q. Did you say anything at all that would lead Mr. Tetrault to understand they were to be charged to you? A. No; I could not possibly have done so.

Q. And you did not do so? A. I did not do so.

Q. Had you an account with Tetrault? A. Yes.

Q. Do you recollect when he ran the account with you? A. He came over to the mill, to the office, on the 9th of July last, and came in, and I happened to be in the office, I think, alone, and he took a chair and sat down on one side of the table, and I was sitting on the other side. He sat there about half an hour, I should judge; we were talking about things in general, and I think this protest was mentioned. He ordered then a hundred of flour and some bran, I think. I thought he was going to pay for it. I was very much surprised, because I knew Tetrault was hard up, and I did not propose to send over goods there on credit to him.

Q. What was done with the account? A. Then he got the goods. He went out without promising to pay or saying anything about the pay, and the goods were sent over and charged to him. A couple of months afterwards, I think by the books, the account was sent over and was paid.

Q. Did you ever hear anything of this claim against you? A. Never heard it till I saw it in the particulars.

Q. You, I believe, saw Mr. O'Neill last night? A. Yes.

Q. How did you come to send for him? A. I sent out word to Mr. O'Neill that I wanted to see him; these men were swearing my life away, and I thought it was a very serious matter to me.

The Court.—There is no use in going into this.

Re examined by Mr. Meredith:—

Q. Do you know a young man named Garrison? A. Yes.

Q. Where is he employed? A. In the *Banner* office, I believe.

Q. Was it you who sent him out to O'Neill? A. No.

Q. How did he come to go out to O'Neill? A. I do not know that he went.

Q. You did not hear he went? A. No. I did not know anyone had gone.

Q. What were you talking about in connection with the township of Dover in Tetrault's shop? A. Mr. Tetrault is a Frenchman—

Q. Never mind what he is; tell us what you were talking about? A. We were talking about the result of the vote at Pancore and Big Point.

Q. What was O'Neill doing at this time? A. He was listening to the conversation.

Q. Was he taking any part in it? A. Not that I know of.

Q. Did he discuss Dover Township? A. No.

Q. Or what the result would be at those points? A. He did not know anything about it.

Q. Did you discuss Dillon's name with him? A. Not that I know of.

Q. He says you did; did you discuss Dillon and canvass for Dillon? A. No, I do not think I did; I was not canvassing.

Q. I do not care about the result; but did you as a matter of fact discuss with him Dillon's candidature and solicit his vote? A. No, I did not solicit his vote. I suppose we were talking about Dillon's chances.

Q. Well, were you? A. Yes, we did.

Q. You recollect you did talk about it? A. Yes.

Q. And did O'Neill take part in that conversation? A. No. I thought you were talking about Mr. Tetrault.

Q. Did you discuss with O'Neill Mr. Dillon's candidature? A. No, I do not think I said one word to him about it.

Q. Will you swear you did not? A. No.

Q. You went in for a pair of overshoes? A. Yes.

Q. Did you get them? A. No.

Q. Was the weather sloppy at that time? A. It was cold; I cannot say whether it was sloppy or not.

Q. What diverted your intention from buying the overshoes? A. This conversation with O'Neill.

Q. Do you mean to say that you had not heard that Mr. Tetrault was not at that election taking the same ground he had taken in previous elections? A. No, I never heard that.

Q. You did not hear that Mr. Tetrault was not giving his support, as he was before, to the Conservative party? A. No.

Q. You did not hear that from any party? A. No.

Q. And do you want to give the idea that there were not a number of Frenchmen who had formerly been strong Conservatives, but who, on account of some question that arose in that election, voted the other way? A. Yes, I heard there were some.

Q. But you never heard that of Tetrault? A. No.

Q. Did Tetrault say a word to you about the overshoes? A. No.

Q. Nor you to him? A. No.

Q. Did Tetrault hear what took place between you and O'Neill? A. I presume he did.

Q. Was he there taking part? A. To the best of my opinion he was there all the time. He may have left for a time, but he was not away for any time at all, and the conversation that took place between me and Mr. O'Neill I have no doubt he heard.

Q. How often was it O'Neill asked you to pay for the over-shoes? A. I think he asked me twice or possibly three times.

Q. Did you take it as a joke? A. Yes.

Q. Why were you so anxious to get away from a joke? A. Well, I did not want to follow it any further; I thought it a good time to get out; they were asking me to do a thing that I thought was wrong.

Q. But if they were only asking it in a joke? A. It was a joke as far as I was concerned.

Q. And you could not trust yourself in the presence of this temptation? A. Well, I wanted to get away the first favorable opportunity.

Q. For fear you would fall? A. No, I would not have fallen; I would not have done it; I knew it was wrong, and I was not going to place myself in the lion's mouth.

Q. If the lion had not been there you would have done it; that is what you mean? A. No, I do not mean that; I have never been doing that sort of thing.

Q. Did anybody speak of the other being a Dillon and a Campbell man? A. No, not that I heard.

Q. I suppose you had a pretty good idea that O'Neill was a voter? A. I did not know who he was or what he was.

Q. Did you take it for granted he was a voter? A. Well, he was a young man who was eligible for a vote.

Q. You took it for granted he was a voter? A. I did not take anything for granted.

Q. You knew he was a voter in the riding? A. I did not.

Q. And yet you canvassed him for Dillon? A. No, I did not.

J. W. BROWN sworn.

Q. Where do you reside? A. Chatham.

Q. Are you a member of the Knights of Labor organization? A. Yes.

Q. And did you take an active part in the last Dominion election for this constituency? A. No, I did not.

Q. Did you receive any cheque from Mr. Campbell or his firm for any money? A. No, I did not.

Q. Just wait till I have finished—in the month of February, 1887? A. No, I did not.

Q. Was there any made payable to you? A. No, not that I know of.

Q. Do you know anything of any sum of \$300 in the month of February, 1887? A. No.

Q. You have no idea to whom that money was paid? A. I do not know anything about it.

ARCHIBALD CAMPBELL recalled.

Examined by Mr. Meredith:—

Q. I find in your bank book an entry of a cheque of \$300 in the month of February, 1887, to Joseph Brown; do you know where that cheque is? A. I do not.

Q. Do you know who that Joseph Brown, the payee of the cheque, was? A. No.

Q. Have you any idea at all? A. I have no idea at all.

Q. Can a transaction of that magnitude occur in your business without somebody connected with your concern knowing something about it? A. Well, there is no doubt the cheque was given.

Q. But what for? A. I cannot tell you; I gave very few cheques myself that time. I was away.

Q. Away where? A. Canvassing.

Q. But every one of these cheques that precede it, drawn at the time, appear to have been drawn by you? A. Yes, I gave all those cheques, all except that one to Joseph Brown.

Q. How do you know you did not give that cheque to Joseph Brown? A. Well, I do not recollect anything about it. I think if I gave a cheque like that I would likely know something about it.

By the Court:—

Q. Who only has a right to sign those cheques? A. My partner and myself and my brother.

By Mr. Meredith:—

Q. Mr. Westcott's evidence would indicate that that is not in the cheque book? A. Perhaps not.

Q. Will you undertake to swear you did not issue that cheque? A. Yes, I will, that I have no knowledge of it.

Q. Will you pledge your solemn oath you did not issue that cheque? A. I could not swear positively I did not do it, but I will swear this, that I have no knowledge of ever seeing that cheque.

Q. When you were first examined in this case did you know how much money you had paid out in connectin with this election? A. No.

Q. Then you did not give a very correct account of your expenditure? A. Well, the cheques would all tell.

Q. Can you give any suggestion of why that cheque was not presented with the other cheques? A. No, I cannot; cheques are frequently lost.

Q. Do you know any Joseph Brown in this constituency except the last witness? A. I know a great many Browns, but I cannot say that I know of any of the name of Joseph. There are a great many Browns in this county.

Q. Have you got the letter Mr. Flint sent to you about the \$200 to be paid to Smith? A. No, I have not.

Q. Did you get it? A. I think there was a note.

Q. Did you recollect that when you were examined before? A. No.

Q. Have you looked for that note? A. If there was a note it was destroyed long ago. I do not know that there was a note; my recollection is that there was no note; Mr. Smith thought there was a note.

Q. Then have you and Smith talked it over since the examination? A. I just asked him yesterday on the street; I saw him down at the corner there, and I said "Smith, do you remember about that \$200 cheque?" "Yes," he said, "I do." That was all that was said.

Q. You did not ask him what he remembered? A. No.

Q. Do you recollect the circumstances connected with the issue of that cheque? A. Mr. Smith came to me on the corner opposite the Garner House and said Mr. Flint wanted some money, and that he was busy in the committee rooms and had sent him out to get \$200 for him from me.

Q. Up to that time how much had you paid? Did you pay just what Smith asked you for without enquiring what it was for? A. Yes.

Q. If he had asked you for a thousand dollars would you have paid it? A. Oh, I do not know.

Q. How far would you have gone? A. I knew there were bills coming in all the time for rent of halls and other expenses, and I knew the expenses of elections were heavy, and when Mr. Smith told me Flint told him to come and get that money I supposed he had need of it.

Q. That was three days before the election? A. Yes.

Q. What could \$200 be wanted for at that time in small bills but for purposes of corruption? A. Well, you know that there are constantly expenses in connection with election. I did not know what kind of bills he wanted it in.

Q. What can you suggest that could be wanted for in small bills? A. I cannot suggest any reason why he should want it that way.

Q. You said you met Mr. Smith near the Garner House, and he told you that Mr. Flint had sent him for \$200? A. Yes.

Q. What did you do? A. We crossed right over to the Bank of Commerce, and I gave him a cheque for the money.

Q. Why did you make it payable to his order? A. I was giving the cheque to him, and it was only natural I should make it payable to his order.

Q. Did you discuss with him at all the object for which it was required? A. No, not a word.

Q. You walked some distance to the bank? A. Just across the street.

Q. Was there no talk at all? A. I do not think there was.

Q. In the bank was there no talk? A. I do not think there was a word said.

Q. Did he or you leave the bank first? A. I did.

Q. Were you present when he drew the money? A. No.

Q. Where were you when you drew this cheque to J. E. Dolsen? A. I think I was in Mr. Dolsen's store on King Street.

Q. What did you say that was drawn for? A. It was for some expenses in connection with the Knights of Labor.

Q. What expenses? A. They got a lot of mottoes painted on canvass, and the bills came in for them, and also for wood for the committee rooms. He told me there was a lot of expenses such as mottoes, and I gave him that cheque.

Q. You gave him some money besides that, didn't you? A. I gave him, either later or before, \$45 altogether.

Q. Were they both in connection with the same kind of thing? A. Yes, they were both in connection with the public meetings there.

Q. Did Mr. J. B. Rankin raise any money in connection with the election? A. Not that I know of.

Q. Was a note for \$525 of his and some person else's discounted? A. That \$500 cheque was given to make Mr. Dillon's deposit. In the Dillon-Clancy election the day that the deposit was to be made they were short of money, and they came over to me.

Q. You are speaking of the election petition? A. Yes. They were short \$500. and they came over and got that \$500 from Mr. Stephens for that purpose.

Q. There is the statement of the expenses; I do not see any of that, except it was, perhaps, the speakers that these \$2 bills would be required for? A. I cannot tell you what the expenses were.

Q. Looking over that, do you see any that one and two dollar bills would be wanted for? A. I was away during the whole of the contest.

Q. Had you these vouchers ever in your possession? A. I do not think I had. I was in Ottawa when they were filed.

Q. It does not seem to me that there is one single bill here that would require one or two dollar bills? A. We had to send men out to put up these bills.

Q. But you hadn't a hundred men out in the last three days on that business? A. No.

The Court.—The Smith case I cannot treat as proved. I have no reason for disbelieving Mr. Smith at all, and the explanation he gives of the transaction is just the explanation I should have expected to get from a sensible man. He was not going to get this money from the bank without some note from the respondent. Smith would hardly have gone with a demand for \$200 to the respondent, without some authority. Whatever inference one may derive as to how the money was expended, Smith was not responsible for it. Therefore that case fails; the Brown case was hardly opened. The only case standing is the O'Neill case.

WEDNESDAY, 16th November.

The Court.—The only charge remaining to be disposed of, is that of personal corrupt practice against the respondent Campbell. That is supported on the one side, that of the petitioner, by the evidence of Tetrault and his son, corroborated (as has been argued) by the entry which the former made in his book about the same time in charging the articles which it was said Campbell assumed the liability for. On the other side, the charge is denied by Campbell and also by O'Neill, the man who went into Tetrault's store to purchase the overshoes. That is the statement of the evidence. The question now is, how I am to dispose of it. Now, the case is one which I need not say has given me a great deal of embarrassment owing to the way in which the evidence has been balanced; but I have endeavored in my own mind to weigh the various considerations as well as I can in order that I might arrive at a just conclusion as to the fact without regard to the consequences as they might affect the respondent; not overlooking the fact that this is a charge of a most serious nature, involving very terrible consequences to the respondent. In the first place, I regard a charge of this kind as a charge of a criminal offence—one in which the judge who tries it has to deal with the evidence and to come to a conclusion upon it just in the same way that he would direct a jury to come to a conclusion upon evidence which is laid before them. The onus of proving the offence rests upon those who laid the charge, and it is for those who laid it to make out the offence to the satisfaction of the tribunal which has to decide the matter. Now, upon the whole, and after giving the case a great deal of consideration, balancing the evidence as well as I could in my mind, I have arrived at the conclusion that the prosecutor has not maintained the onus which has fallen upon him. I ought not to say that I absolutely discredit the evidence of Tetrault and his son. I do not feel bound to state that. It is sufficient for me to say that there were circumstances which occurred in the store on the occasion spoken of which might lead a jury, or might lead me, to the conclusion that Tetrault and his son were mistaken as to the effect of what they heard. There is no doubt that O'Neill admitted that there was some proposal on his part that Campbell should pay for the overshoes; but in response to that I cannot help thinking that Campbell gave a reasonable answer, an answer which I should have expected to have heard from a man in his position—that being a candidate, as he was, in the election pending at that time he would assent to such a proposition not only at the risk of his seat, but at the risk of being subjected to the prosecution which he has now been subjected to. It seems to me, therefore, to have been on the face of it an improbable thing that Campbell should have done what the Tetraults say he did. It is quite possible they believed what they said—it is quite probable; and I think that is to be accounted for from the fact that they took the wrong impression from what they heard at the time. I could not come to the other conclusion, though I confess I felt disposed sometimes to do so, in view of the way the weight of evidence struck me. On the whole I feel I could not come to the conviction—that is, a moral conviction—that that conclusion would be right. That is the way I understand a jury are bound to try a charge, that unless the jury can come to a moral conviction of the guilt of a person they are bound to give him the benefit of any doubt. That being the case, I feel bound to say I do not think the prosecution have maintained the onus, the burden of proof, that was upon them. For that reason I feel the personal charge against the respondent was not made out. That leaves it for me to formally dispose of the election petition. Several cases of bribery were proved, but one charge only was proved to have been by an agent. That was sufficient to void the election. I therefore declare the election voided because of corrupt practice by an agent. I shall feel bound to report that corrupt practices have prevailed in this election, in order that the Legislature may order a further investigation if it sees fit. Upon a trial of this kind it is not the duty of the judge to enter into a further enquiry; it is sufficient for him to dispose of the case. One case of bribery is established; therefore I must void the election, as I have stated; and I

shall report that corrupt practices have extensively prevailed in the election to which this petition relates. The petitioner is entitled to the general costs of the petition; and I do not think it would be right to give the respondent any costs on the charges upon which he has succeeded—I particularly allude to the personal charges, which I think there was ample room for investigating, and to the charges of bribery of two persons whose names I at the present moment forget, the two persons who were canvassers—I do not think it proper to give the respondent the costs of the enquiry into those charges. It was with a great deal of difficulty that I brought myself to the conclusion that those payments were made for the honest purposes of canvassing; and I think a party who finds an enquiry is made into the payment of money to canvassers—such persons especially as were brought forward here as canvassers—must take the risk of that enquiry, must take the chance of the judge coming to the conclusion that moneys paid to such people were paid, not for the honest purposes of canvassing, but for the purpose of bribery. I trust the day is not far distant when the Legislature will make it a punishable offence to hire canvassers; and when that is done we shall not find people like those brought before us employed as canvassers. The petitioner will receive the general costs of the case. He will receive no costs in respect of those charges on which he has failed; nor will the respondent receive any costs in respect of those charges.

E. E. HORTON,

Shorthand Writer, High Court of Justice of Ontario.

REPORT OF THE SELECT COMMITTEE

APPOINTED 29TH FEBRUARY, 1888,

TO

INVESTIGATE AND REPORT UPON

ALLEGED COMBINATIONS

IN

MANUFACTURES, TRADE AND INSURANCE

IN CANADA.

Submitted to the House of Commons by the Chairman of the Committee,
N. C. WALLACE, M.P.

16th May, 1888.

SECOND SESSION, SIXTH PARLIAMENT.



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CONTENTS.

The Committee's Report **pp. 3-10**

Number of witnesses examined and subjects enquired into,* 3. Manufacture of watch cases in Canada threatened with extinction, 3. The parties to and the origin of the Sugar Combination—The several agreements between the Grocers' Guild and the Sugar Refiners as to the extent to which the Refineries would discriminate against dealers who would not become members of combination, 3. Secrecy enjoined upon members—Combination extended to control the sale of tobacco and other articles, 4. The Wholesale Grocers' Guild obnoxious to the public interests—Gradual development and extension of the Grocers' Combination, 5. Combinations for controlling the prices of coal—Two very different constitutions purporting to be for guidance of one association—Despotic character of the Toronto Coal Combination in the exaction of oaths of obligation, fines and violations of oath condoned by payment of fines, 5. Deception of coal combinations in dealing with public tenders, 6. Agricultural Implements and Barley, 6. Coffin-makers and Undertakers' Combination—extent and arbitrary character of, 6. Manufacturers of Cordage and Binding Twine—combination amongst, 6. Canadian Iron Founders' Association, founded in 1865—Penalties provided for breaking combination prices in Stoves—Secrecy imposed upon Members, 8. Oatmeal Millers' Combination and plan of operations, 9. Biscuits and Confectionery—Combination in, 9. Combinations of Fire Insurance Cos., 9. Number of insurance companies in the Combination and how managed—Driving best class of risks to the United States for insurance—danger to shareholders in Canadian Joint Stock Companies, 10. Eggs, combination to control the purchase and sale of, how operated, 10.

EVIDENCE.

| | | |
|---------|--------------------------|---------|
| Section | I.—SUGAR AND GROCERIES † | 11-144 |
| “ | II.—NATURAL PRODUCTS | 145-322 |
| “ | III.—MANUFACTURES | 323-420 |
| “ | IV.—INSURANCE | 421-498 |
| “ | V.—EXHIBITS | 501-743 |
| INDEX | | 745 |

George Lightbound, GROCER, MONTREAL **11-29**

Origin of the sugar combination, 11. First meeting of the Grocers' Guild with the sugar refiners, for conference and agreement entered into, 11. The first agreement found insufficient and further discrimination demanded, followed by the meeting in June, 1887; the Refiners' readiness to support the combination and additional advance agreed upon, 12. Importation of sugars, for a time, successful against the

* All numbers denote pages, unless otherwise expressed.
 † In accordance with the classification of the evidence in relation to subjects, "Biscuits" should appear under the head of "Manufactures," but as biscuits are staples in grocers' stock, the evidence on "Biscuits" was so closely interwoven with that upon "Sugar and Groceries," it was found impossible to separate them.

CONTENTS.

combination, 12. Meeting of the Guild with the Refiners, 16th December, and a third discrimination agreed upon, 12. Forced to purchase yellow sugars, 12. Terms of discount, 12. Settled discrimination against outside dealers—all the refineries of Canada in the combination, 13, 22. Conditions of admission to the combination, 14, 18. A matter of opinion as to effects of tariff, 14. Importation of Scotch refined sugars and comparative prices, 15. Definite objections to combinations, 16. Profits, 17. Comparison of cost of sugar from the Canada refineries to members of the combination, with cost to outside dealers, 17. Combinations as they effect the public and increase of cost to the consumer, 17. Combination deprives of individual freedom in business, 18, 19. Mutual advantage of combination to refiner and merchant, 18. The combination extended to various articles, 19, 23. The Tobacco combination and advance in price, 19, 23, 24. Cost of sugar increased to the consumer and possible further increase, 20. Forced into the combination, 20. Refiners' discrimination illustrated by rates, 20, 29. Refiners fix the price of sugars and their prices uniform, 21. Freight and competing points—freight how regulated to customers, 21. Moncton refinery refuses to sell sugar on usual terms except by consent of Guild, 21. Suggestion of remedy to dissolve combinations, 22, 24. Tobacco combination absolute, 23. Sugar combination a chief grievance, 25. Grocers' profits on matches, &c., 25. Conditions of importation of sugar as a means against combination, 27. The refiners coerced by the Guild, 28. Combination to fix prices a conspiracy—a legal opinion, 28.

J. A. Mathewson, GROCER, MONTREAL 29-35

Origin in Montreal and subsequent extension of the sugar combination, 29. The right of personal liberty in business curtailed, 29, 30, 32. Objections to the combination based upon its written constitution as cited, 29. The Montreal combination enlarged to a "Dominion Guild," 30. A risk, fighting the combination, 30. The sugar combination a conspiracy—prices raised and loss to non-combiners, 31. Toronto grocers in Montreal and the culmination of the 6th July, including the refiners, 31. Importation of sugars and the duties—December meeting, 31. Increased price and lowered quality of sugar under combination—heavy weight barrels, 32. How to make sugar hold syrup, 32. An abundant supply of sugars in Montreal followed by heavy sugars—analysis of sugars, 33. Connection between the refiners and the merchants' sugar combination—discrimination by the refineries at Moncton and Halifax, 34. The presidents of the Canada Refinery and of the Grocers' Guild explain, 34. Difference in refiners' prices and terms to members and to non-members of the combination, 35.

**G. A. Drummond, PRESIDENT OF CANADA SUGAR REFINING COMPANY,
MONTREAL 35-55**

Proposal of the Grocers' Guild agreed to, by the Canada refinery, viz, that white sugars from the refinery be charged $\frac{1}{4}$ cent per pound less to members of the Guild than to non-members, 36, 37, 38, 44. The guild's second proposal agreed to, asking a discrimination by the refinery of $\frac{1}{2}$ cent per pound against outside dealers, 36. The guild furnishes a list of names of those who were privileged to purchase sugar on favored terms, 37. Original agreement between the Canada refinery and the guild, the refinery fixed price of sugar, and advance thereon fixed by mutual agreement, 37, 42. Ratio of white to yellow sugar sold, 37. Third agreement between the Canada refinery and the guild, refinery to discriminate against non-members of the combination by charging an advance of $\frac{1}{2}$ cent per pound on all sugars, white and yellow, and not allow them the customary discount for payment in 14 days, 38, 40. The

CONTENTS.

Canada refinery becomes a party in a combination agreement, the obligations being mutual, 38, 39, 40, 41, 43. Profits of wholesale dealers in the combination, under the agreement, on all shades collectively and white alone, 39, 49, 50. Purchase of yellow sugars included in the discrimination against dealers not in the combination, 40, 41. No arrangement between the refiners to fix prices—how their prices are made uniform, 41, 48, 51. In the case of a member of the guild breaking the agreement, 43. Control of the list of those entitled to buy sugar on the favored terms, mutual, 45. Standard quality of sugar fully maintained in the Canada refinery, 47. Heavy weight barrels, cause of, 47. Sources from which the supply of raw sugars is obtained, 47. Ratio of beet-root sugar produced, to all others, 47. Annual sugar crop of Cuba, 47. Proportion of beet-root sugar to cane sugar, used in the Canada refinery, 47. Low grade sugars and glucose, 49. Cost of sugar increased to the consumer by the combination, 50. How prices of sugar from the Canada refinery may be influenced—competition, &c., 51. Profits and dividends of Canada refinery, 52. A temporary agreement between the refineries in Canada to prevent over production, dropped, 53. List of existing sugar refineries in Canada, 54. Expenditure and producing capacity, 54. Hands employed in the Canada sugar refinery and consumption of coal, 55.

David Sinclair, SALESMAN TO CANADA SUGAR REFINERY - - - 55-57

Confined to selling sugar at favored prices and terms to names on list (exhibit 1) not struck off, such list being furnished to him by the Wholesale Grocers Guild, 55. A case of discrimination acknowledged, 56. Not authorized to sell to anyone outside the guild, 56. Prices issued weekly by the refiners are the prices to members of the guild only, an advance on these prices charged to all buyers not in the guild, 57. Prices to all members of the guild uniform, 57.

Alexr. Donald Fraser, GROCER, MONTREAL - - - 58-69

Petition to Canada Sugar Refinery from the Retail Grocers' Association, Montreal, showing the injustice done the trade and consumers by the combination between the Sugar Guild and the Refinery, paying tribute to middlemen, 58. Adverse discrimination by the Sugar Refineries, under the Combination, in prices and discounts to the retail trade, 59. Freedom of purchase restricted, 60. Increase of price laid on the consumer, 60, 62. Can. Ref. cancels an order previously accepted, 61. The Retail Grocers' Association do not attempt the regulating of prices or terms, 61. Freedom to purchase in Canada and Europe contrasted, 61. Conditions of membership in the Retail Grocers' Association, 62. Cutting prices on one article and making up the loss on another, 62. Objections to the Combination, 63. Fixed prices a mutual arrangement between the wholesalers and refiners, 63. Combination extending, proposal to meet it, 64. Wholesale running into retail, 64. Free competition extinguished by the Combination, 65, 68, 69. Possibilities for further increase of price under combination, 65. Quality of imported sugars very good, 65. Weight of sugar barrels, 66. Possible remedies against combinations suggested, 66. Retailers ask for equal terms in purchase, 67. The Refiners the backbone of the Sugar Combination, 67. A protective duty to refining industry, 67. Combination secures a fixed profit independent of market values, 68.

John Robertson, GROCER, MONTREAL - - - 69-81

The sugar combination defined, restricts cash purchases, 69. Two parties to a bargain, an old customer cut off, 69. Prices and terms before and after the combina-

CONTENTS.

tion, compared, 70. Combn. has taken away the difference between buying a small and a large lot at one purchase, 71. List of articles sold under combination, but all differing in terms from the sugar combine, 71, 72, 74, 80. All the combinations require an agreement to be signed or goods will not be furnished applicant, 71. The sugar agreement the worst of several combinations enumerated, 73. Biscuit combination, 72, 75. Coercion, 78, 81. Suggested remedy against the sugar combn., 77. Assumed circumstances, 77, 78. Cutting prices, 78. Import duties and prices of sugars, 79. The refineries united to protect the sugar dealers' combination, 80. Traders excluded from purchase of certain goods except upon combn. terms, 80.

Walter Paul, GROCER, MONTREAL - - - - **81-87**

A ten years' direct purchaser from the refineries finds his supplies suddenly cut off and refused sugar on usual terms, 81. An explanation demanded, reply thereto by Sec. Mont B. of T. with resolution of the combination, adopted at Kingston 16 Nov., '87, ordering further restriction of sales, 81. Solicited to become a member of the combn., 82. On principle, all disapprove of combination, 84. Estimated loss to his business by the combn., 85. No notification of removal of name, 83. Wholesalers selling to consumers, 87. Should be no distinction in freedom to purchase direct from the manufacturer, except on the basis of quantity at each purchase, 84. Combination injurious to consumer and retailer, 85. Privileged terms of purchase of sugar from the refineries, discount and prices, 84. Who profits by the combn., 85, 86. Existence of the combination depends upon the will of the refiners, 86. The combination arbitrary, 86. The sugar combination affiliated with Montreal Board of Trade, 86. Mr. Paul recalled, 131. The staples of which biscuits are composed cheaper now than ever without any lowering in manufacturers' prices for biscuit for the last 15 years—improved machinery added, 131. Prices of biscuits in Montreal and New York compared—20 to 25 p. c. higher in Canada than they should be, 132. Grocers ask for a change in customs regulations, 133. Combination in biscuits a misfortune, 134. Biscuit making an enormously large business, making excessive profits—flour and sugar about same in New York and Montreal, 135. Canadian lard cheaper than Chicago lard; combination could be met by an Act declaring it conspiracy; combination injurious to the country, 136.

George Childs, GROCER, MONTREAL - - - - **88-99**

Witness a member of the Guild; a statement; demoralization of business asserted; no apparent bankruptcies, 88. Reason for organizing the Dominion Grocers' Guild; first and second advances upon tobacco fixed, 89. Articles upon which the guild fixed prices, 90. Prices to consumers how fixed, 91, 97. The refineries fully represented at a meeting with the Guild and an agreement arrived at, 92. The parties in the combination, 93. Present discrimination at the refineries; in prices and discounts against such are not members of the Guild, 94. An unwritten agreement, 95. Control of names upon the lists of privileged buyers, 96. A threat to the refiners, 92, 97. Customers used to fix prices; the combination do this now, 97. All the refineries agree to accept the weekly price issued by the Canadian Refinery; Mr. Paul makes a correction, 99.

W. B. Mathewson, GROCER, MONTREAL - - - - **99-100**

Witness never sought to be or never was a member of a combination in sugar; paid the Canadian Sugar Refining Co. an extra quarter of a cent per pound on 900 barrels because not a member of the combination, 100.

CONTENTS.

**Edgar A. Wills, SECRETARY DOMINION GROCERS' GUILD,
TORONTO - - - - - 100-102 and 117-124**

Introductory remark, 100. List of names furnished to the refiners, to whom they are to sell on the better terms, 101. Who formed the Dominion Grocers' Guild, date and place of meeting, 101. Fixing the price of sugars discussed—continuous efforts of the Guild to induce the refiners to enter upon an agreement, 101. Official history of the guild's action on the sugar question—dates and places of meeting, 117. Articles of requisition to the refiners—meeting at Montreal, 20th April, 1887, between the guild and the sugar refiners at which the refiners agree to discriminate against such dealers as would not enter the combination, 118. Meeting at Montreal, 30th June, 187—resolution asking the refiners not to sell white sugars to dealers who will not enter the combination—the Canada Refining Co. consent—St. Lawrence Refining Co. positively refuse to accede to this, 119. Resolution of the guild to increase the advance upon tobacco, 120.

William Ince, PRESIDENT OF THE WHOLESALE GROCERS' GUILD, TORONTO, 102-109

Successive steps which led to the formation of the guild and its development into a combination, 102. Expenses of conducting business—guild's arrangement with manufacturers of tobacco, 103. Guild fixes the advance on manufacturers prices which includes excise duty, 104. The tobacco manufacturers a party in the combination, 105. Rates of excise duty—increase of combination advance from 3 to 4 cents per pound, 105. Credits and discounts as fixed by the combination—profits on sugar, 106. Qualities of sugar—grocery trade of Toronto prosperous—profits on sugar improved by the combination, 107. The compact between the refiners and the guild to discriminate against dealers not in the combination—and the compact within the guild to sustain prices emphasized, 108. Consumers would get their sugar cheaper if the wholesale branch was abolished, and retailers could buy direct from the refineries, 108. The combination a guarantee to its members against the risks of business—profits a sure thing, 109.

**Charles P. Hebert, VICE PRESIDENT OF THE WHOLESALE GROCERS'
GUILD, MONTREAL - - - - - 109-112**

The sugar agreement profitable to members of the combination—the Montreal branch of the grocers combination amalgamated with the Montreal Board of Trade, 109. The retail grocers have advanced their prices to consumers in correspondence with the advances fixed by the wholesale combination—consumer pays both advances—shut out of the guild, out of business, 110. Resolution unanimously adopted by the guild (meeting 30th June, p. 119) asking refiners not to sell white sugars to non-members of the sugar combination, 111. Combination in various kinds of spirituous liquors—other articles—several concentric combination circles, 111.

W. W. Lockerby, GROCER, MONTREAL - - - - - 112-113

Names of grocers in Montreal who expressed a desire to enter the sugar combination but did not, 112.

W. H. Gillard, GROCER, HAMILTON - - - - - 113-114

Corroborates the testimony of Mr. Ince, president of the guild, in relation to profits and cost of handling goods, 113. Prices of sugar for several years—all the combinations in the wholesale grocery trade developed since 1884, 114.

CONTENTS.

H. W. Sewell, GROCER, &C., HAMILTON 114-117

Retail grocers making better profits since the wholesale combination was inaugurated—prices steadier—less cutting, 115.

W. B. Clay, GROCER, GALT 122-124

Experience in the fluctuating prices of sugars—opposed to uniform prices, 122. Doing well in business—the matter of discounts, 123. Sugar an article of necessity to retail grocers, 124.

Patrick Baskerville, GROCER, OTTAWA 124-126

Signed the sugar agreement—name of his firm afterwards removed from the list by the guild, 124. No limit to the extent a combination may raise prices to. Knew nothing of his name being removed from the list until refused sugar on usual terms at the refinery, 125.

Joseph Kavannah, GROCER, OTTAWA 127-131

Prices of biscuits from the manufacturers the same in 1887-88 as in 1884. biscuit flour now cheaper—prices of biscuit flour in different years compared, 127. Sugar and other materials entering into biscuits cheaper now than in former years—prices of biscuits stationary—combination amongst biscuit manufacturers to sustain prices, 127. Biscuit manufacturers in the combination designated—biscuits of the same class made cheaper in New York than in Toronto—price lists compared, 128. A New York firm delivers a better article of biscuit at a less price in Montreal after paying 20 per cent. duty, than biscuits of the same kind can be bought for from the Canadian manufacturers in Toronto or Montreal, 129. A combination in confectionery sent up price $1\frac{1}{2}$ cent per pound at a bound, 130. Tobacco combination—refuse to purchase McDonald's tobacco because it was under combination—patronizes an independent tobacco company, 131.

W. C. Gibson, BISCUIT MANUFACTURER, OTTAWA, 137-144

In biscuit makers' combination past six years, 137. Seat of the combination—confectioneries also included—objects of the combination—executive committee—prices—biscuit firms in the combination, 138. Quality of flour used—capacity and machinery—Canadian lard very superior to Chicago lard—ratio of lard to flour used, 139. Combination agreement signed—cost of flour—the combination control the manufacturers in the matter of quality and price, 140. The biscuit agreement purely a matter of honor—no punishment for violation, 141. Freights—regulation prices mean, on board cars—Officers of the combination, 142. Prime cost of manufacture, outside of biscuit ingredients used, 143.

Elias Rogers, COAL DEALER, TORONTO 145-164 and 271-302

Coal association amalgamated with the Toronto Board of Trade, as The Coal Branch of that board—two classes of coal dealers, 145. Officers and executive committee of Coal Branch, 146. American coal companies from which purchased and points of shipment for Toronto, 146. Controlling Cos., their prices uniform, 147. Coal Cos. sell only, for Toronto, to such dealers as are in the coal association, 148. Represent-

CONTENTS.

atives of U. S. coal companies present in Toronto insist upon dealers forming a combination to sustain prices, 149. U. S. coal Cos. fix prices for their export sales monthly, 150. Prices in Toronto fixed by executive committee of coal branch, 151, 155, 157. Prices to Toronto dealers at various points and dates—freight—cost of handling—profits, 151, 158, 160. Coal by rail, cost of—freight, 154. Total coal import into Toronto—Punishment by fines for cutting prices—P. Burns fined, his offence, 155, 162. Contracts by tender for coal, when and how fixed—premiums paid by party getting the contract, 156. Contract premiums, how divided—Mr. Rogers, nothing to do with the waterworks coal contract, 156, 157. The executive committee how made up—all members of the association pledged to fidelity by oath, 157. Employés also sworn to fidelity in maintaining prices, 158. The coal combination as affecting consumers, 159, 163. Several fines enumerated—consequences to parties fined—in default of not paying fine supplies stopped—McConnell *et alia*s, 161. Mr. Rogers, recalled, 271. About a sale of coal by Rogers & Co. to Keys & Hallet, Woodbridge—a statutory declaration, 271, 275. Attendance of witness during 1887, at meetings of Toronto Coal Exchange, 273, 290, 300. Tender contracts of Toronto for 1886-87—Hospital, Parkdale waterworks, &c.—who received the supplying of them—auction premiums paid into the pool—pool how made and how divided, 277, 297. Ontario Government tender, 279. Rebates allowed to importers, 280, 283, 284. Coal entries at Toronto Custom House—certain invoices not filed—in 1886, prices anthracite entered at, 281. Import cost of coal in 1886-87—freights and other charges—retail prices, 283, 291, 295. Toronto city contract for 1886, and competing parties—official communication with coal committee at Buffalo to stop supplies and who deputed to go—McConnell's fine and expulsion, 285, 300. Dominion Government contract at Toronto, 299.

G. W. Wood, SECRETARY TO THE COAL TRADE BRANCH OF THE TORONTO BOARD OF TRADE 164-174.

Rules and constitution of the Coal Branch—Origin of the combination, the promoters of it, 164—The association that organized in 1883, the same body that subsequently amalgamated with the Board of Trade, as "The Coal Trade Branch"—Fines on members—Fines how divided, the pool 165, 173. Waterworks and other contracts by tender with the city of Toronto, prices for tender fixed by the combination—auction of tenders—premiums for receiving contract paid into the pool—pool divided amongst the coal importers, less one-sixth—the public deprived of competition—proceedings within the executive secret, 166, 168, 173. The statutory declaration in obligation of members and employees—the oath binding in the matter of secrecy to be observed in relation to the business transacted in meetings, 167, 171. Elias Rogers renounces all interest or part, as a member of the combination, in the waterworks contract. 168. Prices fixed at which public tender would be filled—prices pitched at a higher rate to private citizens, 169. Formality of tenders rendered abortive—prices for wood also fixed in certain cases, 170, 174. Public School, Hospital, Ontario Government coal tenders all manipulated alike by the combination, 170, 171—Fines in relation to oaths 171. Terms on which the retail coal dealers purchase from the importers, 172. Executive committee now constituted, 173. List of members of the combination in Toronto furnished to the secretary of the Anthracite Committee at Rochester—one whose name not on the list would not get coal—conditions of obtaining coal for import trade of Toronto—how to become a member of the Coal Branch, 174. Supplement to Mr. Wood's evidence. Exhibit 34, C.

Peter Larmonth, SECRETARY, OTTAWA COAL CARTAGE CO. 174-184

Ottawa Coal Cartage Co. chartered—membership—shares and capital 174, 177. The company a combination on the "Trust" system which controls the import of coal to

CONTENTS.

Ottawa and regulates the prices for retail to citizens—the methods of operation explained—all the shareholders, directors—selling prices of coal fixed by these directors, *alias*, the Cartage Co., 175, 178, 184. Profits of dealers realized by dividends, on a supposed capital, from the company's pool funds, 176, 180. Profits paid to several dealers not members of the Cartage Co. for past year's sales—quantity of coal handled 176, 177, 178, 180. Dividends on stock to shareholders not in business 177, 181, 182. Quantity sold and profit of the Cartage Company, 178, 181. Importation cost of coal 179. The Coal Cartage Company's capital—net profit after deducting all charges against the pool—and rate per cent. realized on capital, 181. Importation wholly by individuals—tenders to supply coal made individually also, but at rates fixed by the directors, 184. Re-called, 191.

W. H. Easton, COAL DEALER, OTTAWA - - - 184-191

Cost of coal increased to consumers in Ottawa by the combination, 184, 186, 188. The combination interfering to stop coal supplies to independent importers, 185, 188, 189. Results to witness of combination interference with his business—difference between independence and combination prices, 185, 187, 188. Import cost on 1st January, 1888, of soft grate coal and combination selling price in Ottawa, 186. Coal as cheaply imported to Ottawa as to Kingston—difference against the former in retail prices, 188, 190. Solicited to join the Ottawa coal combination to keep up prices, 190.

George F. Thompson, COAL DEALER, OTTAWA - - - 192-202

Affiliated with Ottawa Cartage Co. as a dealer—personal advantages of dealing in an associated form, 192. American coal exporters favor combination on this side, and are in combination amongst themselves, 194. American agents report dealers here who refuse to join in local combination, 196. Profits for the year 1887-88, to witness, of his coal business, 197. Import prices of coal in 1887, at various dates, per long ton—one-eighth of this, gives value of short ton as retailed, 198, 199. Profits of retail, personally, 201.

Thomas McConnell, COAL DEALER, TORONTO - - - 202-212

Toronto coal exchange manipulating matters against witness on the American side, 202, 206. Forced into the Toronto coal exchange—the combination get his supplies stopped and consequent forced surrender of contracts, at heavy loss, 203, 207. Reasons assigned by American coal agents at Buffalo, as to why they stopped his supplies—their agreement to supply, 204. Agreement broken after having been entered upon—a severe loss, 205. The statutory declaration of the local combination objected to—a fine, 206, 207. Co-operation and mutual action of coal combinations upon both sides of the line, 202, 204, 206, 207, 209, 210, 211. How witness succeeded in getting contracts outside of the local combination, 207. Details of cancelled contract—cost of importation to fill—price of delivery per contract—loss to contractor by cancellation, 208. Cost of winter imported coal and retail price in Toronto—shut out of business, 209. Punished for selling coal to a party not in the combination—promoters of the local combination, members of the American combination also—something that would bind—profits to coal importers by sale of contracts—coal made dearer to consumers by the combination, 211. Combination first confined to anthracite, now extended to include bituminous coals, 212.

CONTENTS.

William Bell, COAL DEALER, TORONTO - - - - 212-218

Coal Association—Executive Committee, number and classes of which composed—what coal importers allow the retail dealers—dealers cannot get coal without becoming members of the combination—the importers regulate the retail prices, 212. Advantage to retail coal dealers to import—cost of coal at Toronto imported by rail from Buffalo in August, 1887—retail price—profit, 213. Personnel of the combination executive committee—disproves of members having to take obligations under oath, 214, 215. Reasons for organization—how the oath might be got over in certain cases—sole object to keep up prices—combinations acting in concert—to keep up prices the only obligation, 215. List of members of Toronto combination furnished to the American coal agents who will sell only to names on the list—notification in case of breach—a ring within a ring—retail members dissatisfied with absolute rule of the importers—cut and dried, 216. Several and large increases on importation against the retailers in November and December, 1887, and January, 1888—sweating the small dealers—a \$300 surprise, 217. Prices in 1886 and 1887.

C. C. Ray, COAL DEALER, OTTAWA - - - - 218-228

Sources of supplies to Ottawa coal importers—Ottawa Coal Cartage Co., 218. Witness demurs to answering certain questions—a present active member and an original promoter of the organization of the C. C. Co.—board of directors—essential points the witness cannot recollect, 219, 222, 223. Capital stock of the C. C. Co., how represented—individual shares—how the C. C. Co.'s business is carried on, 220, 223, 224. List of the charter members—none of these previously in coal business—purpose in promoting organization and applying for charter, 221. A reminder to witness, 222. His attention called to certain records—C. C. Company has not interfered with other dealers getting supplies—who originated the company's plan of business, 223, 225. Profits of the C. C. Co.—dividends paid to member of the Co. and others, 225, 226. Witness personally made complaints against length of time coal remained in cars at Ottawa*—also a member of the coal combination in Toronto, 227.

Alexr. R. Hargraft, COAL AND GRAIN DEALER, COBOURG - - - - 228-233

No combination in coal in Cobourg—Sources and ports of supply, 228. Prices from mines F. O. B. for long and short tons at different dates for 1887—Freight and other charges—Maximum cost yarded at Cobourg—Rebate allowed by American dealers to regular customers in Canada—No dictation by American dealers to fix prices at Cobourg—Retail prices in Cobourg and profits, 229-231. Additional rebate by certain coal companies—Terms of credit, 232. Witness a dealer in barley—No combination on this product known to him, 233.

George F. Hartt, COAL DEALER, MONTREAL - - - - 233-241.

A coal exchange or combination established in Montreal—No connection with the Board of Trade—Object of combination to curb competition and sustain prices—No suggestion or dictation from American side to form this combination—Board of management regulate retail prices—A majority of the Board agents for American coal companies, 233. Members of combination not obligated by oath, simply a promise to observe the rules—Punishment provided for by fine—Prices to retail dealers, delivered on their premises and prices, delivered from boat, car, or importers' yards—Rebate to importers—Any retail dealer not in the combination discriminated

* *Vide* evidence of J. B. Butterworth, p. 252-253.

CONTENTS.

against in prices, 234-241. Minimum of profits fixed by the combination—Discount in retail to certain public institutions—Retail prices for citizens and for tenders fixed by the board—No division or allotment of tenders amongst members—each dealer to get the filling of what tenders he can, within the rules—No commissions on orders, 235, 238, 240. Combination when formed, 236. How a member of the combination outwitted his peers in securing a tender, 237. Uniform importation cost fixed in the United States, 236, 238. Expenses of handling coal in Montreal, 240. Minimum average retail profit to be attained, 235, 238, 240.

William Bowman, COAL DEALER, LONDON - - - - 41-249

Coal Dealers Association formed in London—Origin of the combination compulsory by American dealers invited to come over—Object, to limit competition and sustain prices, 241. Cost of coal on board cars at Suspension Bridge—freight—cost of handling—and retail prices during 1887-88 at London in various months, 242-244. All violation of local combination rules reported to the local exchange at Buffalo, for action—Tenders how managed by the combination at London, 245. Prices at which Government tenders were taken, 246. Discrimination in prices charged to private citizens for coal, as compared with the price charged on Government tenders, 247. Interest charged on accounts of retail purchasers—coal consumption of London, 248.

J. G. Butterworth, COAL DEALER, OTTAWA - - - - 249-254

Ottawa Coal Cartage Co.—Charter members not the promoters in organizing the Co.—the promoters now the company holding the charter—Witness demurs to answer and committee directs him to answer—why the names of the promoters did not appear in the charter—who furnished the money and how transferred, 249. Present stockholders and personal amounts—Import and retail prices of coal for 1887-88 in Ottawa, 250. Interfering with importation of dealers not in the combination—who wrote to United States coal agencies—reminded of obligations of oath, 252, 253. Dealers, not members, associated with the C. C. Co.—storage, 254.

J. C. BROWN, COAL DEALER, OTTAWA 254-263

As a dealer associated with the Ottawa C. C. Co., 254. Cause of his affiliation of business with the Co., 255-259. Cost of coal importation in 1887—Retail prices in Ottawa—Not aware of the nature of the operations of the C. C. Co., until after associated with it, 256, 257. Terms of association with the company—dissatisfied with the C. C. Co.'s methods—share of profits, 258-260. The company, *alias* the Directors, fixed prices at which tenders should be supplied and allotted the supplying of them by distribution, 259. What would be a fair profit per ton to the retailer, 262.

**Percy R. Todd, GENERAL FREIGHT AND PASSENGER AGENT, C. A. R.
OTTAWA - - - - 263-271**

First coal carried by the C. A. R.—Connections of this railway—the railway ignored by Ottawa coal dealers, 263. Decision to bring a new importer of coal to Ottawa and the C. A. R. to stand by him—the Ottawa C. C. Co. seeks an interview—Arrangements by the railway with the Rathbun Co. to bring in coal, 264. Cost of carriage of coal to Ottawa, 265, 268. Negotiations with the Utica and Black River and other American railways—Manager's belief that the Ottawa C. C. Co. interfered to

CONTENTS.

frustrate these negotiations—coal consumption of Ottawa—import of coal over the C. A. R. commenced, 266, 267. An important point established—coal import to Ottawa, percentage of by rail and water respectively—misrepresentation of coal combination to purchasers in matter of rail and water borne coal—water carriage more favorable to coal than rail carriage—comparison of distances carried, 263, 269. Freight charges agreed upon between the Pennsylvania Coal Co., and the C. A. R. The railway sharing in loss with independent coal importers—decided to continue such assistance, 270.

Michael Dwan, COAL DEALER, TORONTO 302-304.

How long in coal business—personal rating in the Commercial Agency, 302. What he bought and retailed his coal at last year—business transacted under association rules—compelled to withdraw an advertisement under the rules, 303. Fire-wood partially regulated, 304.

Wilmot D. Matthews, GRAIN DEALER, TORONTO 304-314.

President of the Toronto Board of Trade—Control of the Board's Council over the sections comprising the Board—constitution and rules of the coal section, 304, 307. Oath administered by the coal section to members and employees not approved of or known to the Council—Special rules of coal section not submitted for approval—The constitution and rules of the coal section submitted to and approved by the Board (Exhibit 33, p. 564) and those under which the coal branch worked (Exhibit 34, p. 610), not the same—points of difference, 305, 308. The "Special Rules" the important feature of the coal section's regulations—Oath demanded of employees, retrospective and prospective—The special rules *ultra vires*—extracts from minutes of meetings of the coal section in *re* affidavit—transactions not officially known to the Board, 306, 307, 308. Action upon the special rules by the coal branch a violation of the rules of the Board—How the board might deal with violations, 307. The Board's first knowledge of the extraordinary powers being exercised by the coal branch, 308. GRAIN—Standards of how fixed, 308. Canadian barley, special properties of for malting purposes—no combination in the barley trade—competing points in the purchase of, 309. Maltsters' and Brewers' Association in the U. S.—How charge made in the malt duties in the U.S. affected the malting industry in Canada, 310. Certain peerless qualities of Ontario barley, 312. Prices regulated solely by supply and demand—estimates of the Bureau of Industry not reliable—points of sales for Ont. barley in the U. S., 313. American farmers opposed to removing the duty from Canadian barley—Sections of Ont. which produce the best barley, 314.

George Taylor, M. P., GRAIN MERCHANT, GANANOQUE 314-318.

Annual quantity of Canadian barley handled by witness—no combination in the barley trade in Canada—Ont. Bureau of Statistics, 314. Combination amongst the maltsters and brewers of the U.S., 316, 318. By whom standard of grades are fixed—Dealers in Canada pay equal prices to farmers, as the U. S. dealers pay their farmers—Canadian barley, relation of prices to duties on the U. S. side, 315, 317. Territorial lines for barley production as mapped out by U.S. dealers—bright barley a necessity to maltsters and brewers—importance of color in grading—grade determined by color and weight combined, 316. Importance of cleaning barley thoroughly and a mistake on this point—Canadian barley in competition with western product at Oswego—malting business in Canada, 317. Canadian barley a necessity to U. S. maltsters and brewers—substitutes for barley—experience in reports of barley to England, 318.

CONTENTS.

- Patrick Kelly, BLYTH, ONT.** - - - - - **318-319**
 Combination in egg trade—object of to depress prices against farmers—how the combination manages to keep down local prices in Canada, and why, 318, 319.
- R. C. Carter, FORWARDING MANAGER, &C., KINGSTON** - - - - **319-322**
 An attempt to bring coal into Ottawa over the C. A. R.—recital of negotiations with the Ottawa Coal Cartage Co.—an arrangement and prices delivered for at different dates, 319. Obstacles placed in the way—unfair and ungenerous treatment—coal dearer in Ottawa than in any of the surrounding towns—large margins of profit, 321.
- Charles Stark, MANUFACTURER OF WATCH CASES, TORONTO** - - - **323-332**
 A Combination designated—his trade supplies shut off through interference of the combination—violation of contract by the Elgin National Watch Co., 323. His orders refused because not a member of the Jobbers' Combination in Canada, 325, 329. His factory in Toronto for manufacture of watch cases, extent of—forced into starting watch case factory by the combination—an attempt to crush out his factory by refusing to sell him watch movements without cases—an injunction obtained, 326, 330. The watch combination object to publishing catalogue of prices—the combination in Canada and the U.S. one—rules by which the Watch Jobbers' Combination are bound, 328. Jobbers' and retailers distinguished—Swiss and English watches, 330. Combinations in Canada and the U. S.—cartridges, 331.
- John H. Jones, JEWELLER, MONTREAL** - - - - - **332-340**
 A Watch Jobbers' Association formed in Canada, 332. Constitution and by-laws of the association, 333. That watch cases and movements must be sold in equal numbers, an American demand—about imitation watch movements—the customs a check, 335. Profits, 325. The Canadian Watch Jobbers' Association in unison with that on the U. S. side 337. Increased sales of American Watches in Canada, 338. Canadian Association would have complained had Stark's orders been filled, 340.
- Matthew C. Ellis, JEWELLER, TORONTO,** - - - - - **340-344**
 Watch Jobbers' Combination when formed, 340. Relations of wholesale to retail—various matters in regard to trade in American Watches, 341. Manufacture of watch cases in Toronto, 341. By-laws, their provisions for fine and expulsion, 343. The Canadian and American combination in affiliation, 344.
- John Sedgworth, TORONTO,** - - - - - **344-345**
 Presents a statement in behalf of the Elgin Watch Co., 344.
- John Connor, ROPE MANUFACTURER, ST. JOHN, N.B.** - - - **345-353-357**
 Combination amongst certain manufacturers of cordage and binder twine. The cost of fibre raised by an American Syndicate which purchased the entire production of fibre, 340. Surplus of cordage factories over requirements in the United States—competition—effect in rise in raw material, 346. Effect of syndicate monopoly upon

CONTENTS.

prices of binder twine in Canada, 347. Combination arrangements for division of production—surplus capabilities of binder twine factories in Canada—how it would have resulted to the industry in Canada had there been no protective duty upon twine—American farmers paying a higher price for binder twine than the Canadian farmers, 348. Combination at one time amongst Canadian manufacturers of self-binders to monopolize the entire sale of binder twine—jobbers and retailers of twine now left free to sell as they please, 349. Lath ties:—Prices of—Canadian made ties worth more per pound than the American make, 350. The twine combination temporarily dissolved—effects, profits, standard of quality raised, &c., 351. Production and cordage factories in Canada, 352. Mr. Connors recalled—explanation of objects and management of the combination, 357.

H. A. Massey, PRESIDENT, MASSEY MANUFACTURING Co., TORONTO - 353-357

Manufacture of binder twine—prices—material, &c., 353. *Agricultural Implements*:—No combination in manufacture of—home sales and export prices—Customs rebate on material entering into machines, 356.

Thomas Workman, HARDWARE MERCHANT, OTTAWA - 358-362

Barbed Wire:—Manufactories of in Canada—combination to sustain prices—conditions of agreement required of retailers—prices, discounts and profits, 358. The various kinds of barbed wire in use—prices, terms of sale and manufacture of, 359. *Stoves*:—Combination to sustain prices amongst leading manufacturers, 360. Prices uniform to the retailer—retailer free to make his own price, 361. *Tar Paper*:—Combination in manufacture of—prices, 361.

Joseph R. Esmond, HARDWARE MERCHANT, OTTAWA - 362-365

Stoves:—List of manufacturers in combination—all kinds of stoves included—prices raised and quality improved—some manufacturers not in the combination, 362. Changes and improvements in stoves rapidly succeeding each other—reason for increase of prices in late years—Canadian high grade stoves compare favorably with same class of American stove—American stove cheaper, 363. Combination makers' prices not higher than those of outside makers, in comparison of fine finish—dealers left free to sell as they please, no rules imposed on them, 364.

F. T. Graves, HARDWARE MERCHANT, OTTAWA - 365-369

Stoves:—Proof of combination amongst stove manufacturers—a continuous tendency of prices upwards, 365. Large percentage in rises of combination prices at several dates—combiners' assigned excuses for raising prices contradicted—combination prices assists manufacturers not within it, to obtain higher prices, 366. Difference in cost of stoves regulated by finish, not by quality—frequent changes of styles productive of extravagant prices—a big jump in prices—weight, duration and cost of material of a base burner, 367. *Barbed Wire*:—Trouble over patents—Canadian manufacturers control their home markets now, 368. *Cordage*:—Supposed combination—a big jump in prices of—imported twine inferior, 368. *Pressed Tin*:—Combination causes tremendous jump in price—Canadian headquarters of the tin combination, 369. *Copper*:—Combination followed by enormous rise in price, 369.

CONTENTS.

H. R. Ives, MANUFACTURER, MONTREAL - - - - 370-375

Stoves:—A manufacturer of—invited to become a member of the stove combination—declined but believes the combination helps him to obtain better prices—prices fixed by an adjuster, 370. A combination of two, 271. *Barbed Wire*:—Witness, president and manager of the Canada Barbed Wire Co.—Canadian companies manufacturing under royalty to patentees in the United States, 371. Products of factories in Canada—prices at which sold—drop in prices of late years, 372. Combination agreement, between manufacturers and retailers—no penalty for violation, 374. Prices of barbed wire in the United States, 375.

David Robert Ross, MILLER, EMBRO, ONT. - - - - 375-390

Secretary to Oatmeal Millers' Association—primary object of, to realize profits by increase of prices, 375, 378. Constitution, rules and by-laws (exhibit 38A) 620. Number of oatmeal mills in Ontario—capacity of production—oatmeal consumption of the Dominion—duty on imported oatmeal in Canada—do do in the United States—British market for Canadian meal—price of British meal in Toronto, 376. Ordinary meal and rolled meal, weight and prices per barrel—British and Canadian oats—export of meal from Canada to Britain, 377. When oatmeal combination organized—number of meetings—number of advances made in prices—results of combination satisfactory to millers—number of mills in the combination—other mills follow combination prices, 378, 380. Production by allotment—excess or deficit of production to allotment, now managed—number of mills short and number in excess—origin of the financial arrangement of the combination, 379. Mills paid by arrangement to produce no meal—how they are paid—total paid them—minimum and maximum sums per annum—number of this class, 380, 390. The United States markets and freights—oats cheaper in Chicago than in Toronto, 382. Manitoba oats and freight rates—value of the refuse from producing a barrel of meal, 383, 385. Ontario supplies meal to the Maritime Provinces—refuse pays expenses of milling—refuse material rising in value, oat hulls, and new use for them by city feedmen, 385. Various matters of interest in practical milling, 386-390.

Henry Hatton, BOOKKEEPER, HAMILTON - - - - 391

Secretary to the Canadian Iron Founders Association—the combination confines to stores—number of foundries in the association—Nova Scotia and New Brunswick foundries not included, 391. Witness produces constitution, by-laws and bond of agreement of the association, 699. Also minutes and terms of agreement, 703.

W. J. Copp, IRON FOUNDER, HAMILTON - - - - 292-397

Manufacturer of stoves and agricultural implements—no combination to regulate prices of implements—combination confined to stoves—prices of stoves on what basis fixed—prices by whom regulated—number of stove foundries not in the combination, 392, 395. Prices uniform for similar class of goods—violations of rules punished by fine—prices and competition—how long this association has existed, 393. Monthly declaration by members—profits in bygone years, greater than now—stoves of high grade finish cheaper in Canada than in the United States, percentage less—medium class stoves the same price, 394. Rough, light class of stoves cheaper in the United States than in Canada—no discrimination against purchaser, 395. No dictation to the retailer about his prices of sale—cause of last advance in prices—wages of foundry hands per day—patents regulated by the association, 396. Sufficient outside competition to keep prices moderate, 397.

CONTENTS.

A. W. Morris, CORDAGE MANUFACTURER, MONTREAL 397-403

Binder twine combination, duration of, 397. Prices of binder twine and terms of sale in 1886 and '87—Canadian prices lower than American—sisal and hemp, relative qualities of—Textile strain, twine made to bear, 398. Object and working arrangements of the twine combination—Quantity sold by witness—Final dissolution of the combination, 399. Probable drop in price of binder twine—Drop in price of fibre—Source of hemp supply—The American combination on fibre, 400. Propping up small factories—Dissolution of manufacturers' combination followed by lower prices of twine to purchasers—Employment of factory hands and wages, 401. Orders booking for coming season conditional—The combination pool; how made up—Quantity of twine sold by Canadian factories, 402. A draw on the pool—Principle of pools, 403.

Samuel Rogers, UNDERTAKER, OTTAWA 403-408

Coffins and caskets:—A member of the Undertakers' Association, 403. Provincial extent of the combination—The manufacturers of coffins and caskets included, and sell only to members of the combination—When organized—Membership—Constitution (Exhibit 47, p. 705) adopted—Local associations and powers of, 404, 405. Tariff of charges—Coffin linings and trimmings supplied to members of the combination only, 405. Stringency of the combination on the sale of coffin fittings to non-members—Trimming stock a special line of business confined to the manufacturers—An extreme difficulty to parties entering upon Undertaker's business—An admission—Absolute power of the combination over the public, 406. Obligations between the coffin and casket manufacturers and the undertakers, mutually binding—Ghastly power of the Undertakers over their debtors; a threat to exercise it—First cost and retail prices of coffins and caskets—Profits and discounts, 407, 408.

A. E. Boulton, PAINTER, BOLTON VILLAGE, ONT. 409-413

Formerly an undertaker in conjunction with his father—Expectation to succeed to his father's business frustrated—Refused his father's hearse for ready cash—Forced out of business by the combination—Ingratitude, 409. Details of further efforts to get into the business defeated—Names of parties who refused to sell him stock, 410, 412. Case of a manufacturing firm punished for selling goods to two undertakers, not members of the combination, 411. Coffins, cost of—Retail prices—Profits and cash discounts, 413.

Robert Moffat, UNDERTAKER, TORONTO 413-420

Experience in undertaker's business—Applications to be received into the Undertakers' Association refused on the grounds that this would be diminishing the business of those already in, 413. Applicant ample capital for carrying on the business—Extortionate charges for stock—Imposition upon mourners under pretence of disinfecting—Members of the combination bound under oath—Severe fines for selling any stock to one not a member of the combination—Importation of coffins and stock, 414. Shut out of business—Absolute irresponsible control of the combination—American made caskets, 415. A distinction between buying out and inheriting—Toronto Board of Trade blamed—Membership in Ontario—Membership in Toronto—Examples of extortionate prices, 416. Gross frauds by the combination in caskets and coffins—Tyranny of the combination in an absolute prohibition on all coffin and burial stock, 417. Oaths, fines and penalties, 418. List of coffin manufacturers in the combination—Hearse builders refuse to enter—Expenses of a plain funeral, 419.

CONTENTS.

D. C. Macdonald, MANAGER LONDON MUTUAL FIRE INSURANCE COMPANY,
LONDON, ONT. - - - - - **421-428**

Time in the London Mutual—Fire Underwriters' Association—Circular issued by the Association to agents for companies in the combination—Ostracising the London Mutual and other companies, 421. Inducements offered the London Mutual to join the Association declined—Reasons for declining, 422. The Association cutting rates on the mutual companies, 423, 424. Circular of November, 1885, aimed at mutual companies not in the combination—An association of mutual companies which does not touch rates, 424. Agents of the London Mutual placed in dilemma by the November circular, and the company forced into a new class of business—Companies in the Association refusing to accept risks from, or place risks with, companies not in the combination—Course of the Association driving insurance over to United States companies, *i. e.*, producing "underground insurance," 425. Comparison of rates of insurance now with 8 years ago—Increase of Insurance loss by use of steam threshers—Combination in insurance an injury to legitimate business—cast iron tariff deprives agents of exercise of judgment by removing allowance for moral hazard, 426. About agents—The London Mutual a prosperous company—Amount of outstanding policies—Surplus accumulated—Premium note policies, 427. Assessment on premium notes—Collection on premium notes, 428.

Robert McLean, SECRETARY CANADIAN FIRE UNDERWRITERS' ASSOCIATION
TION - - - - - **428-447**

Inception of the Canadian Fire Underwriters' Association, 428. Companies in the Association, 428, 430, 431, 441. List of companies, 631. Complaints, 428, 442. Rates of insurance fixed by the Association—One association, two branches—tariff when arranged—Proscribing agents from acting with non-tariff companies, *i. e.*, companies not in the combination—this rule subsequently repealed, 429. Companies not in the combination, 430, 442. Companies which resolution (of 15th October, 1885, p. 549) aimed at—squeezing agents into abandoning former employers—non-hazardous risks, farm property, &c., brought under a fixed tariff, the rule subsequently repealed in Ontario, but remained in force in Quebec, 431. Why a fixed tariff could not be applied to dwellings—combination rates compromised in Hamilton and why, 432, 435. Competition from mutual companies in cities, 435, 442. Object in forming the association, to increase rates and render insurance more profitable, 435. Tariff under fixed rates higher than under the competition system—Cost of maintaining insurance associations—contributions from various companies, 436, 439. Appointment and cost of association inspectors—other items of cost—out of whom these increased costs are made—expenses increasing, 437. Moral risk—Cutting tariff, how dealt with, 440. Why the Queen City Company withdrew from the combination—System of Provincial tax on insurance companies different in Ontario and Quebec, 442. Comparative tariffs before and after combination, 443. The tendency of paying agents commission on premiums—Percentage of losses paid to total of premiums received—Percentage of expenses upon premiums, 444.

William Hugh Lowrie, INSURANCE AGENT, RUSSELL **445-447**

Decline in better class of risks offering and a raising of rates, in consequence of combination of companies—Allowance for moral hazard taken away and responsibility of agents removed, by the system of fixed rates—Abolition of fixed rates would be to advantage of both insurers and insured—farm risks not affected, 445. Increase of insurance rates under combination, 446.

CONTENTS.

James Boomer, SECRETARY WESTERN ASSURANCE COMPANY, TORONTO, 447-458

Resolution adopted by the Insurance Association against non-tariff companies rescinded, 447. Chief objects in forming the association, 448. Rates of insurance raised—Company's expenses in connection with the association—amount contributed last year, 449. Duties of association inspectors, 450. Classification and rates, 451. About losses—City and country insurance—The company's business in Montreal and Toronto, 452. The company's comparative percentage of loss to amount of premiums received in Canada and United States respectively, 453. Dividends paid on company's par value of stock before and since the combination—An argument spoiled, 454. Comparative net results of the company's business in Canada and United States, 455. Comparative rates and risks in Canada and United States—Underground insurance carrying off much of the larger risks, 456. Companies had no scale of tariffs for guidance of agents, before the Association established uniform rates.* 456. Salaries of the company's executive officers—Company's comparative * *Vide* evidence of Hugh Scott, p. 472, also, instructions and scale of rates issued in 1873, by the "Hand in Hand" Insurance Company for guidance of its agents, p. 690-698. expenses in Canada and United States, 458.

William Tatley, MGR. ROYAL INSURANCE CO., MONTREAL - - 458-465

Fire Underwriters' Association of Canada, when established—Makes insurance rates uniform—A similar association in England—Resolution of the Can. Ass. (15th Oct., '85, p. 649), precluding agents from doing business with companies not in the combination, repealed—The association voluntary, 459. The combination a benefit to insurance Cos. and the public—"Moral hazard," definitions of it, 461. Basis of uniform tariff—Agents as under the old tariff—Queen City, stock Co., not in the combination—Stock Cos. and mutuals in competition, 462. Steadying insurance rates, 463, 464. Consequences of Foreign competition—Canadian insurance stock companies disappearing and their places refilled by Foreign Cos.—Present number of Canadian and Foreign insurance Cos. operating in Canada, 463. Benefits of uniform rates, 464. Agents and Inspectors, 465.

**Alfred W. Hadrill, SECY. CAN. FIRE UNDERWRITERS' ASSN.,
MONTREAL - - - - - 465-468**

The practice of the Quebec branch of the C. F. U. A., on resolution of 14 Oct., '85, p. 694, in the matter of agents of tariff Cos. during business with non-tariff Cos. and Mutuals—Association expenses upon Cos., 466. The Citizen's insurance Co's complaint on cutting rates within the assn., 467.

**Hugh Scott, MANAGER AND DIRECTOR OF THE MILLERS AND MANUFACTURERS, AND
THE QUEEN CITY INSURANCE COS.; SECY. HAND IN HAND FIRE INSURANCE
EXCHANGE - - - - - 468-491**

Thirty years' experience—What constitutes "moral hazard" in insurance, defined, 468. Fire Underwriters Association expel the Queen City Co., 469, 483. Extensive increase of insurance rates in one year by the combination, 470, 484. Total disregard to moral hazard—Exodus of much of the best insurance business from Canada, 470. Underground insurance defined, 471. Why the Queen City Co. broke from the combination, 472, 475. Exodus of business and outcome of arbitrary ratings—Existence of local Insurance Boards, previous to the Fire Underwriters' Association—An exorbitant jump in rates and a result of it, 472. Rule passed by the F.U.

CONTENTS.

Association, 15 Oct., 1885 (Exhibit 45 B, sec. 41, p. 649) forbidding representatives of fixed tariff offices to represent non-fixed tariff offices—Explanations of, 474. All insurance, virtually mutual in character, whatever name it may be called by—Capital not a factor in insurance—Resolution of, 15 Oct., '85, repealed, 475. Toronto Board of Fire Underwriters identical in membership with the association—Resolution repealed by the association, *re* agents of non-fixed tariff Cos., re-enacted by the Toronto Board (Exhibit 45 F, agenda sec. 10, p. 673, and minutes, sec. 33, p. 680)—Composition of the Fire Underwriters' Association explained, 477. Discrimination of combination rates against the City of Toronto, examples of it, 478, 480, 487. Discrimination by the Board inconsistent with the rules and classification of the association, 479. A special creation for Toronto, 480. A deposit guarantee and its use—executive officers of the Toronto Board—The Board's treatment of Toronto hospital trustees, 481, 487. Fines imposed by the Board, 481. Queen City Co.'s deposit guarantee returned, 482. Reduction of rates by the Millers' Manufacturers Association—Satisfactory results—The M. and M. Association tariff, 485. Toronto Board of Fire Underwriters' Association hunting companies not in the combination, 486. The secretary of the Toronto Board—Influence of English Cos., 487. Mutual Cos. mode of working—low rates of mutual Cos. in Can. and U. S.—Business gone over to U. S. mutuals, 489. Fire losses—How Fire Insurance Associations might be beneficial, 490.

George Hanson, INSURANCE INSPECTOR, TORONTO 491-496

The Millers' and Manufacturers' Mutual Insurance Co.—Basis of—Class of business—System of inspection—The combination insurance rates, a big jump of—Moral hazard, 491. Flour mills, insurance rates upon them, 492. High rates and anomalies of the fixed rates—Rates of the M. and M. Co.—Premium notes, 493. Intimidation and loss of business through the combn., 493, 495. Loan Cos. and re-insurance, 494. Rise upon the Underwriters' schedule of tariffs—Examples, 495.

William Young, CHIEF OF FIRE BRIGADE, OTTAWA 496-497

Increase of anti-fire appliances in Ottawa—the city's fire record for the eleven years 1877-1887—details of city's fire losses for 1887—anti-fire appliances in Ottawa improved in recent years—water power ample, 496.

**John Ferguson, MANAGER AND PROPRIETOR GRAND OPERA HOUSE,
OTTAWA 497-498**

Rates of insurance on his opera house building, raised from 2.5 and 3 per cent. since the combination—all his insurance now transferred to English Cos., and why—Has added since 1884 internal anti-fire appliances and lessening the risk, 497. Isolated dwellings, rates upon the same now as before the combination—the combination freezing out the weaker companies, 498.

Patrick Kelly, FLOUR MILLER, BLYTHE, ONT., 498

Specified rise in his mill insurance rates by the combination—his mill insurance reduced by transfer of risk to Mutual companies, 496.

EXHIBITS.

- No. 1.—List of subscribers to the Dominion Wholesale Grocers' Guild, *alias* the Sugar Combination, showing the names subsequently struck off by the Guild, and who were thereafter unable to obtain sugar at the refineries on equal terms with members of the Guild, 501.
- No. 2.—Bulletin, 24 Feb., 1888, announcing prices of sugar at the refineries to recognized members of the Combination, for the week following, 502.
- No. 3.—Bulletin, 2 March, 1888, announcing prices of sugar at the refineries to recognized members of the Combination, for the week following, 503.
- No. 4.—Agreement whereby subscribers thereto become members of the Dominion Wholesale Grocers' Guild, and entitled to Combination terms in the purchase of sugar, so long as their names remain on the list, 503.
- No. 5.—Telegram dated 31 Dec, '87, from Moncton Sugar Refinery to Lighthouse, Ralston & Co., giving terms subject to approval of Guild, 504.
- No. 6.—Telegram, 3 Jan., '87, from Moncton Sugar Refinery to Lighthouse, Ralston & Co., agreeing to fill order for shipment without 2½ per cent. discount until the Guild consents, 505.
- No. 7.—Constitution and By-Laws of the "Wholesale Grocers' Association" of Montreal, as adopted 7 Jan., 1884, 505.
- No. 8.—Notice of special meeting of Jobbers' Association in American Watches, in Toronto, in the matter of enforcing sales of equal numbers of watch cases with watch movements, 508.
- No. 9 A.—Constitution and By-Laws of the Canadian Association of Jobbers in American Watches, 508. B.—Elgin National Watch Co., Chicago, to Charles Stark, Toronto, notice discontinuing business with him because not a member of the Canadian Jobbers' Association, 510. B½.—Elgin National Watch Co., to Chas. Stark, declining to fill his order, 510. C.—Agreement between the Canadian Watch Jobbers' Association and the Elgin National Watch Co., 510. D.—Robbins, Appleton & Co., for the American Watch Co., Waltham, to Chas. Stark,—Would be pleased to fill his order if directed through a member of Canadian Jobbers' Association, 511. E.—Proposal to enforce the sale of watch cases and movements in equal numbers, 511.
- No. 10.—Contract between the Canadian Association of Jobbers in American Watches and the Elgin National Watch Co. (Verbatim copy of No. 9 C), 511.
- No. 11 A.—Letter from A. Joseph & Sons, Quebec, 512, enclosing (B) petition of retail grocers and others of Quebec city, complaining of the combination amongst the wholesale dealers in sugar to keep up prices and impose certain conditions of sale thereof, 513.
- No. 12.—Petition to the Select Committee on Combinations, from the office bearers and Committee of Management of the Retail Grocers' Association of Montreal protesting against the combination in sugar between the Sugar Refiners and the Wholesale Grocers' Guild, and praying to be heard before the Committee, 514.

CONTENTS.

- No. 13.—Petition to Parliament from the Wholesale and Retail Grocers and Manufacturers of the City of Sherbrooke complaining of conspiracy of the Dominion Wholesale Grocers' Guild to induce manufacturers of refined sugar to refuse to sell to petitioners at current market rates, praying that Parliament may adopt means to prevent such combination, and for relief in the premises, 514.
- No. 14.—Petition of John Scanderet and others, of the City of London, Ont., complaining of combination between the refiners of sugar in Canada and the Wholesale Grocers' Guild, by which the said guild controls the sugar market at dictation, thereby enhancing the price to retailers, all not members of the combination and to the consumers; and praying Parliament for such legislation as will remedy these public grievances, 515.
- No. 15 A.—Letter from Frederic Nicholls enclosing (B) a copy of letter sent by him to secretary of Royal Labor Commission, calling attention of the Committee to the subject thereof, 516.
- No. 16.—Letter from "A Consumer" asking Committee to investigate the subject of an alleged combination for regulating the sale of coal in Montreal, 517.
- No. 17.—"One that would like to start business" asks Committee to investigate the Undertakers' Combination, 517.
- No. 18.—Copy of a memorial from the Grocers' Association of Montreal, to George A. Drummond, showing that the combination existing between the Canada Sugar Refinery and the Dominion Grocers' Guild is an injury that enhances the cost of sugar to the retail trade and consumers, 518.
- No. 19.—From Frederic Nicholls complaining of misconstruction of his letter; Exhibit 15 B, in comments by the *Toronto Globe* and *Toronto Mail* newspapers, enclosing extracts, 519.
- No. 20 A.—Letter from J. G. Snetzinger, complaining of the sugar combination and of the action of the Moncton Refinery in discriminating between members and non-members of the combination, 519. B, C, D and E.—Copies of correspondence between Snetzinger and the Moncton Refinery, 520.
- No. 21 A.—Walter Paul, grocer, to Geo. Hadrill, Secretary Montreal Board of Trade, demanding an explanation of why Mr. Paul's name was struck off the list of privileged buyers of sugar in the Grocers' Association, 520. B.—Mr. Hadrill explains that it is owing to resolution of the Dominion Wholesale Grocers' Guild, 521. C.—Copy of said resolution, 521.
- No. 22.—Synopsis of rules, regulations and agreements adopted by the Dominion Wholesale Grocers' Guild in relation to discounts, sugar, tobacco and pickles, 521.
- No. 23 A.—Declaration by Elgar A. Wills and others representing the Canadian Association of Jobbers in American Watches in the matter of proceedings taken in the High Court of Justice by Charles Stark against said association in relation to the subject matter of Exhibit 8, 523. B.—Certified copy of minutes of meeting, 1st March, 1888, of said association, 524. C.—Letter from Charles Stark referring to certain papers and enclosing letter from the Elgin National Watch Company refusing to fill his order for watch movements on the grounds that he is not a member of the Canadian Association of Jobbers in American Watches, 525. D.—Letter from M. C. Ellis, supplementary to his evidence, and enclosing letter from the Elgin National Watch Co., to Charles Stark, re complaints of his methods of advertising, 525.

CONTENTS.

- No. 24.**—Minutes of meetings of the Wholesale Dominion Grocers' Guild from 7th June, 1884, to 16th November, 1887, inclusive, 526-547.
- No. 24½.**—Letter enclosing resolution of the Retail Grocers' Association of Hamilton offering to appear by representation before the Committee, on the subject of combinations in trade, 547.
- No. 25 A.**—Minutes of meeting of Producers and Shippers of Anthracite Coal, 14th April, 1886, fixing prices and other conditions of coal sales, 548. B, C, D and E. Similar meetings and circulars in relation to coal trade, 549-555.
- No. 26.**—Letter from Mr. J. N. Blake, Toronto, asking the Committee to inquire into an alleged combination in the Banking business, 555.
- No. 27.**—Letter from Mr. George A. Drummond, President of the Canada Sugar Refining Co. (Limited), as a supplement to his evidence before the Committee, affirming it to be the strict practice of his refinery not to use Glucose to the smallest extent, for purposes of adulteration, 556.
- No. 28.**—Letter from Mr. S. S. Malcolmson asking the Committee to enquire into an alleged combination for depressing wages, by "The Owners' Marine Association," and enclosing (B) copy of the "Constitution of the Canadian Marine Engineers' Association," 556-561.
- No. 29.**—Remonstrance addressed to the Committee, from the Manufacturers of Ginger Ale, Montreal, against the combination between the Wholesale Grocers Guild and the sugar refiners, 561.
- No. 30.**—Letter from Mr. M. Teefy, Richmond Hill, asking the Committee to investigate into the combination between the Manufacturers of Coffins and the Undertakers, known as the "Undertakers Association," 562.
- No. 31.**—Letter from Mr. J. A. Mathewson, Grocer, Montreal, to the Committee on the practical working of the Sugar Combination and his experience in importation of sugar, 562.
- No. 32. A.**—Letter from S. Cunard & Co., Halifax, Agents for the Halifax Sugar Refinery, to J. A. Mathewson & Co., Montreal, declining to sell sugar except in abeyance to the Grocers' Guild. B.—Andrews, Bell & Co., Liverpool, to J. A. Mathewson & Co., Montreal, 2nd February, 1888, in the matter of prices and terms of sale of sugars in Liverpool, at date, 563. C.—Telegrams *re* Sugar, between the above parties, 564.
- No. 33.**—Copy of Constitution and By-Laws of the Coal Trade Branch of the Toronto Board of Trade, submitted to the Committee by Mr. W. D. Mathews, President of said board, being the Constitution and By-Laws deposited with the Council of the Board, and purporting to be those by which the Coal Trade Branch is governed, 564-566.
- No. 34. A.**—Minutes of meetings of the Coal Trade Branch of the Toronto Board of Trade from 14th June, 1886, to 1st March, 1888, inclusive, 566-610. B.—Constitution, By-Laws and Special Rules of the Coal Trade Branch of the Toronto Board of Trade, copy submitted by Mr. G. W. Wood, Secretary, in his evidence before the Committee, 23rd March, 1888, as the regulations by which the said Coal Trade Branch was governed from its organization as such Branch, to date (compare with exhibit 33) 610-613. C.—Letter from G. W. Wood in the matter of premiums upon coal contracts, as supplementary to his oral evidence before the Committee, 613.
- No. 35. A, B.**—Articles of agreement upon prices and conditions of coal sales, between Chisholm Parrish, Buffalo, N. Y., of the one part, and T. McConnell & Co., Toronto, of the other part, 614.

CONTENTS.

- No. 36. A to I.**—Circulars from anthracite coal agents at Oswego and at Rochester, N. Y., to Alexr. Hargraft, Cobourg, Ont., giving prices of coal F. O. B., for several months of 1886-87 at these ports. Also total cost of final delivery at Cobourg, in April, '87 and Oct., '86, 615-617.
- No. 37. A.**—By-laws and Rules governing the London, Ont., Coal Exchange, 617-619. A, B, C, D—Statements by Hunt Bros., Coal and Commission Agents, per W. Bowman, of cost of coal at London, Ont., for four months of 1887 and two months of '88, 619.
- No. 38. A.**—Constitution, Rules and By-laws of the Oatmeal Millers' Association of Canada, 620-624. B.—Form of monthly return of mill production and statutory declaration thereto, required of each member of the oatmeal combination, 624. C.—Minutes of meetings of the association from 4 November, 1887, to 16 March, '88, inclusive, 625-629.
- No. 39.**—A. W. Morris & Bro., Manufacturers, Montreal, to A. Workman & Co., Ottawa; giving notice that they (Morris & Bro.) have withdrawn from the Cordage and Binder Twine Combination, 629.
- No. 40.**—Articles of agreement between John Charles Brown, coal dealer and Coal Cartage Co. of Ottawa, 630.
- No. 41.**—Constitution and by-laws, &c., of the Undertakers Association of Ontario, 630.
- No. 42.**—Copy of circular from the Fire Underwriters Association to agents forbidding them to represent or act for any fire insurance Co. not in the combination, *i. e.* those designated as "non-tariff companies," 630.
- No. 43.**—Constitution and By-laws of the Canadian Fire Underwriters Association, 631-637.
- No. 44. A, B and C.**—Expenses of the Montreal Branch of the Canadian Fire Underwriters' Association from 1884-87, inclusive, each year, 637.
- No. 45. A $\frac{1}{2}$.**—Origin of the Millers and Manufacturers' Insurance Co., 639. A.—Prospectus of, 641. B.—Canadian Fire Underwriters' Association, special meeting at Ottawa, 642-658. C.—Meeting 1st December, 1885, of the Toronto Branch of the Canadian Fire Underwriters Association, 658-663. D.—Canadian Fire Underwriters Association, annual meeting of, 30th March, 1886, at Toronto, 663-672. E.—Meeting, 14th April, 1886, of the Millers' and Manufacturers Insurance Co., 672. F.—Annual meetings, 19th Jan. and 3rd Feb., 1887, of the Toronto Board of Fire Underwriters, 672-681. G.—do 23rd July, 1885, do do 682-685. H.—do 36th Oct., 1884 do do 685. I.—The Secy. Toronto Board of Fire Underwriters to Scott & Walmsley and W. H. Howland, returning Deposit Guarantee, 687. K.—Circular to Insurance Cos., enquiring into their business connections, if any, with the insurance firm of Scott & Walmsley, 688. L.—Extract from Statutory conditions of insurance by the Queen City Fire Ins. Co., 688. M.—Statistics of losses by fire in the U. S. and Can. for ten years, 1875-84, inclusive, 689-690. N.—Precautionary measures against fire, 690. O.—Rules and rates of the Hand in Hand Fire Ins. Co., 690-698. P.—Meeting, 17th Feb., 1887, of the Toronto Board of Fire Underwriters, resolution adopted (Sec. 58) in the matter of "Deposit Guarantee," 699.
- No. 46. A.**—Constitution (adopted 13th Nov., 1865, revised 17th May, 1872, and 28th April, 1880) of the Canadian Iron Founders' Association, 699-703. B.—Terms of agreement (formulated in 1875 and revised in 1877) of the Can. Iron Founders' Association, 703.

CONTENTS.

- No. 47. A.—Constitution, By-Laws and Regulations of the Undertakers' Association and the official report of their second annual meeting, 16th Sept., 1885, at Toronto, 705-733. B.—Manufacturer's price list of coffins, &c., to members of the combination, 734. C.—Contained in 47A.
- No. 48.—Statement in behalf of the Coal Trade Branch of the Toronto Board of Trade with Statutory declarations thereto made by Messrs. Samuel Crane, Ralph E. Gibson, John Keith, John R. Bailey, James Cowan, F. H. Thompson, Thomas Coulter and Elias Rogers, all of the city of Toronto, 737-743.

EXHIBITS.

REPORT
OF THE
SELECT COMMITTEE
OF THE
HOUSE OF COMMONS,

CONSISTING OF

Mr. WALLACE, *Chairman*,
" BAIN (*Soulanges*),
" BAIN (*Wentworth*),
" BÉCHARD,
" BOYLE,
" CASGRAIN,
" DALY,
" FISHER,

Mr. FLYNN,
" GILLMOR,
" GUILLET,
" GRANDBOIS,
" LANDRY,
" McDOUGALD (*Pictou*),
" McKAY,
" WOOD (*Westmoreland*),

Appointed to examine into and report upon the nature, extent and effect of certain combinations said to exist with reference to the purchase and sale or manufacture and sale in Canada of any Foreign or Canadian products, with power to send for persons, papers and records; and further, with power to examine persons, called before the Committee, on oath; and by Order of the 8th March, the powers of the said Committee extended so as to include the alleged combination of Fire Insurance Companies doing business in Canada.

REPORT.

HOUSE OF COMMONS OF CANADA,
OTTAWA, 16th May, 1888.

The Select Committee appointed by the House of Commons on the 29th February, 1888, "To examine into and report upon the nature, extent and effect of certain combinations said to exist with reference to the purchase and sale, or manufacture and sale, in Canada, of any foreign or Canadian products," and still further extended by Resolution of the House of Commons on the 8th March, 1888, "To include the alleged combinations of Fire Insurance Companies doing business in Canada," beg to submit its Report:—

The Committee entered upon the discharge of the duties imposed upon it on the sixth day of March, 1888, and held 26 meetings, having continued the investigation till the 8th day of May, instant.

The time at the disposal of the Committee was not sufficient to examine into the nature and extent of other alleged combinations other than those hereinafter specified.

Sixty-three witnesses were examined, and a full investigation made in the following subjects.

The subjects examined were:—

SUGAR AND GROCERIES; COAL; BISCUITS AND CONFECTIONERY; COMBINATION AGAINST CANADIAN WATCH CASE MANUFACTURERS; BARBED WIRE; BINDER TWINE; AGRICULTURAL IMPLEMENTS; STOVES; COFFIN MAKERS AND UNDERTAKERS; OAT-MEAL MILLERS; COMBINATIONS OF EGG DEALERS; BARLEY: AND CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

The manufacture of watch-cases in Canada has grown in a few years into large proportions, and it is claimed by two manufacturers that they have sufficient capacity to supply the Canadian market.

One of these firms was compelled to join the American association or they "would be frozen out." There is a Canadian association of jobbers in American watches, in affiliation with, and under the control of this American association.

By their constitution any member violating the rules shall forfeit \$500, and be expelled from the association.

If the American association are successful in their present efforts, a flourishing Canadian industry will be destroyed.

SUGAR AND GROCERIES.

The combination between the sugar refiners and the Dominion Grocers' Guild entered into on the 20th April, 1887, was originated by the Guild.

This Guild was formed in Montreal, on the 7th June, 1884, and claimed to represent, at the time the sugar agreement was adopted, over 95 per cent. of the wholesale dealers in groceries, including manufacturers of confectioneries and biscuits, in the Provinces of Ontario and Quebec, beyond which the membership and control of the Guild did not extend. After several ineffectual attempts made by the Guild during the previous year, the Refiners of the Dominion consented to an arrangement by which sales of their products should be made on more favourable terms to members of the Guild than to non-members.

The first agreement was that the dealers who refused to be bound under it should be charged a $\frac{1}{2}$ of a cent per pound more than to signers of the agreement on all grades of white sugar. This was increased by subsequent negotiation to $\frac{1}{2}$ cent per pound advance on same grades. This arrangement was cancelled, and the following made: that is to say, $\frac{1}{8}$ of a cent per pound advance on *all grades*, of both yellow and

white sugars, without the discount allowed to parties to the agreement, which was $2\frac{1}{2}$ per cent. This was shown to be equivalent to an advance of about 30 cents per 100 pounds on all grades.

It was also agreed that non-signers were to be compelled to buy two barrels of yellow sugar to one of white, but this condition was not long in existence.

There was no evidence of any combination amongst the several Refiners or any of them to fix uniform prices at which they should sell, the several agreements between them and the Guild were confined to the imposition of differential prices and terms against outsiders. These agreements were made by the Refiners on the condition that not more than $\frac{1}{4}$ cent per pound advance should be charged on granulated by the wholesale, to the retail dealer, on lots of 15 barrels or over, and $\frac{3}{8}$ cent advance on smaller lots. This they stipulated with the Guild should be the maximum profit.

The advance proposed and contended for by the Guild was higher, viz., under 15 barrels $\frac{1}{2}$ cent per pound advance, and for larger quantities $\frac{3}{8}$ cent advance.

The Guild made strenuous efforts to induce the refiners to refuse to sell their products to non-signers, failing in this they endeavoured to obtain a discrimination of one cent per pound against them.

They urged, next, that non-signers should be compelled to buy two barrels of yellow sugar with every one of granulated, and they succeeded temporarily. This was a condition superadded to the $\frac{1}{8}$ cent per pound increase of price, and also the loss of the usual discount which was $2\frac{1}{2}$ per cent.

A list of names of firms in the agreement was furnished to all the Refiners. The original signers numbered 98, which included 14 firms who were both wholesale and retail dealers. At a meeting of the Guild on the 16th November, 1887, these 14 firms were summarily, and without notice of such intention, struck off the list, and thus deprived of the right to purchase except on non-signers' terms.

The Executive Committee of the Guild met weekly to fix prices at which all grades of white sugar should be sold to the retailers, subject to the arrangement with the Refiners as before mentioned. The penalty for non-compliance was the removal of the name of the delinquent firm from the list supplied to the Refiners.

Members of the Guild were solemnly pledged to maintain these prices as well as other regulations of the Guild, under pain of expulsion. They were also "held bound in honour to keep strictly confidential all discussions and transactions of the association when in executive session." The subscribers to the sugar and other agreements were required to "covenant and agree to faithfully and honourably perform and carry out the terms and conditions set forth."

The Guild also entered into agreements with manufacturers of Tobacco, Starch and Cook's Friend Baking Powder, under which prices for these goods to the retailer were fixed by the Guild, and enforced under penalty of being deprived of right to purchase except at higher prices.

These agreements were found to be made with individual manufacturers only, and that no combination existed among manufacturers of similar goods. Terms were also agreed upon with the agents of Morton's and Cross and Blackwell's Pickles, James' Dome Lead, Laundry Blue, etc., and Nestle's Food, under which wholesalers were required by the English manufacturers to maintain the prices fixed by them for sales to retailers.

The minutes of the meetings of the Guild show that an effort was made to control the product of the Mount Royal Mills. This resolution reads as follows:—

"That inasmuch as rice, the products of Mount Royal Mills, has been and is being sold at unremunerative prices, this meeting recommends that the question of fixing a minimum advance on that article of $\frac{3}{8}$ cent per pound on mill prices when sold in quantities of 25 bags and under be considered by the respective Guilds at an early date, and their views submitted through their delegates at the next meeting of the Dominion Guild."

The minutes of the last meeting of the Guild show that an effort was being made to effect a combination of two of the Starch manufacturers of the Dominion. The resolution is as follows:—

"Provided the Edwardsburg and British American Starch Companies sell to the wholesale trade only and make uniform prices and support the wholesale trade in a minimum advance to the retail trade of one half cent per pound on common laundry, three quarters of a cent on all others except rice starch, on which the advance shall be one cent, they agree not to sell the manufacturers of any other starch company who, on being asked to join, refuse to do so upon the same terms."

Thus facts prove this Grocers' Guild, with its several combinations, to be obnoxious to the public interest, in limiting competition, in enhancing prices, and by the familiar use of its growing and facile powers tending to produce and propagate all the evils of monopoly. Certain dealers are refused admission into its ranks, others are admitted and afterwards expelled, others again are placed under its ban, who, from conscientious scruples or in a spirit of independence, refuse to join them. Merchants who have been buyers on equal terms and with equal facilities as other merchants, suddenly find themselves under the power of this combination.

Thus establishments, which in some cases are the growth of half a century of toil and honourable dealing, and rich in valuable experience and public confidence, are threatened with extinction. No reasonable excuse, much less justification, exists for many of these arbitrary acts and agreements. The wholesale grocery trade had been for many years in a flourishing condition; failures were almost unknown. The alleged demoralization of the sugar trade was but the same condition of this trade that had existed for many years owing to the custom of selling sugar at a low rate of profits. The reason given for fixing prices on many other articles was that they were being sold at too small a rate of profit. Fixed profits were agreed upon and afterwards increased, and in no instance lowered, though values generally had fallen.

It was seen that an association formed at first to arrange uniform terms of credit and discounts, and to prevent the dating ahead of invoices, etc., soon and rapidly extended its operations to more ambitious schemes. The power used, cautiously at first, soon grasped with a firmer hand, and at length, "the simple plan that they may take, who have the power," governed the operations of these associations.

COAL COMBINATIONS.

Combinations exist among Coal Dealers in Toronto, Ottawa, Montreal and London.

In Toronto a Coal Association has been in existence for some years, and in 1886 it was affiliated with the Toronto Board of Trade and designated as the *Coal Section* of this Board.

In this coal section there are some 56 members, about half a dozen of whom are importers, and the others retailers, who get their supplies from the former at 75 cts. per ton less than the price charged the consumer. The affairs are managed by an executive committee, a majority of whom the constitution provides shall be importers. Hence the sources of the controlling power of the importers, who are in other respects a privileged class, as their recorded minutes show that almost all the immense advantages of the combination accrue to their benefit.

The cost of acquiring a membership in this coal section is one hundred dollars, paid into the funds of the Board of Trade, and twenty dollars to the coal section, in all \$120.

This section has its distinct constitution, by-laws and regulations, which in order to be operative require the sanction of the Council of the Board of Trade. The copy of its constitution and by-laws deposited with the Council and seeking its approval is not by any means identical with the copy deposited with us by the secretary of the coal section. This difference is wide, the latter having *one* clause in the constitution and eight special rules not found in the former. The most arbitrary rules are enacted. Detectives are employed and the dealers placed under surveillance—oaths of fidelity to the constitution and rules are required not only of the members, but also of their salesmen, and the oaths in the cases of these employees are made in some instances retroactive as well as prospective. All violations of oaths are adjudi-

cated upon by the executive committee referred to, the penalties being heavy fines or expulsion. One sixth of all fines goes into the general funds of the coal branch and the remaining five-sixths are divided amongst the importers. The record shows three different fines imposed of \$1,000 each.

Thus the public is presented with the extraordinary spectacle of a mercantile association arrogating to itself powers conferred upon Law Courts alone, with, in this instance, the judges in the case virtually condoning perjury by the acceptance of fines to be divided amongst the importers. This phenomenon is not the less painful or less objectionable in character, from the association which perpetrates it being distinguished by the respectable title of "The Coal Branch of the Toronto Board of Trade."

Their management of public tenders is worthy of attention as an illustrative of how popular confidence is betrayed. When tenders are asked for supplying coal in Toronto for Dominion Government Buildings, Ontario Government institutions, Toronto Water-Works, Public Schools, Charitable institutions, the General Hospital, etc., a meeting of the "Coal Branch" is called, and 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. For instance, in 1886 for the privilege of filling the Ontario Government contract of about 2,500 tons, a premium of \$1,500 was paid. The same contract, including some wood, was sold in 1887 for \$1,399. The premiums thus paid are divided among the importing members in the same way as the fines. But in order to lull public suspicion of a combination, and that the parties to be supplied were not obtaining the coal at its fair market value, other members of the Branch put in tenders at higher prices.

Citizen consumers in like manner pay, not competitive prices, but such fixed prices as the combination chooses to extort.

In accordance with arrangements made with the American coal dealers, those who were in default in membership, either from inability to pay fines or from other causes, were prevented from purchasing coal in the United States. The possibility of competition by outsiders or non-members is also carefully guarded against. American miners and exporters are prohibited by the Toronto coal section from shipping to anyone in Toronto who is not in the combination. For example, the Butler Colliery Company of Buffalo sold a schooner load of 254 tons of anthracite coal to Gooderham & Worts without obtaining the consent of the Toronto coal section. The latter body at once telegraphed the Buffalo association to have further shipments stopped and a heavy fine inflicted on the offenders. The subsequent proceedings are described in the following abstract from the minutes of the coal section of the Toronto Board of Trade:—

Resolved, That the matter of the shipments by the Butler Colliery Company to Gooderham & Worts be left in the hands of the Toronto Committee in Buffalo, to be dealt with as the importance of the case demands, and it is further resolved, that as the Butler Colliery Company have indicated their willingness to make reparation for the damage done this market through the shipment of coal to Gooderham & Worts, contrary to the rules of this association, this committee are of the opinion that several thousand dollars would not be sufficient to undo the mischief, as the coal has been distributed among a large circle of friends and connections who freely informed their friends that they had succeeded in beating the coal ring and have got their coal at a large reduction from ring prices. However, in view of the prompt offer of the Butler Colliery Company, the Coal Trade Branch of the Toronto Board of Trade are to be as reasonable as possible in their demands, and will accept \$1,000 as full satisfaction in this instance, and that the Secretary be instructed to forward a copy of this resolution to the Secretary of the Toronto Committee at Buffalo.

The coal organization of Ottawa was formed on a more scientific, but not less effective plan than that last described, though dispensing with oaths and fines. The plan is copied from the American System of Trusts. An incorporated company was formed called the "Ottawa Coal and Cartage Company." Three of the coal dealers are members of this company, and most of the others became affiliated with it. The

Cartage Company transacted all the business except booking the orders and receiving the cash. They received the coal, brought it to the coal yards and distributed it to the consumers. The retail price was fixed by the combination. At the beginning of the season a certain percentage of the net profits was agreed upon as the share of each dealer, and whether he sold coal or not, his profits were certain. The Cartage Company last year, after paying all expenses and the percentages or bonuses to the affiliated members, divided more than \$33,000 profits among the three shareholders, on a share capital of \$15,000.

In Montreal and London combinations also exist to keep up prices and control the market. These appear to be less oppressive than in Toronto and Ottawa, though equally objectionable in principle.

In Cobourg no combination exists. The best quality of coal is sold there at much lower prices than in Toronto, though the freight rates are almost identical.

AGRICULTURAL IMPLEMENTS.

The evidences of Mr. H. A. Massey of Toronto, Mr. Copp of Hamilton, and Mr. A. W. Morris of Montreal, was conclusive to the effect that no combination exist^s among the manufacturers of Agricultural Implements.

BARLEY.

Mr. W. D. Mathews, President of the Toronto Board of Trade, testified that no combination exists among the purchasers of Barley.

BARBED WIRE.

An attempt was made during the past winter by the Barbed Wire manufacturers to secure uniform prices for their product. The agreement the retailer was asked to sign, bound him to sell at 6½ cents per pound, the inducement being that he could purchase at 5½ cents, which was a reduction of ½ of a cent from last year's price.

COFFIN MAKERS AND UNDERTAKERS.

The Coffin manufacturers and dealers in Undertakers' supplies have agreed with the Undertakers Association to sell only to members of that organization. To become a member requires the assent of the three nearest Undertakers, and afterwards the consent of two-thirds of the executive committee. It is easily seen that this consent cannot readily be obtained, and as a consequence it is extremely difficult and generally impossible for a man to commence the business of an undertaker, as the association controls not only the sale of coffins and caskets, but also all fittings and Undertaker's supplies of every description. This combination is extensive in its operations, most arbitrary in character, and exercises an unjustifiable interference with personal freedom. As in other combinations, its members are dealt with by fines and expulsions.

The inevitable result of this exclusive control is exorbitant charges to bereaved families; and wherever the hand of affliction most frequently falls the more oppressive the burden of this combination becomes.

MANUFACTURERS OF CORDAGE AND BINDING TWINE.

This combination includes five firms engaged in the manufacture of the above goods:

The John A. Converse works in Montreal.
 R. Bannerman & Brother, Montreal.
 John Brown & Co., Quebec.
 Dartmouth Rope Works, Halifax, N.S.
 Thos. Connor & Son, St. John, N.B.

These five factories control a large portion of this business in the Dominion, and have a capacity for manufacturing about twice the amount of binder twine consumed in Canada. There are some other factories not in the combination.

Another establishment for making binder twine, and not in the combination, started in Brantford in 1887. It is capable of turning out 500 tons per annum, or about 20 per cent. of the total amount hitherto required in this country.

The combination was first formed in November, 1884, and continued until May, 1887. It was then broken up, but re-organized in the following August. It was formed on the pooling plan, and was an agreement between the five firms named above, by which uniform prices were established, subject to change from time to time, and a percentage of the total sales within the Dominion allotted to each firm. Those manufacturing more than their percentage paid one and a half cents per pound on the excess into the pool, which was divided among those selling less than their allotted percentage. The effect of this arrangement was to secure uniformity of prices in binder twine, and avoid over-production. It is claimed that it also had the effect of raising the standard of quality. The evidence also shows that prices paid in Canada are no higher than in United States and Great Britain. The increased prices of both rope and binder twine in 1887 was accounted for by the advance in raw material, which advanced from £25 to £42 per ton. This was the result of the operations of an American syndicate, who have obtained control of the crop of manilla in all parts of the world. This combination terminated in April last, since the investigation began.

THE CANADIAN IRON FOUNDERS' ASSOCIATION.

This association was formed in 1865, and has continuously existed since that date; it now numbers 18 firms. Outside of the association there are about 40 manufacturers of the same goods, some of whom are large manufacturers, but the majority are small firms. The principal object of the association was "the fixing of a general uniform sale for stoves and other foundry wares." In 1875 resolutions were passed ordering a deposit of \$100 by each member of the association, "which amount," the resolution reads, "shall be forfeited by any member who shall be guilty of an infraction of prices as adopted by this association;" and appointing a grievance committee of three, whose duties "shall be to investigate all charges referred to them, and whose decision in all cases shall be final; and "should the committee fail to forthwith investigate any charges referred to them by the president, they shall each forfeit the sum of \$100. Also, "that it shall be the duty of each member of the association to notice any and all infractions of prices, and on satisfactory evidence to enter a charge by giving notice to the president who shall at once place the matter in the hands of the committee."

The following form of agreement was also adopted at the same meeting in 1875: "We, the undersigned members, do hereby pledge our word of honour that we will strictly adhere to prices, terms and rules as stated in the foregoing report adopted by the association, both in letter and in spirit, and will hold ourselves responsible for ourselves, our firms, and our agents: and should a charge be sustained against either of our respective firms we individually agree to abide by the decision of the committee and will not in consequence of such decision refuse to abide by the award. Nor will we withdraw from the association or claim any moneys forfeited by us." At a meeting in 1877 it was resolved that any member of this association be empowered to offer and pay the sum of \$50 to any customer who may furnish satisfactory written proof from the seller that any member had given better terms than those authorized by the association, said \$50 to be paid from the funds.

These provisions for fines, forfeitures and pledges were reaffirmed and strengthened in subsequent years.

At a meeting held in March, 1876, by resolution it was ordered, "that members were to keep secret the transactions of the association from Iron Founders, not members, and from all dealers." Price lists were established annually since the

foundation of the association, with occasional modifications during the year at special meetings.

The evidence of J. R. Esmonde and F. T. Graves, stove dealers of Ottawa, H. R. Ives, stove founder of Montreal, who is not a member of the association, and W. J. Copp, substantially agree that the operations of this combination had not resulted in unduly raising prices of goods affected by the combination, which were principally stoves of all grades. The evidence of these witnesses also show that the better class of these stoves was not higher in Canada than similar goods in the United States. On a low class of stoves free from ornamentation which were made in the vicinity of the iron furnaces and coal mines there, the prices ranged lower than in Canada. On base burners Mr. Copp stated the prices were 10 per cent. lower in Canada than in the United States. Increased prices in late years were attributed to advance in wages and raw material, and increased ornamentation.

OATMEAL MILLERS' ASSOCIATION.

This association was recently formed for the purpose of sustaining the price of oatmeal, and as far as possible regulating the purchase price of oats.

There are twenty-four mills in the combination, including the largest mills in Ontario. They have also closed up ten other mills, the owners of which are paid sums varying from \$300 to \$800 per annum, or a total of \$6,312 annually, a sum necessarily taken out of the extra profits, which sums are paid them by the association for non-production.

The mills not in the association, numbering about twenty-five, are of such limited capacity for production, that their influence is not materially felt in the general market, but they avail themselves of whatever advantage the combination gives them to keep up prices.

A certain percentage of the oatmeal production is allotted to each mill, and upon every barrel sold by any miller in excess of this allotment, he pays a premium of 30 cts. per barrel into the association, and *vice versa* when any miller falls short of his allotment he receives an equal premium per barrel upon the quantity short.

BISCUITS AND CONFECTIONERY.

Separate organizations exist in these products among a large number of the leading manufacturers in the Provinces of Ontario and Quebec. A number of manufacturers—but they are the smaller ones—are not members. The principal object is to maintain prices.

The Biscuit Association has been in existence about six years, and although the prices of the ingredients used have in that time very materially decreased, the prices of biscuits have remained about the same.

From the evidence, it seems clear that the result of the combination is to keep prices at higher figures than are justified by the prices paid for the raw material, and altered conditions of trade, brought about by the introduction of new and improved machinery.

It was found by comparison with United States price lists, that Canadian goods are in some finer and fancy varieties 20 to 30 per cent. higher than goods of equal quality on the other side of the line.

The Confectionery Association is of recent formation, and the usual result followed at once, viz, a rise in the prices.

FIRE INSURANCE.

The evidence discloses the existence of a powerful association for the purpose of raising and maintaining rates of insurance. This combination was formed in 1883 and includes nearly all the stock companies, English, American and Canadian doing business in Canada. Sums varying from \$600 to \$1,000 are paid annually by each

of the thirty-two companies into the association. The individual companies are pledged to maintain rates, and if any cutting is discovered the offending company is compelled to cancel the policy. No schedule of rates is fixed for farm or isolated risks. Owing to the competition of the mutual companies it was found impossible to control this line of business. Agents were required to sign an agreement not to do business for companies outside the association, but for some reason this plan was repealed by the General Association, but was again adopted by the Toronto Board with which it is still in force.

No reinsurance will be accepted from any non-tariff company, nor placed with such company unless it is found impossible to place within the association.

The effects upon the insuring public have been decidedly injurious. It extends its operations to every portion of the Dominion, and higher rates have been the rule in nearly every instance.

Owing to the arbitrary character of the tariff and the rules adopted, little account can be taken of the moral hazard, *i.e.*, the circumstances, necessities or reputation of applicants.

In consequence of these conditions a large number of first-class risks in Canada, and involving large amounts, are placed with companies in the United States, not having offices in Canada, nor amenable to Canadian laws.

Another tangible effect of a combination for the regulation of rates, is, that rates being equal in all companies, the tendency is, for insurers to place their risks either abroad or with foreign companies doing business in Canada, and possessed of larger capital and of longer standing than the native companies. This is rapidly tending towards the freezing out of the purely Canadian Insurance Companies, and opens up no very bright prospect for the shareholders whose money is invested in Canadian joint stock insurance.

THE EGG COMBINATION.

This combination is of recent origin and is composed of the leading dealers in Ontario who buy for export. Their operations ramify throughout the Province of Ontario. The object of the combination is by keeping prices low in the principal cities to lower prices in the rural sections. Agents appointed by the association in the cities, will use supplies to force down the prices for home consumption. This will react in favor of their buyers in the country, who will thus buy cheaper for export. In localities where a rival buyer is found, a powerful ring can easily outbid him until he is driven out of the business and the field left without a competitor, with the natural result.

The Committee find that the evils produced by combinations such as have been enquired into, have not by any means been fully developed as yet in this country, but sufficient evidence of their injurious tendencies and effects is given to justify legislative action for suppressing the evils arising from these and similar combinations and monopolies.

The evidence given before the Committee and the accompanying exhibits are as a portion of this report respectfully submitted.

N. CLARKE WALLACE,

Chairman of Committee.

COMMITTEE ON TRADE COMBINATIONS.

EVIDENCE

REFERRED TO IN THE FOREGOING REPORT.

SECTION I.—SUGAR AND GROCERIES.

HOUSE OF COMMONS, OTTAWA, 9th March, 1888.

The Select Committee on Trade Combines met at 10 a.m. to-day, with the Chairman, Mr. N. C. Wallace, presiding.

GEORGE LIGHTBOUND, of the firm of Lightbound, Ralston & Co., Montreal, was sworn, when at the request of the Chairman he made the following statement:—

Mr. Chairman and Gentlemen:—Perhaps the simplest way of putting the facts of the sugar combination before you will be to commence with its inception and follow its course up to the present day. The sugar combination did not originate, as many people have supposed, with the refiners. For some years past there has existed throughout the Dominion what is known as the Wholesale Grocers' Association or the Wholesale Grocers' Guild. This question of a combination in sugar was discussed at several meetings of the Wholesale Grocers' Association and the outcome of these discussions in that Association was a meeting in Montreal held in the Windsor Hotel at which were present the representatives of the various wholesale grocers throughout the Dominion and the representatives of the refiners working throughout the Dominion. There were present at that meeting Mr. Drummond, representing the Canada Sugar Refining Company, Mr. Elmenhorst and Mr. Labatt, representing the St. Lawrence Refining Company, and Mr. Harris, representing the Moncton refinery, while they had a letter from the president of the Nova Scotia refinery at Halifax stating that the owners of that refinery would agree to whatever decision was arrived at at this general meeting held in the Windsor Hotel.

By the Chairman:

Q. That is the whole of the refineries in operation in the Dominion? A. Yes, at that time. Within the last two weeks another refinery has re-opened.

By Mr. Bain (Soulanges):

Q. What is the date of that meeting? A. 20th April, 1887, it was in April of last year. At that meeting the refiners were told that the Wholesale Guild had attempted to arrange the combination amongst themselves; that there were certain merchants throughout the Dominion who for reasons of their own did not see their way to coincide with that style of doing business and wished to have the liberty of conducting their business in a way that suited themselves. The refiners were then asked to discriminate against these wholesale grocers who would not become parties to the combination by making them pay a half a cent a pound more upon granulated sugar than the members of the guild paid. The refiners after discussing the matter amongst themselves agreed to charge those who were not members of the Wholesale Grocers' Guild, or, rather, those who were not members of the combination, a quarter of a cent a pound more than for what they would sell the same sugar

to the members of the guild. Well, this came into force some ten days later, as soon as the documents were signed, and I believe one of the early days in May it became law that any members of the Grocers' Guild, or wholesale merchants, who were not members of the sugar agreement were called upon to pay the refiners a quarter of a cent a pound upon all white sugar they purchased more than what was paid by members of the agreement. This continued for some months and the Wholesale Grocers' Guild discovered that this quarter of a cent a pound was not a sufficient tax upon those outside to prevent them continuing business. They then called another meeting and at the latter part of June, one of the last days of June, they held a meeting in the council room of the Board of Trade in Montreal. At this meeting the representatives of the refiners, Mr. Drummond and Mr. Elmenhorst, of the two Montreal refineries, were present. The wholesale grocers, I may mention, held a meeting on the morning of that day previous to the meeting of the refiners and at that meeting they passed a resolution asking the refiners to decline to sell sugar at any price to those who would not enter into the sugar agreement. This was submitted at the meeting in the afternoon, and Mr. Drummond, representing the Canada Sugar Refining Company, expressed his willingness to agree to this if the association could not see any other way out of the difficulty.

Q. In saying white, do you mean yellow? A. I mean white only. The combination only deals in white sugar, owing to the difficulty in grading yellow sugars. It is all white sugar. The union in the trade is in white sugars. The outcome, however, of that meeting held in the Board of Trade rooms was that, within a week or ten days afterwards, an agreement was arrived at whereby the refiners charged those who were outside the combination one-half a cent per pound more upon white sugar than they charged the members of the sugar agreement.

By Mr. Guillet :

Q. That is discount? A. They allowed discount. The discount was on the selling price. Well, subsequently to this it was discovered that, owing to the low prices of sugars in Glasgow and Liverpool, it was just barely possible to pay the very heavy duty that fine sugars had to pay coming into this country, and that the gentlemen who were not in the sugar agreement could lay these sugars down in Canada, and at the same time were in a position to sell them with a profit at or slightly below the price that the gentlemen of the combination were selling at, and do so with profit. When the refiners and wholesale grocers in the agreement discovered that this was possible, they held another meeting in the Board of Trade rooms, I believe, in Montreal, on the 16th and 17th days of December. Of course, it is not possible for me to tell you all that transpired at a meeting which was private; I can only tell you what the outcome of that meeting was. The outcome of that meeting was that in future, those outside the guild, or sugar agreement, were called upon to pay a half a cent per pound more. Then, when later it was found that that did not work and that those outside the agreement could still carry on their business and buy sugars elsewhere, they thought some other method would have to be taken. The next step taken in December was that these gentlemen who were not parties to the sugar agreement, were called upon to buy their sugars on an entirely different basis than members of the combination. Members of the combination purchased sugars at the refinery with a discount of two and half per cent. for cash. After this date in December, those who were not members of the combination were called upon to pay an eighth of a cent per pound advance upon the sugar and not receive a cent of discount.

By Mr. Bain (Soulanges) :

Q. Which sugar? A. White sugar, all granulated. In addition to this, gentlemen, in order to make it impossible for any man to conduct his business in the way that I contend every merchant should have a right, those outside the combination were called upon, when buying 500 barrels of white sugar, they were obliged to buy at the same time from the same refinery 1,000 barrels of yellow sugar, whether they wanted yellow sugar or not, that is to say: If I get 500 barrels of granulated sugar from Nova Scotia refinery, and if I wished to buy 1,000 barrels of yellow sugar else-

where, I must buy double the quantity of yellow sugar at the same time that I buy the granulated and from the same refiner. This meant that the merchant could not conduct his business.

By Mr. Guillet :

Q. Those who were members were not under that rule? A. Those who were members could buy twenty-five barrels or any quantity.

By the Chairman :

Q. However, the fact is that you do buy two or three barrels of yellow sugar to one of white? A. Oh, not necessarily. At the same time the consumption of yellow sugar is probably in the neighborhood of two or three barrels to one of white.

Q. The grievance is that you had to invest the money at the place, and at a time when you did not require it? A. The grievance is that we had to pay more for our sugar than a member of the combination had to pay.

Q. In addition to that you had to buy this quantity? A. This was simply another turn of the screw.

Q. What was this last arrangement of an eighth of a cent more? A. Not only had they $2\frac{1}{2}$ per cent. discount which was made on granulated, it was $7\frac{1}{2}$ per lb. at that time. The merchant outside the combination had to pay $7\frac{1}{2}$ net cash, making a difference of 29 or 30 cents on 100 lbs., which simply made it impossible for him to conduct his business.

By Mr. Gillmor :

Q. Members of the guild got that advantage? A. Yes.

By Mr. Guillet :

Q. Besides being relieved from the necessity of buying yellow? A. Yes, they could buy any kind of sugar they wanted. This would tend to make it impossible for anyone outside the combination to conduct his business.

By the Chairman :

Q. They first charged these outsiders a half a cent more? A. No, a quarter of a cent more. They asked a half a cent and the refiners finally consented to charge a quarter. That was in April and they found that that did not work owing to the fact that those outside had accumulated stocks, and had contracted in advance for sugars, and the market kept falling, and they were able still to carry on their business, but in June the guild came together again and the result was that the refiners agreed to charge those outside the combination a half a cent per pound.

By Mr. Bain (Wentworth) :

Q. Sugars were advancing at this time? A. Yes, they were advancing at this time. It was simply a question of judgment buying in advance and still conducting their business.

Q. But for the advance in price the first arrangement would have been sufficient? A. Yes, the first arrangement would have been sufficient. It would have been an interesting calculation for anyone purchasing at a quarter of a cent a pound in advance and make any money. They asked the refiners to charge half a cent a pound more and they agreed to do so. Notwithstanding the charge of a half a cent per pound we were enabled to bring in Scotch and English granulated sugar and they called the refiners together again and asked them to make this new arrangement whereby anyone outside the combination who wished to purchase 500 barrels of granulated was obliged to take 1,000 barrels of yellow sugar and pay from 90 cents to \$1 a barrel upon the yellow and granulated. If I were buying 500 barrels of granulated I would have to buy 1,000 barrels of yellow and I would be out \$1,500 on that transaction.

By Mr. Bain (Soulanges) :

Q. Did those outside the guild get the discount in the same way? A. Not after last December.

By the Chairman :

Q. What time had you for making payment? A. Fourteen days. They did not alter the time. They simply made it net cash in 14 days. That is the recognized refiners' terms, 14 days less $2\frac{1}{2}$ per cent. discount. These are known as refiners

terms, and after December any person outside the association or outside the combination had to pay net cash and one-eighth of a cent per pound in addition.

By Mr. McKay :

Q. Did you say that all the refiners were in this combine? A. All the refiners are in the combination now.

By Mr. Bain (Soulanges) :

Q. All the refiners in Canada? A. All the refiners in Canada. The owners of a refinery recently started again or revived has signified their intention of going into the combination also. The refiners, I understand, also, take up the position that they are not parties to this agreement. Anyone who can take the facts which I have just given you and at the same time believe that the refiners are not a party to it, must be gifted with very much more faith than is in my composition. The best proof of the fact that the refiners are parties to the arrangement lies in the fact that if any person goes into the Canada Sugar Refinery's office they see posted on the window or on the door of the room a list similar to the one I think which I have in my pocket (Witness produces list). That, Mr. Chairman, is the list of those who are entitled to buy sugar under this combination arrangement. (Exhibit No. 1.)

By the Chairman :

Q. I see some of the names are erased. What are they? A. They are retailers and general jobbers, afterwards found to be unworthy to partake of the benefits of the combination. There is a large class of retailers who in connection with their job and distributing business, had been in the habit of purchasing direct from the refiners.

Q. What is the test of a man being admitted to the Wholesale Grocers' Guild? Has he not to prove whether he sells directly to the consumer or not?

MR. GUILLET.—Has he not to be balloted for? A. No, anyone who can prove that he does not sell direct to the consumer, and is willing to sign the agreement.

By Mr. Guillet :

Q. If he is not a retailer? A. Yes.

Q. But in the first place they did not admit them? A. Yes.

Q. And afterwards they were forced to admit them? A. They were forced to admit the retailers in the first instance. The representation of the guild to the refiners was that they represented 93 per cent. of the trade of Canada, but in this 93 per cent. were included some 12 or 13 whom they have since turned out.

Q. Forced out? A. Yes, and in addition to that they have a number of names down there of parties who were only purchasing a small quantity, but they formed part of the 93 per cent. However, the refiners made this arrangement, and I claim that it is not a dignified position for the refiners to take, or the combination to take, to state that they were not parties to this agreement. They have assumed the responsibility and they cannot get out of it. But as a matter of fact, a gentleman who has not got his name upon the sugar agreement cannot go in and buy sugar unless he pays this advance. A gentleman stated that the combination does not imply higher prices. That is just about as logical as that a high tariff does not imply higher prices. As a matter of course, the combination implies higher prices. That is the only logical conclusion that can be arrived at.

By Mr. Bain (Wentworth) :

Q. As a result of both? A. Yes.

THE CHAIRMAN—That is a matter of opinion whether a high tariff means high prices or not.

By Mr. McKay :

Q. We can see as to that—what is the additional sum which the consumer has to pay for sugar? A. As the Chairman pointed out, that will have to be matter of opinion.

Q. Of figures, I should judge? A. The advance that the combination places upon sugar is upon 15 barrel lots an advance of $\frac{3}{8}$ c., or upon smaller quantities an advance of $\frac{1}{2}$ c. a pound.

By Mr. Guillet :

Q. They organized this grocers' guild with a view of obtaining larger profits. They claimed that they were selling sugar at cost. Is it not so? A. It was no doubt a fact that before this combination was formed merchants did not get as large a return upon the investment of their capital as they were entitled to, but that is a matter which certainly ought not to be settled by any such arbitrary determination. If gentlemen have no ability to conduct their own business without a combination then let them retire from it and go into some other business which they have the necessary ability to conduct.

Q. It raises the price of sugar to the retailers? A. Yes.

By Mr. McKay :

Q. Can you give us an idea how much it has increased the price—5, 10 or 15 per cent.? A. I have told you already.

By Mr. Fisher :

Q. Perhaps Mr. Lightbound could give us the price of granulated sugar on the market? For instance, a quarter of a cent was not sufficient to keep the business in the hands of the guild. Now can you give us the price at which sugar was able to be sold at that time? A. In the month of April the refiners' price for granulated sugar was 6c. or 6½c.

By Mr. Wood (Westmoreland) :

Q. Do you think that the guild charges too large a profit on the sugars? A. Not at all, sir. If the wholesale trade got a profit of half a cent upon the sugar I do not think the wholesale grocer would have any right to complain.

By Mr. Fisher :

Q. In April the price was about six cents. A. Yes.

Q. That is, it was sold to everybody at six cents? A. Yes.

Q. Well then they made an arrangement with the guild by which they were to charge a quarter of a cent more to outsiders? A. Yes.

Q. According to this arrangement at what price did they furnish it to the guild? A. Six cents.

Q. And to outsiders? A. Six and a quarter cents.

Q. Well then, as I understand from your remarks that was not sufficient to keep the trade in the hands of the guild. You and others outside the guild were able to buy and sell and compete with those in the guild? A. You will see that point when I tell you that when the next meeting took place, at the end of June, white sugar advanced to 6¾c. that prices were going up.

Q. In June you had another arrangement by which they charged you and other outsiders half a cent per lb. difference. Well then I think you said that the reason they could not maintain that was in consequence of the low prices of sugar in Glasgow and Liverpool? A. Yes.

Q. Can you tell us at what price at that time you could lay down Glasgow and Liverpool sugars in Montreal? A. This advance of half a cent per lb. was put on at the end of June, and we did not bring in any Scotch sugar until the month of August.

Q. In the month of August then at what price could you lay down Glasgow and Liverpool sugar in Montreal? A. At 6¾c. Scotch sugar was then 6¾c. in Montreal.

Q. You say the price at which you could lay it down in Montreal was 6¾c. to 6¾c. May I ask what was the price in Glasgow? A. Sixteen shillings per 100 lbs.

Q. What would that be in Canadian currency? A. 3¾c. per lb.

Q. How do you make it up to 6¾c.? A. \$2.90 duty, and there is a commission for buying on the other side, and freight, insurance and interest.

Q. And at that time the sugar in Montreal, at the Montreal refinery, was how much, the same sugar? A. Either 6½c. or 6¾c.

Q. Was that the price to members of the guild or the price to outsiders? A. That was the price to the members of the guild.

Q. But the outsiders paid more? A. Yes.

By the Chairman :

Q. About the quality of the sugar. How did the quality of the sugar compare with the Canadian granulated? A. This again is a matter of opinion.

Q. We want your opinion? A. I believe the Scotch sugar as far as testing qualities were concerned was equally as strong as the Canadian. I would have given the preference to the Canadian sugar on minor details such as color, &c., but for all purposes of consumption the imported sugar was equally as good.

By Mr. Bain (Wentworth) :

Q. Did it sell as well? A. It sold rather better, because of the feeling throughout the country. There was no question as to the quality of the Canadian sugar, but I think merchants were largely worked up on account of this combination, and gave a preference to the imported sugar on that account.

By the Chairman :

Q. What is your opinion as to the quality of the sugar manufactured in the Canadian refineries during the past six months or so as compared with what it was several years ago. Do you think they are keeping up the same good quality of sugar? A. I do not think they have changed the quality of white sugar.

Q. I am speaking of the yellow sugars which have more glucose in them? A. I do not know what the refiners put in sugar. There appears to be more stickiness in it than there was before, but this is a matter upon which the refiners can give more information than the merchants can.

Q. But about the quality of the sugar as compared with several years ago. I mean the sugar made by the Canadian refiners? Surely you can give us an opinion on that? A. In regard to yellow sugars, I think, they have made lower grades of these sugars, and have probably left more moisture in the sugar, but that has perhaps been called for by the trade of the country.

Q. Refiners, in order to make these sugars, leave in more moisture, and this makes the sugar poorer? A. Yes.

By Mr. McKay :

Q. About what is the profit made by wholesale grocers in the guild on sugar? A. Per pound?

Q. The net profit, I mean? A. The gross profit is about five per cent.

Q. They have to pay freight to their customers out of this half cent? A. I am calculating on the three-eighths of a cent. advance. Inside members' profits will not exceed five per cent. on an even market.

Q. A wholesale grocer does not make more than five per cent.? A. Not upon an even market.

Q. Do you think that an excessive profit. Do you think that such a profit does any harm to the consumer? A. It does no harm to the consumer. I do not think a merchant is making an excessive profit when he is making five per cent.

Q. On the principle—? A. Very far from the principle of the objection which we take to the combination. The objection which we take to the combination is that it is an injustice with any merchant conducting business in any manner that he chooses. If I choose to purchase sugar at seven cents and sell it at six and seven-eighths cents, that is my own business. I have a perfect right to sell at that price or any price in fact that I choose.

By Mr. McKay :

Q. At one time was there not a great deal of cutting of prices in regard to sugar? Was there not a cutting of prices all over the world? A. Not more here than there has always been. In any country in the world there is always some cutting of prices in sugar, or of some one or other staple article. Further, gentlemen who form a combination among themselves to keep up the price of any one article, often commence to cut prices upon other articles, and the merchant himself does it, and will do it. If it is not done upon one thing it is done upon another.

By Mr. Bain (Wentworth) :

Q. Did they undertake to limit the production of refined sugars? A. I do not think so.

By Mr. Wood (Westmoreland):

Q. About the profits which those in the combination make. I understand that three-eighths of a cent was the profit of the guild under the present arrangements? A. Yes.

Q. That is about equal to the advantage which they have in purchasing from the refiner? A. No. If you took the figures correctly you will see that the merchant gets three-eighths of a cent upon fifteen barrel lots and upon smaller lots he gets half a cent. For anything less than fifteen barrel lots the outsider is charged half a cent more than is charged to those in the guild.

Q. Does he not sell more in lots of fifteen barrels than he does in lots of less than that? A. No.

By the Chairman:

Q. Does he have to purchase fifteen barrels of granulated or of all kinds? A. Five barrels of white and ten of yellow.

Q. As a matter of fact it is very seldom that they sell fifteen barrels to a merchant at one time? A. There are more sales made of smaller quantities, from nine to ten barrels at a time.

By Mr. Wood (Westmoreland):

Q. What do you estimate is the average profit per lb. of the wholesale grocer? You say that there is a profit on fifteen barrel lots of three-eighths of a cent and on smaller lots of half a cent? A. Out of that he has to pay the freight, &c. Therefore I take the average figure; the wholesale grocers must get a profit of one per cent.

Q. About three-eighths of a cent? A. Yes.

Q. What difference do you consider there is between that and the advantage which the members of the guild have in purchasing from the refiner? A. I don't think I quite understand the question.

Q. The guild, as I understand you, have an advantage in purchasing from the refiners of one-eighth of a cent and $2\frac{1}{2}$ per cent? A. About 30 cents per 100 lbs. That is to say, if I, as a non-combiner, sold sugar at the same price as the combiner, I would only have $7\frac{1}{2}$ cents per 100 pounds profit, instead of $37\frac{1}{2}$ cents per 100 pounds, a difference of 30 cents per 100 pounds. In addition to that, you overlook the fact that the non-combiner has to buy at the same time two barrels of yellow for every barrel of granulated which he purchases, and has to pay 25 or 30 per cent. per 100 pounds on those two barrels as well.

Q. Yes, I understand that; two-thirds of yellow and one-third of white? A. Yes.

Q. Then I think you said that you would not consider half a cent per pound too large a profit for wholesale grocers? A. I do not think so. The difficulty of these combinations, as far as they affect the public, is the fact of them spreading. As a matter of history the first outcome of this combination was a combination on the part of the retailers to increase the price from seven cents to eight cents per pound. You may say the retail trade are selling for seven cents what costs $6\frac{2}{3}$ or 7 cents, but the retail trade are in the habit of doing that. By this combination to increase the price from seven to eight cents per pound, it simply implied that the consumer had to pay 15 per cent. more for his sugar. The combination came into force in Toronto, but it does not exist now.

By the Chairman:

Q. They had as good a right as others? A. There is proof of it. One prominent retail merchant in Toronto said he intended doing his business as he saw fit, and this will go on again unless this combination is put a stop to. The retail dealers will take the same advantage as the wholesale men and the consumer will pay 15 per cent. more for his sugar.

By Mr. Wood (Westmoreland):

Q. Previous to this time the prices between wholesale men were cut very low; they really made no profit or very little? A. They did or did not make a profit according to the judgment displayed in buying material.

Q. And this combination then is really a combination to secure to the wholesale grocers who join it, what you consider a fair profit and to make it certain? A. Apparently so.

Q. What proportion of the wholesale grocers have joined this combination? A. Well, there is a list here which will show. I suppose something like eighty out of eighty-three names. I believe there were some 93 at first, but some 12 or 13 have been struck off. (Exhibit I, showing names struck off.)

Q. Your objection is to them securing a fair profit or what? A. I object to any one coming into my warehouse and dictating to me the prices at which I shall sell my goods. If I pay the refiner for the granulated sugar, I claim the liberty of giving it away if I feel disposed to do so.

Q. As I understand it, could you be prevented from doing that now? A. Certainly; not only if I give it away, but if I sell it at one-sixteenth of a cent under these prices, my name would be removed from the list.

By Mr. Bain (Soulanges):

Q. Is there a fine? A. No; you are expelled.

By Mr. Wood (Westmoreland):

Q. But you, as a person outside the guild, if you chose to sell it at a less price, there is nothing to prevent you doing it? A. Not at present; but there was an association among the retail men in Toronto, and there will be again in the future.

Q. This combination then is not necessarily among wholesale grocers; but among any certain number of them that choose to combine for that purpose? A. It is amongst the wholesale grocers whose names are on that list (Exhibit I). There were only some three or four who said: "We object to this; we claim the right to sell goods at whatever prices we see fit."

Q. And these men who joined the guild have the same privilege? A. That is all right if they had a combination amongst themselves, but here is a combination between the merchant and the refiner. That is the point. I claim that anybody—all business men—have a right to meet and discuss business amongst themselves and say, we will sell oats to-day at this price and barley at this price; but here these merchants join together and approach the refiners and say: "We want to sell granulated sugar at such a price, and anyone who will not sell at such a price, we want you not to sell to them at all, or to sell at such a price that they will be forced to meet our figures." The position we have taken in this matter is that the refiners exist by the protection that they receive from the people. The people place them there and they have no right to join with the merchant. They say they have not, but the best proof is the facts.

Q. Your objection to this arrangement is not to the combination in the guild; it is to the combination between the guild and the refiners? Yes; between the guild who have a right to do their business as they see fit, and the refiners who have not that right; because they live at the mercy of the people.

By Mr. Guillet:

Q. Will you be kind enough to tell us what advantage there is to the refiners who come into this combination? A. The refiners' advantage is a somewhat indefinite one. You can possibly understand that, if the wholesale grocers' guild, by the weekly price list sent out, enable them to have a fixed profit on the current prices of the day, while the merchant has no longer the necessity for worrying the refiner on the prices he pays him. His price is settled whether he charges him six, seven, or eight cents per pound. He is going to get his half or three-eighths, as the case may be; whereas, if there were no combination, each merchant is striving to buy as cheap as he can, in order to sell at the lowest price possible. There is no necessity for me trying to buy cheaper, for there is my price fixed.

By Mr. Wood, (Westmoreland):

Q. Do you know whether refiners have agreed upon prices amongst themselves? A. I do not know with sufficient definiteness that they have an agreement with regard to prices amongst themselves.

Q. I have been informed that such is not the case? A. I do not believe that at the present moment such an arrangement exists.

By Mr. McKay :

Q. The result of this combine has been that wholesale merchants are making a profit which did not exist before in connection with their business? A. That does not touch the point of our objection. It is the principle of the thing solely.

Q. Are there any other combinations between grocers and manufacturers? A. Not particularly; but there are combinations in smaller articles which do not affect the trade of the merchant. For instance, there is a combination in baking powder, tobacco and pickles. All that these combinations in small things affect, the wholesale grocer, do not amount to the snap of a finger in the conduct of his business; but when you attack an article like sugar, which bears a proportion of about one-third in the turn-over of most wholesale grocers, it touches a very sensitive point in his business.

Q. It is not a question of money. It is only a little one between merchants in tobacco and baking powder. You would not object to a point which did not affect you very much? A. I am not objecting on that point. I am objecting to a combination between the merchant and the manufacturer, whereby anyone who does not see his way to becoming a party to that combination, cannot get goods without paying an extra price for them.

Q. Does not some combination of that kind exist in regard to tobacco and pickles? A. No; only in regard to baking powder, and I do not think any combination should exist there; but that is a simple arrangement between merchants.

By Mr. Wood (Westmoreland) :

Q. Do I understand you then that if there was no arrangement between the refiners and the guild, you, as a wholesale grocer, would not object to the combination? A. No; that is not exactly my position. You might ask me whether I would belong to a sugar combination if the sugar refiners went into it. No; I say let them go into combination if they like, but when they step in and say, if Messrs. Lightbound, Ralston & Co. will not join our combination, then we will not sell them goods, then I say that is wrong. I am simply giving evidence here as it affects my own business and affairs. As to the moral right or wrong of the matter, I am not dealing with that. I take exception to any body of men stepping into my office and telling me the price at which I should sell my goods.

Q. I do not understand that they do that? A. Yes; here is the best evidence in this list. (Exhibit 1.)

By Mr. Fisher :

Q. I understand, from a remark you dropped a few moments ago, that if any of the wholesale grocers sell at a price not agreed on by the grocers' guild, they would be struck off the list by the refiners: that is held over them? A. Yes; and here is a copy of the sugar agreement here. (Exhibit 4.)

By Mr. McKay :

Q. What proportion of sugar is sold, granulated to yellow? A. One of granulated to two or three of yellow.

Q. Are you a member of this combine on pickles? A. I am not a member of the combine on pickles. I had to sign an agreement in baking powders, and I have also signed the sugar agreement. I have not signed the tobacco agreement because it is well understood that anyone breaking through the prices, when he goes to buy tobacco again, he cannot get it.

By the Chairman :

Q. What kind of tobacco does that refer to? A. All manufacturers in the Dominion are in that combination. The Wholesale Grocers' Guild fixes the selling price of tobacco at four cents per pound advance on the manufacturers' list, and the merchant knows that if he does not abide by that he cannot get any goods.

By Mr. Fisher :

Q. It is a tacit arrangement? A. Yes.

By Mr. Guillet :

Q. Each manufacturer has his own understanding? A. It is a tacit understanding.

By the Chairman :

Q. This Wholesale Grocers' Guild fixes an advance of four cents per pound, no matter what the price may be? A. The manufacturer has a list, and the wholesale grocer sells at four cents per pound advance on that list.

Q. Then if the price went up four cents, you would have eight cents per pound profit on the list? A. Yes; and if the price went down four cents, you would have nothing. This matter is fixed as an advance of four cents on the ruling price of the day.

By Mr. McKay :

Q. Is it not better for a business man to have a decent profit, so long as it is not too much, than to cut and slash into trade? What is your own opinion on that?

A. If I thought that were a better way of doing business I should be a member of the guild.

Q. But so long as the consumer does not suffer? A. I have told you that my objection to this is on a business stand, not on the moral right or wrong of the agreement; that as a business man I claim that it is not in favor of our business, and therefore I object to it.

By Mr. Flynn :

Q. Is not the effect of this to make sugar dearer to the consumer? A. It does, there is no doubt, otherwise there would be no use for the combination.

By Mr. Fisher :

Q. It prevents competition? A. Yes; and it means still higher prices if the combination spreads from the wholesaler to the retailer. In the month of July the wholesale grocers came down to Montreal and asked the refiners not to sell to those outside the guild. One of the refiners stated his willingness to do so.

By the Chairman :

Q. You were outside of this then, and now you are in? A. We were squeezed in last January, after this last regulation came into force. In the first place there was a regulation whereby we had to pay one-eighth of a cent per lb. less discount and the necessity of buying two barrels of yellow for every barrel of granulated. In addition to that the market in England had run up from 16 shillings to 20 shillings, and the freight from 20 to 22. As we had to pay 25 per cent. advance on English figures, the sugar would have cost us $8\frac{1}{2}$ cents laid down here. So we had no option between buying sugar here and going out of business.

Q. As soon as sugar remained stationary or went back you were squeezed in? A. The first arrangement of one-quarter cent per lb. would have been sufficient if they had had patience, because in a falling market we would be at such a disadvantage with this advance against us that we would have been cornered. We should have been buying at $7\frac{1}{2}$ where the price to the members of the guild would have been 7 cents.

By Mr. McKay :

Q. This does not interfere with your business, it only affects your profits? A. I have got to pay thirty cents per barrel more, and this is very much increased when the fact is taken into consideration that when I went to the refiner to buy 500 barrels of granulated, I had to buy 1,000 barrels of yellow extra and this would make a difference of \$3.00 per barrel. Because I might not want yellow; but I would have to buy 1,000 barrels of it and pay between 25 and 30 cents per hundred pounds more both on the yellow and granulated. We have no reason to suppose that, if the Government do not deal with this matter, but that the refiners may, in a month from this say: Gentlemen, we will not sell you sugar at all unless you sign this sugar agreement.

By Mr. Bain (Wentworth) :

Q. Do the refiners all charge the same uniform price? A. The price of granulated amongst refiners is almost invariably the same. Whether that is the effect of an agreement or not, it is difficult to say. It is singular that the price of white sugar is always the same.

By the Chairman:

Q. How do we know? There is the price at which wholesale grocers are to sell sugar to-day in 15 barrel lots at $7\frac{1}{2}$ cents. How do we know there are only 3-10 cent made by the wholesale grocers on that? A. Because these prices emanate from the refiners, and the advance is simply $\frac{2}{3}$ per cent. on the figures which the refiners give for that day.

Q. Suppose in those classes in which different refiners would give different quotations, how would it be? A. They do not.

By Mr. Fisher:

Q. It is presumable then that there is an arrangement, although not a combination? A. Yes.

Q. Then practically refiners fix the prices at which retailers get it? A. Yes; practically.

By Mr. Wood:

Q. There is a definite price fixed? A. I think there is. They quote different prices, but that occurs sometimes in this way: One refiner may quote $6\frac{3}{4}$ in Halifax and another 7 in Montreal, because there may be a trifling difference in the freight rate from Halifax to Montreal; but if there were two refineries working in Halifax, as there will be in a month or two, the prices from that point would be the same.

Q. Do you know if there is an arrangement between the refiners or not? A. I do not; but my impression is that there is no definite arrangement.

Q. There is one other point that some of us are not clear on. When you say that wholesale grocers charge $\frac{2}{3}$ of a cent advance on 15 barrel lots, and $\frac{1}{2}$ cent on small lots, do they pay the freight out of that? A. Yes.

Q. Suppose a wholesale grocer in Hamilton or London orders sugar, does he pay the freight from Halifax or Moncton out of that? A. If he is a Toronto merchant, he pays the freight from Montreal to Toronto, presuming that he ships from Montreal. (Exhibits 2 and 3)

THE CHAIRMAN.—The freight clause in the agreement (Exhibit 1) reads as follows: "Parties to this arrangement to have the privilege of delivering sugars to all points where there are merchants who buy such sugars from the manufacturers direct, but no place shall be considered a competing point until after notice from the Secretary of the Dominion Wholesale Grocers' Guild to that effect has been mailed to the several signers of this agreement."

By Mr. Wood:

Q. Would the customer get the benefit of freight in that case? A. No; if a customer in Kingston bought sugar in Montreal he would have the freight paid to Kingston. I may state that such cities as Ottawa, Kingston, Toronto and Hamilton, where there are houses entitled to buy from the refiners under the combination arrangements, are constituted competing points, and I may illustrate the freight basis as follows: The price to-day for 15 barrels of granulated sugar delivered in Kingston or any other of these competing points, and the Montreal merchant is allowed to pay the freight from Montreal, or in other words, sell at $7\frac{2}{3}$ c. delivered in Kingston. Secondly, if a Montreal merchant sells sugar to a merchant, say in Napanee, he ascertains that the freight from Montreal to Napanee is 2) cents per 100 lbs., whereas from Kingston to Napanee the freight is only 14 cents per 100 lbs. Consequently the Montreal merchant may allow his Napanee customer 6 cents per 100 lbs., so that the sugar purchased in Montreal will cost the same price delivered in Napanee as it would if purchased in Kingston. I use these names and figures only in illustration.

By Mr. Guillet:

Q. Have you any telegrams or correspondence with regard to the arrangement? A. No. I understand that the refiners claimed that they had no connection with the guild in this matter. I have a few telegrams which I received early in the year. For instance, on the 31st December the Moncton sugar refinery telegraphed us about sugar before we signed the sugar agreement that they would give us sugar f.o.b. cars at Montreal, usual terms, with $2\frac{1}{2}$ per cent. discount if guild consents.

(Ex. 5 and 6.) This shows it was a question between them, and it sets at rest the question as to whether there is any arrangement between the guild and the refineries. I understand it has been denied and that is the only reason I put these telegrams in my pocket.

By Mr. Wood (Westmoreland):

Q. What I have heard contended was that they were not members; that it was agreed on between the refiner and the guild? A. Only the refiners can answer that question. The impression may prevail from the fact that the quotations are usually the same.

By Mr. Flynn:

Q. Do you know the prices at the Halifax refinery, and the Montreal and Moncton refineries? Do they vary? What is the difference? Is it the same quotation in Montreal and Halifax? A. Not invariably. I believe any arrangements which may have existed between the refineries have been temporary. They have been found usually unworkable, but such arrangements have existed from time to time; but between these times there have been occasions when we could buy sugar $\frac{1}{2}$ th of a cent per pound cheaper in Halifax than in Montreal, but as a rule the prices are the same.

By the Chairman:

Q. What is the freight from Halifax to Montreal? A. Twenty cents, I mean allowing for the freight, of course.

By Mr. Fisher:

Q. It might be also under these circumstances that the Halifax grocer could not buy it from the Halifax refinery at the same price you could? A. He might not.

Q. So far you can buy a little cheaper from the Halifax refinery than you can from the Montreal refineries; you would not say necessarily that the Nova Scotia people could buy cheaper? A. The Halifax refiner sells lower in Montreal than he does locally to compete with our Montreal refineries.

By Mr. Bain (Wentworth):

Q. Does that question affect this case? A. Yes.

By the Chairman:

Q. (Reading telegram) "Will ship as requested if you accept our price for all shipments without the $2\frac{1}{2}$ per cent. discount until guild consents. Wire reply. Moncton Sugar Refining Company." (Ex. 6.) They ask the same price less the $2\frac{1}{2}$ per cent? A. Yes. That defines the position of the arrangement between the refineries and the guild. He could not give me the discount unless with the consent of the guild.

Q. The price was just the same as sold to the guild, only not allowing $2\frac{1}{2}$ per cent. until the guild consented? A. I think in that case the Moncton refinery were abrogating part of the arrangement they had entered into. You would assume that in reading the telegrams but I have no means of knowing whether it was or not. This was yellow sugar. I don't know what price they sold it to them; at the same time this is not white sugar. I could not tell from that telegram at what price they sold that yellow.

Q. You could form a pretty good idea by what your neighbor was selling it at, though? A. Not if it referred to a thousand barrel lot. We might buy a thousand barrel lot considerably cheaper than we might perhaps buy 100 barrels. I merely produce that telegram to dispel the statement that refiners have no connection with the guild.

By Mr. Wood (Westmoreland):

Q. What practical remedy would you suggest for this? A. Simply that the Government should give the refiners a very definite option between ceasing to belong to this combination and a lowering of the duties so that they would admit all outside sugar, give them the simple option between taking their proper position and retiring from the combination or lower the duties.

By the Chairman:

Q. You think there is no other remedy? A. I don't think so.

By Mr Wood (Westmoreland) :

A. Would that affect the guild combination at all? A. It might or it might not.

By the Chairman :

Q. How would that affect the Grocers' Guild. They might still combine. They are not manufacturers, and you say they are the chief sinners in the whole transaction. They can still combine to keep up the prices of sugar to the retailer? A. They could not from the fact that they could not get a combination up without the aid of the refiners.

Q. We have cases of other combinations being kept up without the aid of the home manufacturers? A. Well, I don't think so.

Q. In coal for instance? A. Yes, in coal there may be that.

Q. There is no home manufacturers? A. Coal is not manufactured here, of course.

Q. That would make a parallel case with the duty taken off sugar and sugar not manufactured here, there would be a parallel case with coal? A. I think the refiners would accept the position and get out of it gracefully. They have made mistake by going into this combination.

By Mr. Wood (Westmoreland) :

Q. How does it affect the oatmeal combination? A. I don't know anything at all about it.

By the Chairman :

Q. You say there are other combinations in groceries between the manufacturer and the dealer here in Canada; name what articles? A. Well there is baking powder and also Eddy matches.

Q. The baking powder manufacturers put the prices? A. No, there is only the Cook's Friend Baking Powder of Montreal, McLaren. That is only an arrangement by which we purchase in any case.

Q. Then, as a matter of principle, you object to the sugar combination—as a matter of principle—but you don't object to the Cook's Friend on the same principle because it is a smaller matter? A. Well, the mere fact of a combination of price—the consumer buys a pound of Cook's Friend Baking Powder. He uses that a long time. It would not make as much difference as the advance you pay on sugar in a week.

By Mr. Gillmor :

Q. As a matter of principle? A. I am not discussing principle.

By the Chairman :

Q. I think you were objecting to the sugar combination on principle? A. As a business principle.

Q. As a business matter you make more by being in a sugar combination than by being out of it? A. I claim that it is better to be out of it, and therefore I object to be into it.

Q. It does ensure you a profit? A. It might pay me to do my sugar business without a profit, and if it occurs to me to present my friends with a barrel of sugar I should be at perfect liberty to do so. I claim the liberty so long as I pay for my goods of selling them at any price that suits me best.

Q. Name the other combinations? A. That is the only one that occurred to me. I think there is a combination in pickles also, but I am not interested in them in any way.

Q. Tobacco? A. Yes.

Q. What else. A. I am not in the tobacco combination. I simply sell at the combination price. We dare not do otherwise.

Q. You agree to sell at 4 cents per pound advance? A. We did not agree to it; we haven't signed any tobacco papers; but the wholesale grocers' guild we know, as a matter of fact, if we departed from this price, the manufacturer would immediately suspend our supplies.

Q. You don't sell at anything less than 4 cents advance? A. I have not.

By Mr. McKay :

Q. You haven't objected to this tobacco combine publicly? A. No, sir.

By Mr. Wood (Westmoreland) :

Q. Would this remedy you propose apply to tobacco? A. You can scarcely approach the manufacturer of tobacco in that way. We haven't entered into a combination.

By the Chairman :

Q. Are all tobaccos under this agreement that you are to sell at an advance of 4 cents. Macdonald, in black tobaccos, has control of the market? A. Largely so; yes.

Q. Does not this apply to colored tobaccos. Do you find that dealers are very anxious to sell to you. For instance, that new manufacturer in Toronto, McAlpine? A. I never asked that question, but I don't think they would sell if they supposed we were going to sell at less than the guild price.

Q. They are in the guild then? A. No, they are not in the guild, but the guild sell their tobaccos at a fixed advance.

Q. The guild regulates the matter and they control the refiner and the manufacturer just the same as they do the sugar refiner, then they come in themselves to cut off your supply? A. Well I don't know exactly the modes, but I know the result.

By Mr. Wood (Westmoreland) :

Q. The result is practically the same? A. Yes, practically the same.

Q. Would it be practicable to apply the same remedy as to sugar? A. Yes.

By the Chairman :

Q. Is that the only remedy you can suggest? A. That is the only remedy I can suggest, or that a law should be introduced defining that any such combination means a conspiracy at law, I have had a legal opinion given me already that this is the case, but opinion must differ very much, and it seems to me that if it were clearly defined that any such arrangement as exists between the merchants and the refiners amounted in law to a conspiracy, and if any merchant who suffered from that could take action under that law, it would answer the purpose.

Q. Do you think it would remedy the difficulty? A. It would remedy the difficulty in connection with the sugar agreement within 24 hours as far as I know.

Q. You told us a little while ago that it would be better to lower the duty? A. That would be better; perhaps you will allow me, like the Quaker, to change my mind.

By Mr. Fisher :

Q. As I understand it, you would make a law by which conspiracy as an arrangement between the wholesale dealer and the manufacturer should be a conspiracy, but when it was an arrangement amongst the wholesalers alone it would not be a conspiracy? A. I was not dealing with that question at all.

Q. As I understand Mr. Lightbound, before he did not consider it at all wrong for the wholesalers to agree amongst themselves for any definite price? A. So long as the wholesale merchants themselves were of that opinion, but when they turn around and say "unless you abide by our arrangements you will have to go out of the business"—that is what these arrangements mean—they tried to force us into the combination or out of the business.

By the Chairman :

Q. You have said that the only other combinations that you are in are the Cook's Friend Baking Powder, Eddy's matches, and all Canadian tobaccos? A. I said beyond that: I am not in the tobacco arrangement, but they were sold at this price and if we did otherwise we would not get any supplies.

Q. That is practically the same? A. Yes, in the practical working of it.

By Mr Fisher :

Q. Have you signed any agreement for Eddy's matches and baking powder? A. We were obliged to do it. I got a notice from Eddy's agents in Montreal, H. A.

Nelson & Sons, that we could not have any more matches, and we had to sign the arrangement.

Q. On the tobacco question, if at any time the wholesale combination chose to say you must sign an agreement, you would have signed that agreement? A. Yes, I would have signed it provided the manufacturer took the same position as the guild.

By Mr. Wood (Westmoreland):

Q. What is the profit on matches? A. Well, they have a scale of profits. I think anything under five cases the profit is 50 cents per case and over five cases 25 cents per case.

Q. What per cent. would that be about? A. It would be about 8 or 10 per cent.

By Mr. Guillet:

Q. The manufacturers regulate these prices? A. Yes.

By Mr. Wood (Westmoreland):

Q. What do you consider that, a fair profit or a large profit? A. It is a pretty good profit for grocers, 10 per cent.

By the Chairman:

Q. What do you give for a case of matches? A. We sometimes pay \$2.00 a case and sometimes \$3.00. Eddy's matches, if I remember right, the price is \$2.50 and \$3.00 a case, that is cost price.

By Mr. Wood (Westmoreland):

Q. Can you suggest any remedy for that? You consider that a grievance do you? A. Not as telling a grievance as the sugar combination.

Q. Does it not involve the same principle, would not the law applicable to the one apply to the other? I understand you deal in matches? A. I said I objected to this on business principles. He is taking it on very moral principles, I am simply taking it on business principles, as the sugar combination affects me.

Q. I was not speaking on the moral aspect of the question, I was speaking on business principles. The manufacture of sugar and the manufacture of matches as between them, I asked you if the same remedy that applies to sugar would apply to matches, or whether one was a grievance in the same sense as the other? A. One is not a grievance in the same sense as the other, for this reason that we in our limited business turn over something like \$300,000 or \$400,000 worth of sugar every year. We turn over probably about \$3,000 or \$4,000 perhaps, within \$10,000 of all these other articles, including tobacco, on which there is a combination.

By Mr. McKay:

Q. But the question of sugar is a more serious one? A. Yes.

By Mr. Fisher:

Q. One interferes with business considerably while the other does only to a very trifling extent? A. Yes.

By Mr. Wood (Westmoreland):

Q. Mere business principles involved? A. Yes.

Q. Would not the same remedy be applicable in principle to the other articles? A. It might or it might not. I am not aware that we could import the same matches as cheaply from outside sources as we can get them here. These are cheaper in Canada than in any other country.

Q. Then a protective duty on matches does not affect the price as far as they are concerned? A. No.

Q. The profit on matches is 20 per cent., but on single cases only 10 per cent.

By the Chairman:

Q. I understood you to say that the profit on a box was 50 cents, which would be 20 per cent.? A. 25 to 50 cents on the box. When I am speaking of them, I am speaking of the definite arrangements on Eddy's matches—\$2.50 to \$3 per box.

Q. You make 50 cents a box on them? A. Yes.

Q. Twenty per cent. in that case and in the sugars only five per cent.? A. That might be the case, but as a matter of fact, all the matches we sell in the year does not amount to much as regards our business. Sugar, perhaps represents one-third of

a wholesale grocer's business, and for many reasons it is objectionable to us, and especially from the standpoint that I claim the right to sell sugar at any price at which I see fit. It is altogether unfair that by this combination we have to sell at a certain price.

By Mr. Wood (Westmoreland):

Q. Mr. Lightbound, the reason, if I understand you aright, is that the reduction of the duties on matches would not affect the principles involved. You could not import the matches? A. I do not think that we should import them or attempt to import them. It is a small matter. We would never sell enough to bother about.

Q. Supposing the duties on sugar were reduced, would that really prevent the refiners from entering into an arrangement with the Grocers' Guild or the wholesale grocers? A. No; but it would make it interesting for the refiners.

Q. How would it? A. If, under a tariff of \$1.50 per 100 lbs. and 35 per cent. *ad valorem* and $7\frac{1}{2}$ per cent. on the total duty, we could bring in sugar last year and compete with the refinery prices, and stay outside of the combination, it would be very simple if the duties were lower.

Q. Could not the refiners, under any arrangement of duties, combine and obtain from the wholesale grocers whatever profit or protection the duties gave them? A. No, because we could bring in outside sugars and prevent it.

Q. If the duties gave them no protection at all they could combine and make whatever profit that protection gave them up to that time? A. Up to that point. If under this high tariff we could do it, it would be very much easier if the tariff were lower.

Q. Then if I understand you, that principle would involve the necessity of the Government, in arranging the duties, to determine the profit that the refiners should make? A. I do not exactly see that point.

Q. Well, the Government would determine the point at which these foreign sugars could be imported and compete with the domestic manufacture? A. I suppose they claim to have done that already.

Q. The principle you suggest, that is regulating the tariff, would be imposing upon the Government the necessity of doing that and to decide when the refiners were making a fair profit? A. The Government, I suppose, have done that already in fixing it at one and a-half cents per lb. and 35 per cent. *ad valorem* and $7\frac{1}{2}$ per cent. upon the total duty. They have assumed that was necessary in order that the refineries should exist here.

Q. That may be, but that does not necessarily fix the profits of the refiners as I understand it. They have decided that on different principles that it was necessary to have a high protective duty in order to enable sugar to be refined in Canada. Do you know the bounties that are paid in Germany and France on refined sugars? A. Something like two and a half cents per pound.

Q. On refined sugars for export? A. About that.

By Mr. Fisher:

Q. The export bounty. What is the export bounty in the States? A. The bounty in the States is \$2.40.

By Mr. Wood (Westmoreland):

Q. A drawback? A. Yes, I cannot tell you whether that drawback represents the actual duty on raw material or whether it constitutes the bounty or not. I understand it does constitute a bounty of 20 cents per 100 pounds. I am not stating my own opinion, but I am merely giving the current impression.

Q. Do you know whether the bounties in France and Germany have been lowered recently? A. I do not.

Q. I am informed that they are lower now than they were in 1887? A. I do not know.

Q. Are you prepared to say what reduction should be made in duties at the present time to accomplish the object you speak of? A. No, I am too modest to do that. I leave that to the Legislatures of the countries to determine.

Q. The Legislatures are anxious to get information from practical men, because we really do not know, at least, I for one don't. Suppose the duties were reduced to-day to the point that you speak of? A. I have not spoken of any point.

Q. I understood you to say that the remedy for this was to reduce the duties to a point that foreign sugars would be imported without allowing the refiners to make too large a profit. You have not said just what that profit should be as I understand. Suppose that was done to-day and the tariff in either the United States or France or Germany—that is the export duty or drawback on exported sugar—was changed so as to pay a larger or smaller bounty, how would that affect it? A. I do not quite follow that.

Q. Suppose, that with the existing tariffs in the United States or France or Germany our tariff was so arranged that foreign sugar would be imported at the present time; if there was a change made in the export duty of these different countries, that would necessitate a change in our tariff? A. To correspond?

Q. Yes, to correspond. We would really then be changing our tariff whenever the export duty was changed in other countries? A. You may be called upon to do that under the present tariff.

Q. If the present tariff was much higher than was necessary to keep out imported sugar was it not the result of having been fixed when the bounties were higher in those countries? A. No.

Q. And alter the relative condition of things? A. No, because our importations last year were from England where there was no drawback whatever, no duty and no drawback. I do not see how that affects the case, because your tariff is always liable to being changed by the alteration of the duties of other countries. If the United States changed the duty on tobacco, you would have to change it here to correspond.

By Mr. Guillet:

Q. The raw sugar that is used by the Glasgow refiners would be beet sugar, upon which there was a bounty? A. To some extent, I think they mix it.

By the Chairman:

Q. That Glasgow sugar is not pure cane sugar then? A. I could not state that.

Q. I understood you to state that to Mr. Guillet? A. No.

By Mr. Guillet:

Q. They manufacture granulated sugar out of beet root? A. I think they mix it. A refiner could only tell you that. There may be a small percentage of cane.

Q. The percentage of cane is not more than 20 per cent., is it not? A. I do not know.

By the Chairman:

Q. What is the cost of Scotch granulated sugar laid down in Montreal, the current quotation? A. I fancy Mr. Mathewson would be able to answer that more definitely, I think it would be about 7½c. per lb.

By Mr. Fisher:

Q. What is the price in Glasgow? A. Seventeen shillings.

Q. Three and a half cents per lb.? A. And 7½c. here.

By the Chairman:

Q. What is the cost of granulated sugar in Montreal to-day? A. Seven cents, less, two and a half per cent. to those in the combination. (Exhibits 2 and 3.)

By Mr. Boyle:

Q. Seventeen shillings for 112 lbs.? A. Yes.

By Mr. Wood (Westmoreland):

Q. The price of granulated sugar to-day in Montreal is seven cents per lb., less two and a-half cents discount? A. Yes.

Q. There is no discount on imported sugar? A. No, you can get a discount in Scotland if you buy it at 17 shillings.

By Mr. Boyle:

Q. Mr. Lighthound, you say you think that there is no combination as to prices among refiners? A. I do not think so at present.

Q. You submitted a telegram here from the Moncton refinery which was in effect an agreement to ship goods at certain prices, provided the guild consented? A. Yes, to allow a certain discount.

Q. The entire consent of the guild was necessary. There were two telegrams, as I understand it? A. They were pretty much about the same thing. It was simply to prove the connection between the refiners and the guild. (Exhibits 5 and 6.)

By Mr. Fisher :

Q. You could not get the sugar unless the guild consented? A. I could not get the discount.

By Mr. Boyle :

Q. This combine is altogether among the wholesale grocers? A. The wholesale grocers and refiners.

Q. Was there not a rod of terror held over the refiners by the wholesale grocers? A. You can call it what you like. It amounts to one and the same thing in the end. The refiners do not sell to us. The proof of that is in the telegram and also in the fact that the refiners have a list of the members of the combination in the office.

Q. But the fact appears to be that while the refiners have not a fixed price on their sugars the wholesale grocers have a fixed price for selling them. This Moncton refinery appeared anxious to transact some business with you, did it not? A. Under restraint.

Q. Under the wholesale grocers. They put themselves in that position because the wholesale grocers can boycott them. While on the one hand the wholesale grocers are dictating terms to the retailer, they are on the other hand dictating terms to the refiners? A. Yes.

By Mr. McKay :

Q. The refiners went into the guild for the same reason as Mr. Lightbound? A. Not in the guild. They simply signed the agreement.

By Mr. Boyle :

Q. Coerced into it in a measure by the wholesale grocers' guild? A. They were coerced into it.

By the Chairman :

Q. They put the screw on the refiners? A. The individual refiners were probably coerced, but the refiners in the first place had a clear position. They might have said: "Gentlemen, we cannot do it." What could the merchants do? They could not get the sugar anywhere else.

By Mr. Flynn :

Q. Did they dictate to the refiners? A. Every Friday, as I understood it, the secretary of the guild will go into the refinery office and will say: "What is your price for granulated to-day?" and if he says seven cents, then he sends out that figure as the price, with an advance of $\frac{2}{3}$ of a cent to those who are not in the guild.

By Mr. McDougall (Pictou) :

Q. As to these combinations, do you know any country where it has been declared a conspiracy to fix the prices in this way? A. I have been told of a case that was tried in the United States some year or two ago, and that the matter had been decided to be a conspiracy; but I never had the particulars of the case. After that I had a legal opinion, and my solicitor told me that all the parties to this, including the refiners, were open to indictment for conspiracy. I did not go on with the matter, because I found I would have to go into the criminal courts, and I did not wish to do that. Most of these gentlemen, although I differ from them in this matter, are my friends, and we do not want to bring the matter into the criminal courts if it can be avoided.

By Mr. McKay :

Q. The result of what I have heard you say is this: The guild has succeeded in fixing it so that wholesale dealers make a profit of not more than 5 per cent. on sugar? A. On an even market.

Q. You don't object to the prices, but the principle of being forced into this association? A. Yes; it is a matter of opinion whether 5 per cent. is too great a profit or not. There is nothing, however, to prevent this association from making the advance double what it is to-day. There is nothing to prevent these sugar combinations, which are satisfied with 5 per cent. to-day, not being satisfied with 15 per cent. next year.

By Mr. Fisher :

Q. And there is nothing to prevent them making an arrangement with the retail guild? A. They might do so.

Q. Was it not because you and Mr. Matthewson were outside the guild that some of these retail men were able to get supplies? A. Yes, to some extent.

J. A. MATTHEWSON sworn.

By the Chairman :

Q. Would you kindly make your statement? A. The sugar combination as it exists to-day had its origin in the guild. The first of it was in Montreal. It was first called the Wholesale Grocers' Association, I believe, for I never joined it, and was in Montreal. From Montreal this association spread in various parts of the country, as the list before you will show, to London, Hamilton, Brantford and other places. In all some eight or nine places. These guilds or associations—they call them guilds in the west, I believe—are all practically one in spirit. To this thing I will positively and persistently object. They are wrong in principle and from the first I objected to having anything to do with it. The reason is clear in my mind. By very gentle persuasion and a good deal of oil, I was first approached to join this thing in Montreal, but I did not walk into that parlor and I have not walked in since, because I maintain the right to conduct the business I have to do with as I think proper. I will, if you will allow me, show why I objected to the origination of this thing. My position in this matter may be different from some others. This is an association of wholesale grocers. My objections are based on three articles, Nos. 15 and 16 (Exhibit 7) of the main articles and No. 6 of the subsequent series of resolutions. Up to fifteen and sixteen they are in substance principles to which I have no objection, that is to have an association for the general good, all of which I approve of. Fifteen reads:—"That there shall be a committee of three elected by ballot at the annual meeting to serve for one year, whose duty it shall be to revise and fix lowest selling prices on any article or articles that may be unanimously agreed upon by the association, and whenever any change takes place on the manufacturers' or producers' regular price list, it shall be their duty to notify every member of this association of such price in any manner they think best."

Article 16 is as follows:—

"Any firm or individual belonging to this association who shall sell the articles stipulated, or allow them to be sold for less than the prices fixed by the committee, shall be reported to the committee of arbitration, and upon conviction of that fact to the satisfaction of the committee, said member shall be expelled from the association by a majority of the votes at any regular meeting, a vote of censure shall be placed on the records and reported to all the manufacturers of the articles in question."

As to the secrecy of this association the rules say (Exhibit 7):—"Members of this association shall be in honor bound to keep strictly secret any of the affairs of the association." This is the affair of four years ago, but I have reason to believe that the others are substantially the same, the only difference being that they are called guilds and the Montreal one called itself an association. It is practically the same thing with authority centreing in Toronto. This is my opinion from information gathered in various ways, of course. This Dominion Guild started with some other articles. It started with coal oil, for instance. First, the parties were to sell a

certain number of barrels at a certain price, and a certain other number at another price, and deliver certain quantities; but in a very short time this was broken up. The thing was broken through and it came to nothing. We were told very distinctly if we refused to sign it:—"Well, it will be made pretty hot for you, and you will not get any goods from any quarters." However, we managed to get goods all along. We have managed to get sugar notwithstanding all these arrangements that have been carried out to prevent us doing so. Another reason why I object to it is, I have been a long while in business; longer than any of these gentlemen who came to me; and to be put at the disposal of any committee who might come into my house and say: "We will fix the price of this thing and we will insist on the prices of these things being so and so," was one of the reasons why I distinctly opposed it. I had my own judgment about this matter that it was wrong, and I also had a long experience giving me to understand that matters of this kind never came to anything. There were always ways of defeating it.

By Mr. Landry:

Q. You were not afraid of it being less profitable to you? A. We had to take all the risk of being crushed out of any of these articles.

Q. Had you any reason to believe that the action of this committee would in any way lessen your profits? A. I did not enter into it. I thought it was a matter of right and wrong.

Q. The object was to increase the profits? A. I dare say they had such an object; but I intended to carry on my own affairs as I saw fit. The whole thing is wrong. This thing, however, has continued and we have been badgered and worried and annoyed by all possible annoyances since that period with various articles. We have managed under Divine Providence to sustain ourselves ever since, notwithstanding all this; but the culmination of this affair has been in this sugar matter. When the conversation has been upon this matter, we have been asked: "Can nothing be done?" Of course, I cannot honorably as a merchant object to anything being done that is honorable. We could sell sugar in an honorable way. I see very strong reasons, however, for objecting to a secret committee selecting certain articles and then say to those who will not go in with us to carry out our articles shall be boycotted and subjected to pains and penalties by the worst inquisition that Canada has ever seen. It is the greatest conspiracy this country has ever seen, this sugar combination. From the first we were given a certain time to sign these papers—papers which, as Mr. Lightbound has said, had to be signed about the end of April. We refused, and then we had visits from distinguished parties from a distance. The gentlemen from a distance came down to squeeze us in Montreal, and went around and got signatures; amongst others they got the names of certain parties who were in the retail business. They got their names amongst the early signatures; but you see by this blotting out (Exhibit 1) that they are not on the list now. They were made use of as tools to carry out this outrageous arrangement and having made use of them they were dispensed with, very greatly to their annoyance and wrong. That is the position that occupies. They started as Mr. Lightbound very properly stated with refined white sugar, or refined hard, or whatever you may like to call it to distinguish it from the yellows. One fourth of a cent was put on those who refused to sign those papers, as it is here on record. They put one-fourth of a cent on all refined sugars.

Q. Did the refiners do that or the wholesale dealers? A. I did not get into the secret, seeing it was a secret. They had it among themselves. One did not take it and another did not get it, like robbers; but in the meantime we had to pay the money, and I would like to get it back again. I would like to get it back with the return mentioned in the Good Book: "If anyone has done wrong, he shall return him fourfold."

By the Chairman:

Q. That would be a good profit? A. It would be only right from a man who would do such a thing. That money was paid from the month of May until July. Here are the invoices. One here begins 21st of May, because we had laid in a con-

siderable supply for what was wanted. The first invoice is small. Here is one in June for \$2,235, granulated sugar, on which we paid one quarter of a cent per lb. more than those who signed the agreement. Here is another \$2,215, and we have not got that money back, and should very much like to get it. These bills were paid on until July. Here is another \$1,808, and so on. We submitted to the loss; said nothing; felt a good deal. I feel that four times added would not be a bad idea, and I feel that in this British colony, a British subject of 50 years' standing should be so treated is a disgrace to the country and a disgrace to the Government to permit it. I consider the thing a conspiracy, without any hesitation, of the most unlawful and outrageous character. However, these western gentlemen confined themselves to a visit to Montreal and joined with the refiners. They joined with the refiners; do not forget this. In the end of June or the 6th of July this thing culminated. Seeing these recalcitrant folks, "these rebels against our dictation," they said: "We will put half a cent on refined sugars." I got the intimation. I was practically alone at that time; that is, other folks connected with our business were absent. I sent across the ocean. Up to that time our tariff was such that we did not deem it possible to import sugars that would suit for granulated. We knew that the good will of our neighbors had been damaged to carry out the designs of the refiners. We knew that; that instead of meeting the duty honorably we were compelled to pay duty to the refiners. The tariff ran to pay long prices in the United States, making importation from the United States a practical impossibility. We thereby incurred, I say, the ill-will of our neighbors most decidedly by levying a tariff which largely meant them. There were other nations; but other nations do not make this sugar. We did not know they were made in Great Britain, or Holland or France, or in any country. These granulated sugars we knew, and the trade knew, were practically to be found only in Canada and the United States. We were practically told: "You cannot get that from the United States, because our friends the refiners have a tariff in their favor," knowing that we had got hold of the idea that sugars could not be got from other countries. I sent a telegram across the ocean that night.

By Mr. Bain (Wentworth):

Q. Did they send you notice of $\frac{1}{2}$ cent increase? A. It was sent to me. We sent a notice across the ocean that night and the reply came next day offering for 500 or 1,000 packages and they sent samples.

Q. From what part? A. Liverpool. The answer came next day and the substance of it was offering us sugar at a price that made it strictly impossible with the high tariff, to import.

By Mr. Fisher:

Q. Can you remember the price? A. Something about sixteen and three pence.

Q. How much in cents? A. It runs equivalent to about $6\frac{1}{2}$ cents duty paid. The answer came, however, and our folks had doubts that these sugars would pay us, so completely were we in the hands of the refiners. Then there were doubts that these sugars would answer the purpose.

Q. At what price was the guild getting their sugars at that time? A. The sugars then were about $6\frac{1}{2}$ cents to the guild. They were raised up immediately. There was an arrangement made between the parties, and two screws began to be turned, and the next week an eighth went and shortly after another eighth went, and the screws were turned further until the destruction of the St. Lawrence refinery when the jump was distinct and from thence high prices have been maintained until about the month of January, until the drop began. I don't think there has been a drop during all this time until this. The substance of the communication from England was that we could get sugar; still we had doubts and told them to send samples and the samples came. Then came the distinct importation arising from these causes and these sugars took the place of our Canadian granulated sugars. They saw these facts, saw that we were not crushed and then they held the other meetings to which he refers in December and $6\frac{1}{2}$ per cent. on sugars was put, equivalent probably to 80 cents a barrel or \$800 per 1,000 barrels.

On 10,000 barrels this would be \$8,000 taken from those who refused to submit to this iniquitous arrangement, thus abandoning their manliness and mercantile ideas to such an irresponsible and unlawful tribunal. In December this meeting referred to, was held with the result that Mr. Lightbound says, of adding 80 cents a barrel. From the first to the last, we have refused submission, and I made the remark when this thing was presented first, that this matter could only be submitted to as one yields to the highwayman with a pistol at his head and says: "Your money or your life." That is my view commercially, morally and financially of this combination. My view was that then and that is my opinion now.

By Mr. Bain (Wentworth):

Q. You know this arrangement still exists? A. I know it exists, and it existed in 1886 when I refused to submit to the combination—this conspiracy, combination is hardly the term for it. I see there is a strong idea abroad that the refiners were not associated with this thing. The thing would not have lasted one hour if the refiners had had nothing to do with it.

By the Chairman:

Q. It originated with the grocers? A. I cannot say much about the origination. I say it was a wrong on the start, that they should take upon themselves to conspire to be dictated to by an irresponsible committee of three as to what goods should be selected. I have nothing more to say about this except the amount of worry and inconvenience brought about by this outrage. If any British subject had been in the middle of Africa and had been treated in connection with a matter of this sort as we have been treated, it would have been crushed at once by a British fleet sent for the purpose. It is every man's right to manage his own business without these irresponsible tribunals. If a man cannot manage his own business it is time that he tried some other honest occupation. If they come to interfere with vested rights without knowing anything at all about it they have mistaken their calling. I would strongly suggest that these men try some other line of business. Our prices have been raised ever since the combination started and it is to the advantage of the refiners, and they have lowered the quality of the yellow refined sugar; the quality never was lower than it has been or was till the end of the year. We never had such a poor quality of sugar, and the retail grocers throughout the country will confirm the statement; we never had such an extremely objectionable quality, and sticky.

Q. To what do you attribute that stickiness? A. Defective manufacture.

Q. Glucose? A. I cannot say. I am not in the secrets of the refiners. Here is a bill of 100 barrels and the weights run 279, 233, 276, 280 and so on, while the last is 290 pounds.

Q. Is that granulated? A. It is yellow and fine sugar. They raised the price and gave such bad qualities of sugar. Here is another lot of 109 barrels, running 230, 250 and 265 pounds.

By Mr. Bain (Soulanges):

Q. What is the date? A. May 22nd. The average would run there from 250 to 270 pounds, and where this yellow and thin sugar is only delivered in July it will run 100 pounds beyond this average.

By Mr. Fisher:

Q. At what time? A. July. That gives the weights of these yellow sugars. It was a quality of yellow sugar such as I never saw before. When I referred to the facts of the complaints about sugar, I said we are here like the children of Israel in Egyptian bondage, when they were compelled to make bricks without straw. If your sugar runs through the stave, head up the barrel, and then it will be some time before it will run again. If it runs on the rolling side, and you haven't opened the barrels, roll them over, and if you roll them over the syrup will run through the barrel, and it will be all right for a while, until you get rid of it and the public take it. This is how the thing has been done, and as to the advantage to the refiners there has been a good deal said. I was before the Labor Commission the other day, and the point was asked how much the grocers get, and if 6 per cent. was too much. I did not see

that 6 per cent. would be too much. How much do the refiners get? This is the question; one refiner told them it was not very large, but I say that refinery paid off the whole claim against it and made a most extraordinary dividend and left a large lot to the good. The Montreal refinery published the whole dividend of ten per cent. and five per cent covered a large sum not named. Part of that sum belongs to us yet, in connection with these sugars. It is open yet to be refunded and a very large sum instead. That same investigation proposed to occupy the time examining grocers and find how they made such extreme profits lest some one might bring up this question of the profits of refiners. Undoubtedly this conspiracy, this arrangement had to do with throwing the men in the hands of the refiners to do just as they liked. Then the destruction of one of the refineries last summer made matters still worse, and the price never went down until the beginning of the year. Now, we have been able again within a few weeks to bring out these sugars again. Here are letters. They have gone back on last summer's price and the refiners here have lowered their prices, and here is correspondence, dated 2nd February, referring to the sugar. The letter of the 9th February contains matters of importance, and the 10th February refers to the quality of the sugar. There is one fact I can explain and it might prove the process of the manufacture of the sugar. Twelve months ago the quantity of syrups the refiners had on hand was so great that they had to get outside storage, and in place of that to-day in Montreal you would have extreme difficulty in picking out twenty barrels in any place. Perhaps the refiners can say there is some new process of manufacture, but still the fact is there that syrups were plentiful and now syrups are very scarce, and sugars have been the weights I mentioned, the average approaching 350 pounds gross, against 250 to 280 pounds within the last twelve months. I don't know about the barrels. It is possible that the barrels have changed, but my impression is that they are the same barrels. As to granulated sugar a Montreal paper referred to it the other day. It is not fair to grumble about it, but this is simply to prove the one sided character of the position taken by those who have moved in this matter. I have been insulted right and left personally in this paper. I refer to the defamation of character and slander, but I have not replied to it. I reply here, there is a time for all things, and I say when that paper makes unjustifiable attacks on the private character of private persons in connection with this matter, perhaps some day somebody may take them up for it and call them to account. This article went over a lot of products and refers to granulated sugar. I will say this:—You take the sugars we imported and the quality of the granulated sugars in Canada. The imported sugars were decidedly superior to the granulated sugar offered in the market from the refineries, which up to that time had not been of the highest quality. Of extra granulated, Redpath's is now the standard, so the public have gained that much from the outsiders if they have got a uniform standard of high class granulated sugar, and the paper which would be so dishonest as to make use of an article like that, in disputing the right of trading honestly, squarely and fairly, the parties concerned in the management should be ashamed of themselves.

By the Chairman :

Q. We are not dealing with newspapers, we have nothing to do with that. If you will confine yourself to the sugar question and leave newspapers out? A. I wish they would leave me out, that is all; I want to be left alone. The sum and substance of the whole matter is this, I don't want to be a driven slave or a slave-driver.

By Mr. Flynn :

Q. Had you any of these sugars tested? A. It was not necessary, but I met a public analyst and he referred to the test of the granulated sugar from England as being sweet and very fine. He said, referring to the sugar, that it had one particular property, being of an extremely pleasant flavor and of great sweetness, and he said this: that all sugars should be tested and analyzed. There is no trouble for the refiners to do that. I think the same. I think if all sugars were tested and analyzed, something would be gained for the public. I think again that the inspection of re-

fineries so privileged by the Government which gives them so great protection, would not be anything out of order. It is quite right that they should be open to the public for examination. I think distinctly that that should be done.

By Mr. Gillmor :

Q. I understand you to say that the fact of your importing a considerable quantity of sugar from England had been the cause of reducing the price of sugar within the last few months? A. I presume it has had this effect since January.

By the Chairman :

Q. He says it has improved the quality? A. I say my opinion is that the quality of English sugars has put the refiners on their metal, and all the refiners have raised their standard.

By Mr. Gillmor :

Q. Had there been much imported? A. No, very little. I personally will stand aside and come to another meeting of the Committee if you wish to examine another party summoned by you. I might mention to you confirming the connection between the refiners and the guild that an agent of one of the refineries met me on the street within a few weeks and said: "Why don't you get some of our yellow sugars," and he got me in and showed me a sample and made me an offer; the next morning the answer came: "You can get sugars at offer net cash." We did not take the sugar, and we wrote the refinery concern to know what the meaning of that was, and the answer is: "We can only do it in harmony." Here is a telegram:—

MONCTON, NEW BRUNSWICK, 7th January.

"You misunderstand terms. We of course draw at 20 days, but cannot give discount without consent of Guild. Yellow free on cars here 6½, granulated 7.32, no discount. Hope to have your esteemed order."

"MONCTON SUGAR REFINERY."

By Mr. Boyle :

Q. Did you ever remonstrate with the refiners with regard to this matter? A. I went to see Mr. Drummond the day before the meeting at the Board of Trade, on the 30th or 31st of January to ask him what was the real discrimination against us, and why; to which the answer was, to put it into a very condensed form, overwhelming with extreme politeness.

Q. But he gave you an answer? A. The answer was that if you take one barrel of granulated you will have to take two of yellow, but I had an interview with the president of the Grocers' Guild in Montreal—the Wholesale Grocers' Association they call it—a few minutes before in presence of a witness. I asked him what was the discrimination against outside parties, and he gave me his answer at once—he was an honest and honorable man. The first discrimination was a quarter of a cent per pound on all refined sugars. What was the second? On the 6th of July it was made half a cent per pound. What is the present arrangement? One-eighth of a cent and no discount.

By Mr. Guillet :

Q. On all sugars? A. Yes.

By Mr. Boyle :

Q. I wish to ask you another question, Mr. Matthewson. Did you make any effort to have this agreement with the refiners removed? A. I said to the refiners, "This will be a rod in pickle for you and you will get it some day."

By Mr. Fisher :

Q. The refiners positively refused to sell except on these terms? A. Yes. The Halifax refinery opened a few days ago, and I thought that being English stockholders they would have more liberal views. I sent down to Halifax and the answer came back last evening. "Please apply to C. & D. Osgood, our agent in your city." We applied to Mr. Osgood asking the price and knowing that he had offered us granulated sugar at seven cents, and the reply was: "The price of granulated sugar

is 7½; terms, net cash." I received this reply at 6.30 p. m. last evening. I believe candidly, gentlemen, that the whole matter is a conspiracy which these folks have been led into. Perhaps they did not intend to go so far but they had to do it. If a man was to demand your money or your life he would be put under the restraint of the law in a very short hour, and these people are not a whit better.

By Mr. Fisher :

Q. I gather from what you said, Mr. Matthewson, that one of the results has been that the yellow sugars have deteriorated in quality? A. They were never so wet.

Q. And if it had not been for this combination or arrangement between the refiners and the guild the refiners would not have been able to make this deterioration in value? A. If we had had any door open it would have been different. Now we have to either take it or leave it.

Q. It is in consequence of this arrangement, to a large extent, that the refiners are able to reduce the quality to a considerable extent? A. I do not see why it should, but the fact remains that it is so. The sugar is sent to us, and it may turn out bricks or mud, but we have to take it.

Q. You have to take it? A. Yes.

By Mr. Boyle :

Q. Is there no combination existing among the refiners? A. They are all in the same boat.

Q. Have you any evidence of that? A. They are all parties to the agreement.

By Mr. Guillet :

Q. You have to pay 7½ cents per pound and get no discount. Now if you had been a member of the guild you would have got it at—? A. At seven cents and 2½ per cent. discount in 14 days' time.

By Mr. Landry :

Q. What knowledge have you of that? A. Positive information.

Q. From whom? A. The quotation of last evening. It was supposed that this new refinery would not go into the combination.

Mr. LIGHTBOUND.—Mr. Matthewson produced his telegram which says: "7½ cents, net cash."

The Committee adjourned.

HOUSE OF COMMONS, 13th March, 1888.

The Special Committee on alleged Combinations met at 7 p.m. with Mr. N. C. Wallace in the Chair.

GEORGE ALEXANDER DRUMMOND SWORN.

By Mr. Wallace :

Q. Where do you live Mr. Drummond? A. Montreal.

Q. What is your occupation? A. No occupation.

Q. You are the President of the Canada Sugar Refinery? A. Yes, I am that.

Q. Would you give us a history of this arrangement with the Grocers' Guild so far as your company is concerned?

By Mr. Bain :

Q. As a matter of fact you are in the sugar interest in Montreal? A. I am president of the company, but that does not make me of any occupation, I am president of some other companies.

By Mr. Guillet :

Q. The simple facts as far as you know them—what is the history? A. Well, the Grocers' Guild which included nearly all our customers appears to have been formed, but of the circumstances under which it was formed I know nothing. They came to us last year.

Q. The Dominion Guild came to you? A. Well, I really don't know, I suppose it was.

Q. Do you know the Secretary's name? A. Wills, of Toronto. He is the secretary, but I knew really little about the guild beyond what I saw in the paper. However, it embraced nearly all our customers, nearly all the wholesalers we were dealing with from the beginning of the Company. They represented to us that the business was being demoralized by the conduct of some wholesale dealers who sold sugar at or below cost. They proposed that if this condition of things was ruinous to the trade and no benefit to the consumer, that we should assist them in getting over it. They made the proposal to us that we should sell sugar to them cheaper by a quarter of a cent per pound than we did to others not belonging to the guild, and after due consideration and enquiry we decided that something must be done and agreed to do it. That really was the beginning of the thing.

By the Chairman :

Q. Did they make any other representations to you besides what you have said? A. I cannot remember anything in particular. I don't remember; I accepted the general one that it was to remedy the state of things that was destroying the trade.

Q. Did they say they would have to go out of the selling of sugar if such were not done? A. They said that would be the ultimate effect of it I suppose.

By Mr. Guillet :

Q. That would throw upon you the selling of the sugar all through the Dominion? A. They said that would be the effect.

Q. You would have to send your samples around with travellers and peddle sugar all over the country. That was an intimidation of course? A. It was not intimidation. It was prophecy more than anything else, that it should not be continued as it was as this would be the effect, but it was nothing of the nature of a threat or intimidation.

By the Chairman :

Q. How long had they been making representations of that kind to you? A. Several months I think.

Q. Did you know that there was any greater demoralization in the sugar trade during these several months of cutting prices more than was then usually? A. As a rule it was none of our business to make particular enquiry as to what sugar was sold for after we parted with it, but when the subject was all brought before us we certainly found that it was the practice of making sugar a sacrificed article.

Q. Did you ever know it to be different in your experience? A. Yes, I have, I don't know that I ever knew that that was the case in Canada before that time.

Q. You say you never made any particular enquiry? A. Never, no; still I had the general impression, and I believe I am correct that it had grown to be the case more than ever before.

By Mr. Guillet :

Q. Was that due to the facility for getting sugar into the country? A. No, I think it was the keen competition which had grown up from the number of wholesale houses.

By the Chairman :

Q. Had sugar at the time begun to rise in price—there has been considerable advance during this last year. Had sugar at that time begun to rise in price? A. Sugar began to rise in price about mid-summer.

Q. Not till then? A. Well, it began to show symptoms of it. There were rumours that the beet crop was going to be short and it oscillated up and down until early summer, and then it took a very decided spurt, and that rise was due to the short crop of beet sugar on the continent of Europe.

Q. Will you tell us the further negotiations that took place between you and the guild? A. Late in the year the guild stated that in spite of this difference that they still were suffering and requested us to make a difference (in one class of sugar alone all the time I may say) of half a cent a pound, that was on white sugars only.

Q. Granulated? A. Granulated principally,

Q. Would you go back a little? Would you tell us the whole arrangement that was made; you have told us that your first bargain was to advance the price a quarter of a cent. What else was included in the arrangement? A. There was nothing more than I know of. Oh, yes; there was this—

Q. Was there anything as to the quantities of sugar to be sold, granulated and yellow? A. Oh, no; there was no such arrangement. There was never any arrangement. There was a good deal of talk about it, but never to my understanding was there any arrangement of that kind.

Q. No arrangement made that for every barrel of granulated they were to buy two barrels of yellow? A. No, not to my understanding.

Q. No arrangement of that kind? A. No, not that I know of.

By Mr. Guillet :

Q. Establishing a price? A. There was some discussion. The meetings were all verbal, there was nothing except a conference and there was some talk about that, but I never understood and never gave effect to any such proposal.

Q. As a matter of fact you never demanded that outside the guild? A. No, never.

By the Chairman :

Q. Who do you sell granulated to now on the best terms? A. We sold it to the members of the Grocers' Guild.

Q. Who furnishes you with a list of them? A. The guild themselves.

Q. You bind yourselves to sell only to those—this granulated at this price? A. We promised to do so and we actually do so.

Q. Is there any written contract? A. There is no written contract, there never was.

Q. It is a verbal agreement? A. A verbal agreement, they made the proposal to us which we accepted.

Q. That you should sell to them only at this price? A. To them only and they include I suppose more than 95 per cent. of all our customers.

By Mr. Guillet :

Q. Do you think it is a matter of much consequence to you whether the guild had been got up at all? A. Financially it is a matter of no consequence at all.

Q. A matter of convenience? A. It is not that, I thought it was a matter of consequence to me when I was convinced that our welfare was bound up in the welfare of our customers in a way. I did not speak of it as a matter of pounds, shillings and pence, we were not a fraction better off.

By the Chairman :

Q. Who fixes the prices? This is a price list of 2nd March. Is that the prices at which you sold your sugars? (Exhibit 3.) A. 2nd March; I don't know. That is a fortnight ago. I cannot remember what the prices were on 2nd March; they were moving up and down. That is 14 days ago. "Our price-to-day is" I cannot say about that. That does not come from me at all. I knew nothing about it except this: that I may state that by the original agreement they agreed that the advance they should make should be so much on the price, whatever we gave them. They stated to me what the advance was. The very reasonable character of that advance was an element in that original agreement.

Q. What was the advance? A. The advance was to be, so far as I remember, in Montreal a quarter of a cent on the granulated per pound and three-eighths of a cent on a certain quality. Now, of course, it is a fact that of what we sell, the granulated forms only about one-third of the wholesales of sugar. It was equivalent to this: that the agreement, when they made an advance of a quarter of a cent upon every three pounds of sugar and for smaller quantities three-eighths of a cent on every three pounds of sugar, I figure it out to mean an advance of about 2 per cent. to them for rent and all expenses of running their establishment, including travellers' expenses and all risks of business.

Q. I don't quite understand you. You say a quarter of a cent. Was it over fifteen barrels? A. It was over fifteen barrels and three-eighths of a cent under on

the granulated portion only of the sugar sales. It is a fact that in our sales of sugar there are two barrels of yellow for one of white.

Q. Why do you put the profits on granulated and yellow sugars? A. Because as regards this agreement it is necessary to do so.

Q. Did they combine themselves to sell yellow sugars at cost then? A. They combine themselves to nothing of the kind. I did not enquire into that. What I have to deal with in this matter is not how does this agreement affect the business of these people. And I say it affects it in this way: that the agreement only permits them to have a minimum charge of a quarter of a cent on every three pounds of sugar. As for what they charge on them I know nothing.

Q. These grocers sell other sugars? A. I have nothing to do with that.

Q. The profit on granulated has nothing to do with it at all? A. The profit on granulated is how this agreement affects the general sugar business of the country, and it affects it to this amount, that for every three pounds of sugar they sell this agreement affects it to the extent of a quarter of a cent a pound.

Q. For every one pound of granulated sugar it affects it to the extent of $\frac{1}{4}$ or $\frac{3}{8}$ as the case may be? A. The total affect of this agreement is a quarter of a cent a pound on every three pounds or $\frac{3}{8}$ of a cent at the very outside.

Q. You told us there was no outsiders buying anything but granulated? A. That they do buy it as a matter of fact, I sell it to them.

Q. You said that the first agreement was a quarter of a cent in advance, and the next agreement was an advance of half a cent? A. Yes, half a cent.

Q. What after that? A. You see you are mixing the two things. There are two questions involved. I am speaking now of the matter as it affects the consumer, and that has never been changed.

Q. Never mind the consumer, state the facts? A. I am stating the facts now.

Q. You say the price was advanced a quarter of a cent? A. Yes.

Q. Then there was a further bargain made of half a cent? A. Not at all. You misunderstand the whole thing. I shall begin again from the last part of my evidence. I say that I considered the question: In what respect did this affect the consumer?

Q. Just answer the question. The first arrangement was that they were to have not less than a quarter of a cent profit. You said they came to you, and later on you agreed to change it to a half a cent. Is that correct? A. No, sir.

By Mr. Guillet:

Q. You said the first arrangement with the guild was that you would charge an outsider, that is, a person not a member of the guild, one quarter of a cent a pound more than you charged members? A. Yes.

Q. Afterwards, they complained that that was not satisfactory, that did not protect them, and they demanded that it should be a half a cent? A. Yes.

Q. They made a further arrangement—did they not? A. Oh, later, yes.

Q. Now it stands? A. One eighth of a cent all around and without the discount. That is the arrangement as it stands now. But there are two questions concerned in this, and I want you to clearly understand the difference between the two. The question of what the Grocers' Guild were to charge the public is one question, and the question what I am to charge those who are in the guild is another question altogether, and you must separate the two.

Q. Do I understand you made an arrangement with them as to what they would charge the public? A. Yes; that was the first arrangement.

Q. The minimum price they should charge? A. Yes.

Q. They could charge as much as they liked? A. Yes.

By Mr. Fisher:

Q. Was that an agreement with you or an agreement among themselves? A. The proposal was made and of the reasonableness of this agreement I had to be satisfied before I went into it at all.

Q. They are bound to the refiners to charge that advance on all the sugar they sold? A. They are bound, yes.

Q. To the refiners as well as to themselves? A. They are bound not to charge more than that.

Q. They are bound to the refiners not to charge more than that? A. Yes.

By the Chairman:

Q. You said it was the minimum advance? A. On white sugars. We had no arrangement whatever with them upon yellow sugars. They are not affected by the agreement at all.

Q. Not to sell at any price? A. No.

By Mr. Fisher:

Q. Do I understand you? You bound them to charge an advance of a quarter of a cent per pound on white sugars? I understood you just now to say that that was to be the extreme advance. I understood you to say it was the outside advance. I want to know whether it is the outside advance? A. I understood it to be the fixed advance they are entitled to charge.

Q. Are all the wholesale men obliged to charge the same advance? A. Yes.

Q. They bind themselves to the refiners to do that? A. It was a distinct element in the conference, no one combining.

Q. The conference would fall to the ground were that not carried out? A. If they did not carry that out I consider that the whole thing would fall to the ground, if they charged more than that advance.

Q. Or less either? A. Or less either, as far as I am concerned. That is a matter with which they have to do.

Q. I want to know whether this is an understanding amongst themselves, or a question between you and them? A. If they charged more I should have the right to complain.

By the Chairman:

Q. That is on yellow sugars? A. On white sugars.

By Mr. Wood (Westmoreland):

Q. There is no arrangement about yellows? A. No; that only applies to white.

By the Chairman:

Q. He has told us there was an arrangement about yellows? A. No, sir, I have said nothing of the kind.

By Mr. Fisher:

Q. I understood you to say you sell about two barrels of yellow to one of white? A. We do.

Q. Not necessarily to wholesalers? There is no binding agreement as to the quantities they may purchase? A. No.

Q. I understand that those who are not in the guild, who are not members of the wholesale guild, when they buy a barrel of white from you must buy two barrels of yellow? A. It is not so. I have answered the question before. I never so understood it.

MR. FISHER.—I was not in the room when you answered it if you answered it. My estimate of the effect of this agreement as regards the ultimate buyer, the retail grocer, is that it is an advance of two per cent. or something under it—two per cent. as a maximum.

By Mr. Fisher:

Q. On the whole transaction? A. Yes.

By the Chairman:

Q. How much on the granulated? A. Well, it would be on the granulated alone something under four per cent. The minimum would be about $1\frac{1}{2}$ per cent. on the three classes altogether. So far as the sugar agreement, as I understand it, is concerned, it means that it affects the price to the consumer to the extent of $1\frac{1}{2}$ or 2 per cent. only, which is the only recompense that these men have for conducting their business.

Q. Do you know what profits they make on the yellow sugars? A. I do not know anything.

Q. How can you swear that? A. I swear that as far as the sugar agreement is concerned that is all the effect of it.

Q. You say that there is no agreement on yellow sugars? A. The sugar agreement is not effected upon that portion of the business at all.

Q. It is left out? A. The agreement is not effected upon that portion of the business.

Q. Do you sell to those outside of this list (Exhibit 1) yellow sugars on the same terms as to those on the list. The yellow sugars I mean? A. I could not tell. I have seen something similar to this list, but I do not know that I ever read it; I have no doubt that it is.

Q. You sell to those outside of this list the yellow sugars on the same terms as you do to those on the list? A. We did at first.

Q. Do you now? A. No. I have already answered that the advance is one-eighth of a cent all round.

Q. On the yellow sugars? A. No; on the yellow and white together.

Q. One-eighth of a cent all round? A. Yes; all round.

By Mr. Guillet :

Q. And no discount allowed besides? A. Yes.

By the Chairman :

Q. Do I understand you to say that the one-eighth of a cent all round and the one and a-half per cent. together only give a difference of a little less than two per cent.? A. No; I did not. I think you cannot separate in your mind that there are two features in this transaction—the relation of the Grocers' Guild to the public, and the relation of the Grocers' Guild to their competitors in business. You must separate them; they are entirely different.

By Mr. Bain (Wentworth) :

Q. Is it not necessary, in connection with your arrangement with the Wholesale Guild, that you should see that they should carry out their part of the transaction? A. I should consider it an essential part of the agreement.

Q. Do you take any steps? A. I can find out very easily.

Q. But, as a matter of fact, you do not take any steps? A. Not very active steps, but I am positive I would know on very short notice.

By Mr. Fisher :

Q. But you never have known of any instance? A. No.

By the Chairman :

Q. What is the arrangement existing to-day in regard to this? A. The arrangement to-day is that those outside of the guild have to pay $\frac{1}{2}$ c. more, and they have to pay within 14 days, net cash. Those in the guild are allowed $2\frac{1}{2}$ per cent.

Q. That is the discount you allow— $2\frac{1}{2}$ per cent? A. Yes, $2\frac{1}{2}$ per cent.

Q. And then what is the arrangement for their selling? A. For who?

Q. You have made arrangements for their selling? A. The arrangement remains as it originally stood.

Q. That they are to have? A. That they are to be charged what I made out to you something under 2 per cent.; $1\frac{1}{2}$ to 2 per cent.

Q. What is it? A. As far as I remember I stated it twice. For all quantities under 15 barrels $\frac{2}{3}$ c. per lb. advance on the white portion only and $\frac{1}{4}$ c. per lb. on all quantities above 15 barrels.

Q. You are not to charge any less than that advance or any more? A. We are not to charge any less or any more.

Q. Simply to sell at those figures? A. That is my understanding of the agreement.

Q. For the granulated alone or for all that they purchase? A. It nominally stands on the granulated and means the whole thing.

Q. Suppose that sugars went up half a cent per lb., would they be bound months afterwards to sell these sugars? A. As I understand it, the agreement is made from week to week. They come in every week to ask our prices.

By Mr. Fisher :

Q. These prices then are given by the refiners to the wholesalers? A. Yes.

Q. And they just sell at the agreed upon advance? A. Yes, that is my understanding of it.

Q. And this is issued once a week? A. I understand so.

Q. Do the refiners have arrangements between them as to the fixing of the price? A. No, I understand they quote from the refiners.

By the Chairman :

Q. On your notification of prices from week to week, this list here, that only affects the white sugars? A. Yes.

Q. Then a man may charge as much or as little as he likes on the others? A. He may; I have no check over them in any way.

Q. And this $\frac{3}{8}$ cent and $\frac{1}{4}$ cent practically only refers to the white sugars? A. We do not control their business as regards the yellow sugars, but this agreement affects the sugar business in that way and no more.

Q. It affects the white sugars? A. The white and yellow together. I would like to make it clearer by saying this, that if there were no sugar agreement they could charge what they liked, more or less; but this sugar agreement affects the whole, $\frac{3}{8}$ cent and no more.

By Mr. Wood :

Q. That is the average for the whole? A. We average it for the whole.

By the Chairman :

Q. As a matter of fact there is no control over their selling price in yellow sugars. The agreement is not such that you could control them? A. Not a bit. They had that before the agreement, and they will have it after the agreement is ended. I am looking simply at the effect of that agreement.

Q. Then the agreement only affects the white sugars? A. As far as I am concerned it affects the whole thing.

Q. I wish to ask you another matter. Have you any arrangement with the other sugar refiners as to prices? A. No.

Q. Where do they get these published prices? A. I presume they enquire of the other refiners.

Q. This is the selling price. It says:—"2nd March (Exhibit 3) extra granulated, 15 barrels and over, one sale, $7\frac{3}{8}$ ¢; under 15 barrels, $7\frac{1}{2}$ ¢." Was that the information that you furnished to them? A. Very likely, but I know nothing about that.

Q. Still they make a list here saying that these granulated sugars are to be sold at a certain price. Do you know to whom they refer besides you? A. To the other manufacturers of sugars I presume. As a matter of fact the other refiners, I think, follow our prices. I dare say they do, but they are at perfect liberty to do anything they like.

Q. Do you make any arrangement with them? A. No; but they often ask our prices, and we always give them, but as far as I am concerned, and as far as the guild is concerned, this information is given by me for myself alone.

Q. You had no arrangements with any other sugar refiner about what prices you should charge? A. No.

By Mr. Bain (Wentworth).

Q. Did the guild not make this arrangement with you, or they indicated to you that they would establish your rates as the regulation price? A. No, I am not aware that that was mentioned.

Q. Then the practical result is that the prices you quote regulate the prices of the sugars to the guild all round? A. They may do. We have frequent enquiries as to prices and we make no secret about them.

Q. It is a matter of business only? A. Simply a matter of business.

By Mr. Fisher :

Q. That they shall sell your sugars at this stated advance? A. As far as I am concerned by this agreement.

Q. Supposing you sold a wholesale house in Montreal 100 barrels of sugar, and you found out afterwards that they were selling sugars at a different rate from what the advance would be, you have no means of knowing whether they bought it from you or from some one else? A. I would pretty soon find out, I think.

Q. If you were at liberty to sell sugar to them at a certain price, and the St. Lawrence, Moncton and other refineries sold at a different rate, the wholesale grocer could sell these different sugars at a different advance, and might be selling a lot of sugars at the different advance? A. That is quite conceivable.

Q. And it would be rather difficult for you to know? A. It might be so.

Q. Do you know of any such cases? A. No.

Q. Naturally you expect it to be the same price as yours? A. We change our prices whenever we like. We might give that information on the day of the week on which they ask it, and then change it the next morning.

Q. But you say it is fixed once a week? A. Yes.

Q. You would not bind yourself next morning at the different advance? A. They consider this point among themselves, but if the prices went up they would not have much margin, and if down a little more.

Q. You notify them? A. We undertake to notify them once a week.

Q. Once a week? A. Yes.

Q. Well then between these periods, weekly dates, you do not call upon them to change their prices? A. No, we do not call upon them to change their prices.

Q. And you are not aware of any occasion having occurred when the same grocers would be selling the same sugar at different prices? A. No.

Q. Consequently you would naturally infer that all the sugars sold by these grocers would be at the same price? A. It might be so.

Q. You know of no others? A. If a man bought at better terms, he would probably have the advantage of them.

Q. Are you aware that the guild have any agreement among themselves that they will not do that? A. No, I am not aware of any agreement.

By Mr. Guillet :

Q. How often do they change their prices? A. Once a week.

Q. And then they are bound to change according to the fluctuations that take place in the prices at the refinery? A. Yes.

Q. Up or down. Do they send you their list? A. No.

Q. When did you come to that arrangement as to the prices that they should establish? A. It was the very first thing that was talked of.

By the Chairman :

Q. You said you did not know anything about this list, that you have nothing to do with it? A. Except in that way.

Q. You advertise the sale of certain sugars at 7½ cents. If you have nothing to do with it how could they fix the price? A. I have nothing to do with it. I never saw this list more than twice during the whole year.

By Mr. Fisher :

Q. It comes from your establishment? A. No.

By the Chairman :

Q. If they break this agreement you will take knowledge of it? A. Certainly I would.

Q. This is an acknowledgment that there is some agreement? You say you do not know anything about this? A. The first proposal came with a request that "if we agree that we shall not charge more than a certain price will you do so and so." That was the making up of the bargain at first. As to the issuing of this list I do not know anything about it, but if a case came to my knowledge that they had transgressed I would take steps to stop it.

By Mr. Wood :

Q. Are there any penalties attached to a violation of this agreement? A. I know of none.

Q. Is it a written agreement or is it a mere verbal arrangement? A. There is no written agreement at all. The agreement between myself and the guild is nominally verbal.

By Mr. Guillet :

Q. You say that their average profit on granulated sugar is 2 per cent.? A. No. I say the profit they speak of, a quarter of a cent per lb. on large transactions on all classes of sugar including granulated, amounts to nearly 2 per cent.

Q. That is a small profit? A. Yes.

Q. If they came to you and stated that that was too reasonable an arrangement and at the same time ask you to allow them to make a profit of 2 per cent. more, would you not be prepared to consider it? A. I do not know.

Q. You would be at liberty to deal as you thought right? A. No, there is a limitation. I consider that they cannot do their business on anything less than the advance I speak of.

By the Chairman :

Q. Had they been carrying on the business previous to that? A. Yes that was the origin of the whole thing. Frequently I have known them to sell granulated sugar at what I knew to be a half a cent below our cost price, provided it was bought with tea. I look upon that as a huge swindle.

By Mr. Guillet :

Q. By which their profits would be considerably advanced? A. You should not ask me a hypothetical question like that.

Q. A deduction from what you say? A. A deduction without putting me to the trouble of making it.

By Mr. Fisher :

Q. As you know the gentlemen in the guild, if a wholesaler was to sell at other than the advance you place upon the sugar you would look upon that as a breach of faith between you and him, and you could cut him out of the guild list? A. No, I have nothing to do with the guild list. I have nothing to do with its management and am not cognisant of the guild list at all.

By the Chairman :

Q. No cognizance? A. No, except in the manner that I have explained.

By Mr. Fisher :

Q. I do not suppose that you do take cognizance. If a gentleman broke the agreement between you and the guild you would not feel at liberty to deal with him as if he was still in the guild? A. No I would not put it in that way. I would deal with the guild as an organized body and not as individuals.

By Mr. Fisher :

Q. Therefore, do I understand that you take the list which the guild gives you and you only sell to these people? A. Yes.

Q. Then you don't superintend or have anything to do with the manner in which that schedule is made up when it goes into the wholesaler's hands? A. Except that I have the right of an explanation. If I found that, under any circumstances, it was transgressed—the understanding which exists was transgressed—I should bring it to the notice of the guild.

Q. And the next time that that gentleman, whose name had been struck off, asked you for sugar what would you do? A. I would expect the guild to deal with his case. I should deal with the guild as a whole; I could not deal with individuals.

Q. You deal with the guild as a whole? A. Yes.

Q. You sell to the guild at a certain rate as a whole and you don't deal with an individual at all? A. Never.

Q. Then your agreement, as regards the sale of sugar, is as between you as a refiner and the guild of wholesale merchants as a whole? A. Yes.

By the Chairman :

Q. Are the guild responsible to you for the payment of individual accounts? A. No, there is nothing of that sort at all. We have to take our risk with individual accounts.

Q. You take the list of persons you are to sell to from this printed list. This is your printed list? (Exhibit 1.) A. Yes.

Q. This is what they furnish you for your guidance? A. If I did not believe in the solvency of a firm I say I would refuse to sell them, guild or no guild.

By Mr. Guillet :

Q. That has nothing to do with that business at all? A. Not a bit. If I was in business and I found one of my customers selling my goods and making a sacrifice article of them, selling them below cost, I would refuse to sell to him on any terms.

By Mr. Fisher :

Q. That is a matter of your own business? A. That is the principle on which I go. I maintain that he is not a safe man. I don't consider myself bound at all to sell to all these names.

Q. You do consider yourself bound not to sell to anyone else except these names? A. Except on these terms.

By Mr. Bain :

Q. I suppose as a matter of fact your business is limited outside of the guild. A. I think most of them never dealt with me at all.

By Mr. Guillet :

Q. There are a number of names scored off that list. Why were they scored off? Do you know Mr. Drummond? A. Well, I scarcely know.

Q. I have been informed by gentlemen who were here giving evidence before that they were scored off because they were dealing retail as well as wholesale? A. Possibly. That is a matter for the guild—not for me at all. I had nothing to do with that—the original formation of the list or the amendments to it.

Q. As a matter of fact if the list was reduced one-half, it would make no difference to you as long as they draw up a list. If the names were cut off therefore you would cease to supply them?

By the Chairman :

Q. You sell under their direction? A. You cannot put words into my mouth. I am answering reasonable questions.

By Mr. Guillet :

Q. As you don't know upon what terms they formed their association, who they shall receive or who they shall exclude, if you found that list very much diminished and a large number of the names scored off you would not enquire? A. I said to you at the beginning that the first thing that was presented to me, as accompanying the request, was a list of gentlemen who had formed themselves into this guild, which comprised I think about 96 per cent. of all our customers, and I thought that it was an important factor in making the agreement and thought I was at liberty to do it.

Q. You did not include in your list any that were not your customers at the time but that those on the list were all your customers? A. Nearly all men who bought from us.

Q. I understood that those who were not on the list at the time were excluded if they were retail dealers? A. That I am not very certain about; I think that was the rule laid down, but I am not very certain. We did not supply the names of any one to those in the guild.

Q. Was it not understood you would not allow any others to be put on except those on the list—you would not sell to any others? A. Yes, that is clear enough.

Q. When these names were struck off, you did not enquire why they were struck off? A. No, I did not.

Q. For the same reason if half of the names were struck out you would not probably enquire? A. It would depend upon circumstances. If there was a large elimination I would have to look into it.

By Mr. Bain (Wentworth) :

Q. If they struck off a good old customer you had done business with for so many years? A. I would like to know the reason why.

By Mr. Guillet :

Q. These were good customers; Mr. Baskerville was a large customer? A. Yes; I believe he was.

Q. Did you not enquire why he was cut off? A. As a matter of fact I did not.

By Mr. Fisher :

Q. You did not allow names to be added to that list; that was your agreement? A. I did not exercise any such supervision.

Q. The guild had perfect liberty to add or take away from that list without reference to you? A. Within reason.

Q. So, within reason, the guild controls your business? A. Well, I don't know; I would not like exactly to say that.

Q. You say you allow the guild, within reason (that is a large qualification, but still within reason), to say who you shall sell to and who you shall not sell to, on certain terms. Is that not the understanding? A. With my consent.

Q. Then I understand that the list is practically under your control, as without your consent a man cannot be struck off, and without your consent a man cannot be added? A. I beg your pardon; I distinctly disclaim that. They might add a dozen names without asking my opinion at all.

Q. Well, then, they don't control that you should sell to certain men or not? A. To a limited extent they don't.

Q. Then they control your business to that extent—within reason, as you say?

By the Chairman :

Q. Have you sold to any of these men whose names are struck off, after you were given notice that their names were struck off? A. Well, I have not. I don't know of any of them. There are some I never sold to before either.

Q. You are not the only sugar refiner. These men are customers of all the sugar refineries? A. Very likely.

By Mr. Fisher :

Q. I understand you to say that the guild controls that list but at the same time—? A. It is the list of the guild.

Q. Exactly, it is the list of the guild, but at the same time you exercise this supervision over it that the changes must be within reason as you call it? A. Well, if they were very marked I would ask the reason why.

Q. You would consider yourself at liberty to break the agreement? A. I consider myself at liberty to break the agreement at any time without reason. It is perfectly voluntary.

Q. It is an agreement as long as you are satisfied with the list? A. As long as I am satisfied that the thing is being, as I believe it is, honestly and fairly conducted.

Q. Fairly and honestly as between you and the guild? A. And the public.

Q. Well, the public, according to you, have no say in the matter whatever. Their interests are simply affected as to the advance which you and the guild agree upon, that the sugar must be sold at. The public have no control over the agreement in any way whatever. The agreement is not an agreement between the guild and you and the public, it is an agreement between you and the guild which affects the public. Is that not so? A. Well, that is a very long question.

Q. Has the public any control over the agreement? A. Well, you covered that.

Q. I understand that the public have no control over the agreement? A. Well—

Q. Do you say that they have? A. I don't know; we will see.

Q. I want you to answer that question; I put the question; I would like an answer? A. I don't think a gentleman should ask a question like that; it is wasting time.

Q. A few minutes ago I asked you about the control over that list, and it is an agreement between you and the guild, and you say affected not only you and the guild, but the public, and that leads up to the question whether the public have any control over that agreement? A. That is not the question. It is its effect upon the public I have to take into consideration, and I maintain, and they maintain, that the public cannot get the service of distribution on any cheaper terms. That is the full extent to which the public are interested.

Q. You don't consider that the public have anything in it except you consider this agreement is in the interest of the public? A. Yes.

By Mr. Guillet :

Q. If you had good reason to believe that the public disapproved of such an arrangement as that, you would then relinquish that? A. The public would have their own remedy.

By the Chairman :

Q. You said that you saw granulated sugar selling at cost and under cost in Montreal, and that it was preposterous. Was the public getting the benefit of that? A. I would just like you to allow me to argue that point. I will answer your question. I said that I saw in a shop window in Montreal a placard stating that sugar was to be had here at a price one-half a cent a pound below what they could buy it for, provided it was bought with tea. Now, I say that as far as the public is concerned that it is unfair and deceptive, and that the public, if they get a half a cent a pound on sugar, they pay four or five cents a pound more for the tea.

Q. You don't know it as a matter of fact? A. I know it as a matter of fact, that that is the only way a man can live. It is not to be supposed that a man can live and can keep the establishment open and do business for nothing.

Q. You say the wholesale grocers have been doing that. Have they been living dishonestly? A. I believe so, I think so.

Q. They all had to do it? A. I think it was dishonest, they might better have charged a fair reasonable living advance on any article, than nothing on some and too much on others. That is the ruin of all business.

Q. The wholesale grocery business, particularly, has been most profitable in all particulars, in this country. There are fewer failures than in any other line of business? A. I cannot tell you that, I have no reason to know that.

By Mr. Fisher :

Q. You said the public had their own remedy if this agreement was not to their taste. Would you give me your impression as to what that remedy is? A. Well, I think that is entirely out of my region.

Q. You said: "They have their own remedy?" A. I might have my opinion on that point. I certainly cannot possibly answer a question of that kind. My opinion would be worth nothing.

By Mr. Guillet :

A. You said, you believed that the sugar trade was becoming demoralized and that this was a recent development which did not exist formerly. Can you account for the reason why it did not exist formerly? A. It was the outcome of excessive competition, I think.

Q. My own opinion was—perhaps you can state whether it was a fair one—that the various grades of sugar imported into Canada before we had sugars refined upon a uniform standard, was so much under actual value and the appearance was such that the public were very readily deceived as to the value of the sugar, and competition was so keen, inasmuch as they were able to say that the value was better although the sugar was a little higher. When sugar came to be established by a standard there was not that advantage? A. I think that is right.

Q. There was then the facility for selling sugars at one uniform grade? A. I think you are quite right.

By the Chairman :

Q. About the quality of the sugar, how do you account for a barrel of sugar weighing so much more than it did some time ago? A. There is more put into it.

Q. That would account for it that one way, but a barrel of the same size and with a greater weight of sugar; how do you account for that? A. Simply the same reason—better put in and better packed. I know what you are after now. This is Matthewson's assertion that the sugar is made badly. I tell you he is entirely mistaken that the sugar made by us (I don't speak about that of anybody else—I have no reason to doubt the same for them) is just as good as ever it was in the world and no better sugar is made anywhere.

Q. How do you account for it being so much more difficult to handle? A. I don't admit that that is a fact.

Q. Then you don't know much about it? A. I think I know all about my own sugar.

Q. I have had experience in the thing. It is twice as difficult to handle. A. It is harder packed in the barrels to save packages. That is pretty much the only reason of that complaint.

Q. Is it from the fact of there being glucose in it? A. It is not from that fact at all, because there is no more glucose in it.

By Mr. Guillet :

Q. Is it a fact that syrups are not so plentiful? A. Yes, that is a fact.

Q. Why is it? A. Simply because they are not produced.

By Mr. Fisher :

Q. Is there any glucose in your sugar? A. There is glucose in every sugar made that exists in the world.

By the Chairman :

Q. You say that sugars that are made now are as pure sugars as were made three or four years ago? A. I do; I say they are quite as good and sometimes a shade better.

Q. Yellow sugars? A. Yellows, whites, and everything. We never made better sugars than we made this year. (Exhibit 27.)

Q. Where do you get the raw material? A. From all parts of the universe.

Q. That is very indefinite. A. We get sugar from Europe, we get sugar from China, Manilla, Brazil, Cuba, and from several parts of the British Empire and West Indies. At the present moment I think I have European sugar and Phillipine Island sugar.

Q. European sugars—that is beet root sugar? A. Yes, we have it from Cuba, Brazil, India, I think that is about all.

Q. What proportion of beet root sugar do you have? A. We use a small proportion; it rather improves sugar to use a little of it.

By Mr. Bain (Wentworth) :

Q. It grades just as high as cane sugar, as a matter of fact? A. The fact is, it is the most expensive sugar there is.

Q. As a matter of fact, as far as quality goes? A. It is pretty much the same.

Q. It has been very largely produced of late years—has it not? A. It forms one-half, nearly, of all the sugar crop of the world. About 2,500,000 tons of it are produced annually, and those of all other kinds of sugar put together are just about the same.

Q. I suppose it has entered very largely into all the sugars refined of late years? A. Of late years it has entered much more largely in sugars produced in Europe than sugars further from it. To us, at the door of the West Indies, here, it is to our interest to use a smaller proportion of it.

Q. As a matter of fact our West India sugar trade, judging from the trade returns, is not very large? A. I haven't looked at them for sometime back, but a very large proportion of our sugar comes from there.

Q. In fact I was very much surprised to see so small a proportion of the West India sugar furnished for actual consumption in Canada? A. The total crop of Cuba, the largest one in the world, is 600,000 tons or thereabouts. It is only one-fourth of the beet root sugar crop of Europe.

Q. Then I suppose the lowering of prices has tended to reduce the production? A. Not much, I think.

By Mr. Fisher :

Q. Do you get more cane sugar from the West Indies than beet root sugar from Europe? A. A great deal. The beet root sugar which we use this year, I cannot say how much exactly it would be, but I do not think it can be more than one-eighth or one-tenth of what we use. I am only, however, guessing.

Q. Most of your cane sugar comes from the West Indies? A. East Indies as well.

Q. Do you get more from the East Indies than the West? A. I do not know, it is all beet root sugar that comes from Europe. We get a great deal of cane sugar from Brazil and Cuba, and a great deal from the East Indies.

By the Chairman :

Q. From what you have stated there is no arrangement with any other refiner of sugar about prices? A. I tell you whenever they ask our prices we tell them. Very frequently on the eve of the day we telegraph saying our price is so and so.

Q. Do you come to a mutual arrangement? A. No.

Q. No arrangement? A. No.

Q. Your whole arrangement is with the guild? A. Yes; and not with the other refiners, and the prices that we would quote to our brother refiners would simply be the prices of our white sugar; and that we would tell them directly or through their agents, or to anybody that would come into our office.

By Mr. Fisher :

Q. Practically the price of yellow sugar is fixed by the white? A. It has no direct connection.

Q. If white is selling at a certain price, would not that affect the price of yellows; that is, raise or lower it, as the case may be? A. It would influence it sooner or later.

Q. In your own sales do you not keep generally about the same proportion in the prices of yellows and white? A. No; they do not; but they still hang one to the other more or less.

Q. Can you tell me about what proportion of the sugar that has been made in Canada during the last six months or so, you have made, that is to say, the relative output of your factory? A. I do not know, for I do not know what has been produced in Canada?

Q. You know the St. Lawrence refinery has been closed? A. I think about two-thirds, probably fifty per cent. of all.

Q. Practically your prices then would almost control the whole market? A. I do not know.

By Mr. Guillet :

Q. Has the cost been increased to the wholesalers by this combine? A. Not at all.

Q. Does it not give you an opportunity of raising the price. That is, greater facility for raising the prices? A. I do not think so.

Q. I mean in reference to the fact that your prices regulate the prices of other refineries your prices have governed? A. They have not governed the prices of other refineries.

Q. I think you said something to that effect? A. I said probably they would fall in with our prices, for white sugars only, but not for yellows. The fact is, we have no control over them in any way in that respect. I think they generally undersell us.

Q. Your sugar being better? A. No; not at all.

Q. In reference to glucose I want to make an inquiry. There is an impression that glucose is hurtful, as if it were not a wholesome article of food? A. That is my impression.

Q. In what way do you account for the use of glucose? A. We do not use it. The glucose I speak of is a natural product. It is an intrinsic part of sugar and is a natural product. It is not, however, the glucose made from corn starch.

By Mr. Fisher :

Q. It is not put into the sugar? A. No.

Q. Do you take any means of taking it out? A. It is the syrup that we do take out.

By Mr. Guillet :

Q. There is sometimes more taken out than others? A. No, not at all.

Q. But if there were not as much taken out it would affect the sugar? A. It would not be sugar; it would be like porridge. It remains in it to a certain extent, but no more.

By Mr. Fisher :

Q. Is there not a difference in the amount of moisture in the various grades of yellows? A. Very little, hardly any.

Q. And consequently there is very little difference in the amount of syrup left in? A. No, very little.

By Mr. Guillet :

Q. Is it not a fact that sugars now on the market are more clammy and more heavy—not so free grained? A. Do you say that as a fact?

Q. It is a fact. It is the experience of those of us in the retail business. A. During last summer there was a great demand for cheap sugars to sell at so much per pound, and to satisfy that demand a lower grade of sugar was made and sold at a cheaper rate. This we would not like to do as a rule.

Q. Did that contain glucose? A. Every sugar contains glucose.

Q. Did that not contain more glucose? A. It might have contained more on that account, because that is the reason it was cheaper. It was sugar which probably, if we had had our own way we would not have sold at all, but which the trade really demanded.

By the Chairman :

Q. You have not accounted for the clamminess or stickiness. A. We did not make it clammy because we wanted to; but because we could not help it. If you try to make a sugar too low in quality, lower than we desire, as a rule, it will be unavoidably more or less clammy.

Q. All the yellows had the same appearance? A. I deny that.

Q. Except the finer grades, and these were to some extent? A. I deny that, and I say it is not the case.

By Mr. Guillet :

Q. In speaking of yellow sugars being clammy Mr. Wallace means yellows distinctively? A. I give that a positive denial.

THE CHAIRMAN—You need not.

By Mr. Wood (Westmoreland) :

Q. There are one or two questions that I was not quite clear upon; I was not in at the first of the examination. If I understood Mr. Drummond aright the increased cost to the consumer is two per cent. Is that to the consumer by this arrangement. A. Under this arrangement, that is the cost by this arrangement.

Q. Averaged over the whole output of the refiners? A. Remember I say increase if you go upon the basis of the intermedial wholesale houses doing business for nothing.

Q. For nothing? A. Yes; they would be then all losing money. There has been no increase to the consumer that I know of under this arrangement.

Q. What does this two per cent. represent? A. If they were doing business for nothing, which they represented to me they were doing, then this agreement gave them a bare living margin to do their business on.

Q. Do I understand then that this two per cent. profit is the profit which this arrangement secures to the guild of wholesale grocers? A. Yes, under that agreement.

Q. Averaged over the whole output of sugar? A. Yes.

Q. Is that clear profit? A. No, it is not clear profit. It is the only margin they have to cover the expenses of doing their business.

Q. What expenses? A. They tell me office rent, insurance, cartage—

Q. Of course everybody has to pay their office rent? A. I do not follow you.

Q. Where does the freight come in? A. The nominal amount in the agreement was three-eighths and one-half cent, but out of that they had to pay the freight.

Q. This two per cent. is the net? A. Yes.

Q. I think you stated that this arrangement was the outcome of the competition among wholesale grocers? A. So I understood.

By Mr. Guillet :

Q. By which they were selling sugar at a loss; that was the state of things which existed? A. So I understood.

Q. Mr. Matthewson stated to us as well as Mr. Lightbound, that the average profit which they made now on sugar was between 5 and 6 per cent. ? A. That who made ?

Q. That the wholesale dealers made on sugar at these rates that were agreed upon ? A. I think you are wrong in your calculation.

Mr. WOOD (Westmoreland)—He spoke of all grades and said that the average profit made was 6 per cent.

The CHAIRMAN—Under 15 barrels of granulated, three-eighths of a cent, and 15 barrels and over, a quarter of a cent. Three-eighths of a cent would be a profit of about $1\frac{1}{2}$ per cent.

By Mr. Guillet :

Q. There is no means of regulating the prices of yellows ? A. I would like to make it very clear that I have expressed no opinion as to the actual profit they do make. What I wanted to put clearly was that whatever profit they made before I did not know but that this agreement did not affect it to the extent of more than 2 per cent.

By the Chairman :

Q. Then on the granulated that the agreement covers, how much is the profit ? A. $3\frac{3}{4}$ to 4 per cent.

By Mr. Wood :

Q. That corresponds with Mr. Lightbound's statements ? A. 5 per cent. taking off the freight.

By the Chairman :

Q. The freight is allowed to Toronto, because they are allowed to charge one eighth of a cent more in Toronto than in Montreal, and that one-eighth of a cent pays the full freight and perhaps a little more. At any rate it pays the full freight ? A. Well then it still leaves it just where I said.

Q. At $\frac{3}{8}$ of a cent profit which is the largest amount sold by the wholesaler to the retailers it leaves $5\frac{1}{8}$ per cent on the granulated, and you have no agreement covering the sale of the other, so that you need not count it in. They pay $5\frac{1}{8}$ per cent. besides the freight ? A. Do you know the actual figures ?

Q. At $7\frac{3}{8}$ cents which is the price here they pay seven cents ? A. Excuse me, the price might be $7\frac{1}{8}$ cents.

Q. You have told us what the advance is. On $7\frac{3}{8}$ cents under 15 barrels the profit would be three-eighths of a cent per pound ; a little over $5\frac{1}{8}$ per cent. and they get an allowance of one-eighth of a cent in Toronto which pays the freight. A. One-eighth of a cent per lb. does not pay the freight. It costs 16 cents per 100 lbs.

Q. In summer time they sometimes get it for 10 cents per 100 lbs ? A. I am told that the actual freight to Toronto is 16 cents per 100 lbs. in full carload lots.

By Mr. Fisher :

Q. Now ? A. Yes.

Q. We all know that freight in the summer time is very much reduced and about 10 or 12 cents per 100 lbs. would cover the average of the year round ? A. I think not. Thirteen cents is the lowest I am told.

By the Chairman :

Q. Thirteen cents was not the lowest ? A. It is to the best of my knowledge and belief.

By Mr. Fisher :

Q. I want to ask you with reference to one point you made just now. I understand that you say that this agreement has added as you put it about 2 per cent. to the expense of the consumer to what it was before the agreement came into operation ? A. If it were assumed that upon that class of sugars they did it, previously, for nothing.

Q. Independently of what they did it for, does not this agreement as you have made it out now raise the price of sugar to the consumer ? A. Not unless they did it for nothing before.

Q. As I understand these list prices here are fixed by you. You intimate once a week to the wholesaler the price at which they will get the sugar from you, and your agreement binds them to advance that to a certain figure? A. Not beyond a certain figure.

Q. And you said not less than a certain figure a while ago? A. Yes.

Q. Therefore, you practically fix the price at which the wholesaler sells to the retailer? A. Pretty much.

Q. How do you fix that price yourself? A. Our own price?

Q. Yes? A. We fix it according to the markets, principally the outside markets, and the competition at the time being.

Q. The market here and the market in New York? A. Yes, and the competition at the time being amongst ourselves.

Q. You fix it then? A. I am happy to see that Mr. Lightbound gives us some credit. He makes out that at the time that it would have cost $8\frac{1}{2}$ cents a lb. we were selling it at $7\frac{1}{2}$ cents.

Q. To the guild? A. Yes.

Q. Then I understand you to say that you fix the price by the figures at which this sugar can be bought in England or in the United States, and add, of course, the price at which it can be laid down here? A. More or less, but as a matter of fact we must be below that.

Q. How? A. We always are.

Q. You must be. Why? A. In order to keep our business:

Q. If you raised your prices equal to what sugar could be laid down here from England or United States? A. We would have importations.

Q. Why? A. Because we find it so every time.

Q. If your sugars were as good as theirs they would not be distanced, but if of a lower grade, that is another reason? A. As a matter of fact we have to keep our prices below the cost of importation sometimes very considerably. As a fact when the advance took place in England the price of sugar similar to our granulated sugar ran up within a month or two from 16s. 3d. to 21s.

Q. That is a rise in the market? A. And our raw material ran up in a larger proportion to that. Beet root sugar went up 50 per cent. in price from 10s. 3d. to nearly 16s. Raw sugars of every kind went up. Brazil sugars went up about one-third in value, and our sugars did not go up quite as far, but we had to follow the raw material in the market.

Q. Do I understand from that that you regulate your prices very much on the prices of raw sugar? A. We have to very much.

Q. More on the prices of raw sugar? A. On both; partly what it costs us and partly what competition would compel us to do it.

By the Chairman:

Q. There was a fire in Montreal at which the St. Lawrence Sugar Refinery was destroyed. Do you remember the time of that fire? A. I think it was June or July.

Q. Do you remember your sugar taking a pretty rapid jump after that? A. Within a fortnight or so it advanced one-eighth of a cent per lb.

Q. Not any more? A. No, I think not; I do not think it went up more than one-eighth of a cent within a month. I am giving you from recollection as near as I have it, but I am pretty sure I am right.

By Mr. Guillet:

Q. You know Mr. Matthewson, of the firm of J. A. Mathewson & Co., do you not? The firm is of good financial standing, is it not? and you have no objection to supplying them? A. I would rather not say anything about that.

Q. But you have sold them sugars? A. Oh, yes, we have sold them sugars.

Q. Even recently at the advanced price? A. I do not know that we have sold them for some time past. I would rather not say anything of my appreciation of Mr. J. A. Mathewson.

Q. He produced an invoice of yours showing that you had sold him sugars at the advanced price? A. Quite likely.

Q. You do not know it as a fact? A. No.

By Mr. Wood (Westmoreland):

Q. Did the refiners make large profits last year? A. That is a question which is a good deal spoken about. In addition to being refiners of sugars we are enormous dealers, and we have occasionally made large profits in dealing in sugar which never entered into our possession, and never was refined.

By Mr. Guillet:

Q. Raw sugars? A. Yes. I may also say that the profits on refined sugars have been enormously exaggerated to the very great detriment of the business of this country. The absurd and preposterous rumors about the profits on sugar refining have ruined lots of people. I have no objection to stating what is the position of the Company of which I am president. Since its inception it has paid dividends amounting to a fraction over 8 per cent. on the average, some years more and some years less, and some years nothing, but our profits have not averaged more than 8 and a fraction per cent.

By Mr. Wood (Westmoreland):

Q. Since its inception? A. Yes. Since 1878, when our Company was organized, and our stock at the present moment is to be had either at par or very close to it. That is the appreciation our stockholders have of the enormous profits, and as I declared, large proportions of these dividends have been made out of dealings in sugar apart altogether from refining. I think it would be difficult to find anywhere in the Dominion a more modest statement than that. It is only a fraction beyond bank interest.

By Mr. Guillet:

Q. Is your stock paid up in full? A. Yes.

By Mr. Bain (Wentworth):

Q. What is your capital? A. Nominally, \$1,000,000.

By Mr. Fisher:

Q. The refinery used to be in the hands of certain individuals before 1878, did it not? A. Yes.

Q. And then you formed a joint stock company? A. Yes.

Q. You say the nominal capital is \$1,000,000. May I ask at what the original plant and machinery was taken over for? A. \$400,000.

Q. You say you have been paying 8 per cent. since 1878. Was that 8 per cent. on the \$1,000,000? A. No; we have not \$1,000,000 paid up.

Q. What is your paid-up capital? A. About \$900,000 fully paid up.

Q. And you paid 8 per cent. on that? A. Yes.

Q. You say a very large proportion of your profits and losses have been due to speculations in sugar? A. Not speculation.

Q. Well, by the buying and selling of sugar? A. Yes.

Q. You stated a little while ago that a great deal of this had never been refined. Do I understand, then, that you have been in the habit of buying sugar and selling it to other refiners? A. Outside of the Dominion altogether.

Q. But still that profit is included in the 8 per cent.? A. Yes.

Q. Can you tell me what your plant and machinery and stock is valued at to-day? A. I do not remember exactly. There is very little difference.

Q. Only about \$400,000? A. Yes.

Q. Is it not a fact that you have improved your stock and plant materially since 1878? A. The plant, of course, requires constant renovation.

Q. Is it not a fact that you put in new plant and machinery lately? A. We have to maintain the thing in a full state of efficiency. We do not write off anything for depreciation, while in some institutions they write off as much as 15 or 20 per cent.

Q. You say your capital stock is about \$900,000? A. Yes.

Q. And about \$400,000 in plant and machinery? What else is required for carrying on your business? A. It requires an enormous stock to carry on our business. For instance, in bringing our sugars from East Indies we sometimes buy a cargo of sugar and do not see it for 9 months.

By the Chairman :

Q. I suppose the value of the stock is a very good criterion of the profits. You say your stock is valued at about par? A. Yes, about par. If it was an enormously profitable business it would not be at that.

By Mr. Guillet :

Q. Your stock then would not be so valuable if it was not for the outside profits? A. I do not think it would be.

Q. If your stock had always been at par and you had been making exceptional profits this year we would have to infer that your profits this year were not larger than those of former years? A. I cannot follow that.

Q. If your profits were exceptionally large in any one year, and your stock was still at par it does not prove anything if you do not know what the profits are? A. I think the newspapers are pretty well informed as to the profits.

By Mr. Fisher :

Q. Do you keep a different account of your profits of the refining and of your profits on buying? A. Totally impossible.

Q. You cannot then give any opinion as to the profits of a refinery pure and simple? A. No; nobody can under the circumstances.

Q. The plant engaged in refining sugar throughout the Dominion is more than sufficient to supply refined sugar? A. Yes; since the destruction of St. Lawrence refinery, we have been all summer supplying the demand and have always had a large stock.

Q. The St. Lawrence is equipped and they will have more than sufficient plant? A. Yes.

Q. If this refinery keeps up there would be some competition among the refiners probably? A. There is now.

Q. The mills then could not run full time. They would have to combine or lose? A. I think your arguments are perfectly sound.

By the Chairman :

Q. Have you any arrangements as to production among refiners? A. Yes, there was an understanding entered into whereby if the production exceeded the demand that we would cut down equally, that would reduce the production.

By Mr. Guillet :

Q. You had actually an understanding to do that? A. Yes, upon that point we have an understanding.

Q. That would regulate prices? A. No, not at all; as long as there was plenty of sugar to sell.

By the Chairman :

Q. Of course, in regulating the production you regulate the amount one has to sell? A. Yes, but as a matter of fact it was always a great deal in excess. It was only in the winter months that that came into operation.

Q. This present winter? A. Yes.

Q. You had no such arrangement before? A. No.

Q. That is the only arrangement? A. That is the only arrangement which ever existed.

Q. How often is that arrangement made—weekly or monthly? A. At the end of the month. It was more of a political arrangement than anything else. The lower provinces claimed that they should have a fair share of the work, and at the beginning of the month the understanding was that we should see how much of stock was likely to be wanted for that month.

By Mr. Guillet :

Q. What month was that? A. Every month. Any month.

By Mr. Fisher :

Q. Is the arrangement going on now? A. No, it has been dropped. It was found that we did not care to keep it up.

By the Chairman :

Q. The arrangement does not exist now? A. The arrangement does not exist now.

By Mr. Bain (Wentworth) :

Q. Is there any competition between refiners now in that case? A. Yes, there is as much as ever there was.

Q. How can there be while this combination exists? A. What combination?

Q. Among the wholesale grocers? A. The wholesale grocers, with reference to all sugars, can buy them at any prices they like. I only find out what my competitors are charging through actual transactions.

Q. The wholesale grocers issue a price-list once a week, upon which is entered the advance that they shall sell sugars? A. Yes.

Q. They come to you for information with respect to these figures? A. Yes.

Q. If the others undersell you materially, they would take the business which should fall to you, would they not? A. That is a fact.

Q. How do you remedy that? A. Cut down our prices. We have never considered ourselves bound at all by that list, by the prices given to them once a week. We may take it down next morning.

By Mr. Guillet :

Q. They may be selling at more than a quarter of a cent advance. They are bound to sell at a quarter of a cent more than you charge? A. A quarter of a cent a pound on the price ruling on the date they issued their circular. If the market went up they were left, and if it went down they had an additional margin.

By Mr. Wood (Westmoreland) :

Q. You said that your profits on an average were about eight per cent.? A. Yes.

Q. Do you know how your profits compare with the profits of other refiners? A. I don't know at all. I have no idea whatever.

Q. How many refineries are there in Canada? A. There have been quite a number. There have been 4 in Montreal and 2 in Halifax.

By Mr. Fisher :

Q. Since 1878? A. No; going back further than that, one in Moncton and one in Farnham.

By the Chairman :

Q. How many now? A. Well, in actual existence, there are our own, those at Moncton and Halifax. The Farnham, which was changed largely into a refinery has been silent for some time, and then the factories at Coaticook and Berthier.

By Mr. Fisher :

Q. The Coaticook refinery is not working? A. No.

Q. Is the Berthier working? A. She is not refining now.

Q. It is not started yet? A. Not yet; no.

Q. There is the St. Lawrence refinery also? A. Yes.

Q. So when the St. Lawrence starts there will be five? A. Yes, five.

By Mr. Wood (Westmoreland) :

Q. Have any of these refineries failed since 1878? A. Yes.

Q. Did they fail before that? A. Well, yes; the Halifax refineries, I think. Both of them failed practically. I think they must have spent in Halifax, on refining plant, about \$2,000,000.

Q. Do you know what their stock is now? A. I haven't the remotest idea. I know that in Nova Scotia I think that they must have spent \$800,000 on them, and then purchased it back from the bank for about \$200,000 or \$300,000.

Q. On their plant? A. Yes; the whole thing. On the Woodside I think they must have spent about \$800,000 on plant and buildings, and I think it must have been bought for from \$150,000 to \$200,000.

Q. What is the capacity of the Halifax refinery about? A. Well, I cannot tell you.

By the Chairman :

Q. What is the capacity of yours? A. Ours is about 1,400 barrels a day.

By Mr. Fisher :

Q. The Halifax refinery is not of such a large capacity? A. I think it is about 500 barrels.

Q. Less than one half? A. Yes.

Q. You say their plant cost about \$800,000? A. I think so, \$700,000 or \$800,000.

Q. You stated that your plant and buildings were only valued at \$450,000? A. It was not built new you understand.

Q. You say it is now set at that? A. It stands in our books at \$500,000.

Q. It is evident that you haven't rated it in your books according to the price your plant could be sold at now? A. We bought it in a cheap time; it may have been built in a very cheap time.

Q. It is a most extraordinary difference if the Halifax refinery costs \$800,000. It is a curious thing? A. I am only speaking from rumor.

Q. Personally, you believe it from your knowledge as a sugar refiner? A. Yes.

Q. It is very curious according to what you say, that your plant and buildings are really worth to-day only \$450,000? A. I did not say what it was worth, I stated that it stood in the books of the company at \$500,000.

Q. Practically what stands in your books—the books of the Company—is not a very true guide as to its value? A. Well, then, take some stock.

Q. I am not discussing it from the point of view of buying or selling stock, I am discussing your evidence? A. Your argument is that the stock is worth more.

Q. What I want to find out is the statement which you have made and the comparative statements you have made respecting the Halifax refinery and your own? A. I am only speaking of the Halifax refinery from rumor. I am giving you that along with facts.

By Mr. Bain (Wentworth):

Q. How many hands do you employ at the refinery? A. About 500 hands.

Q. At full capacity? A. Yes.

By the Chairman:

Q. Does that include the coopers who make the barrels? A. Yes, I think it does.

By Mr. Guillet:

Q. They are all men mostly, you don't employ boys? A. Very few boys, a few message boys, nearly all men.

By Mr. Wood:

Q. Do you know how many are employed directly or indirectly. A. We bring in an immense quantity of shipping and an immense number of carters are employed, and we give a great deal of employment outside but I did not count them.

By Mr. Bain (Wentworth):

Q. You employ 500 hands about the buildings—the necessary hands? A. Yes.

By Mr. Guillet:

Q. Where is your coal produced? A. It is nearly all Cape Breton coal and Nova Scotia coal.

By the Chairman:

Q. How much do you use? A. About 18,000 or 20,000 tons a year. I am only guessing.

DAVID SINCLAIR sworn.

By the Chairman:

Q. What is your occupation? A. Salesman.

Q. Where is your residence? A. Montreal.

Q. Are you the secretary of the Canada Sugar Refinery? A. I am the salesman for the refinery.

Q. Who do you sell to? Are your sales restricted to any persons, such as this list of persons that you are to confine your sales to at the favored prices? A. Yes. This is the list that is handed to me as those I am to sell to at the lowest prices. (Exhibit 1.)

Q. Who do you get that list from? A. This list is sent into our refinery by the Wholesale Grocers' Guild as you will see there. I cannot tell whether this list is an exact copy of the one I have got.

Q. Have you any of these price lists? Have you seen them (Exhibits 2 and 3)? A. Yes. These price lists I believe are issued by the Wholesale Grocers' Association and I see one once a week.

Q. Tell us what you know about the arrangement made between the wholesale grocers and the refining companies? A. I don't know of any arrangement personally, all I know is from what I get from my president and board of directors. I don't know anything personally of any arrangement.

By the Chairman:

Q. All the information then is obtained from Mr. Drummond? A. Yes.

By Mr. Guillet:

Q. Is it not a fact that you sold to J. A. Matthewson & Co. lately? A. Not very lately.

Q. Have you, Mr. Sinclair, sold any sugars to Messrs. J. A. Matthewson & Co. this year? A. We may have sold some early in January.

Q. If so you charged them the advance? A. If I sold them it was at the advanced price.

Q. You charged them more than you did those on this list? A. Yes.

Q. Do you know of any other wholesale house who are not on that list? A. Do I know of any?

Q. Yes, in the Province of Ontario and Quebec? Has it come to your knowledge that there are any other wholesale grocers who are not on this list? A. Yes, I know of a house in Quebec who are not on this list, Mr. Joseph's.

By Mr. Fisher:

Q. As salesman in the Canada Sugar Refinery, if you were applied to to sell sugar, would you immediately sell at the lowest price that you were in the habit of selling to another individual that was not known to you? A. I would not quote to any individual that was not known to me. I would require to know all about him, and then have the sanction of my president. I do not open any new accounts, nor would I quote prices to gentlemen unless I knew them personally.

Q. If a wholesale grocer, known to you as a wholesale grocer, comes to you and wishes to buy sugar from you, would you refer it to your president before selling? A. That would depend upon whether we had been selling them or not. It might be necessary to consult Mr. Drummond before selling.

Q. Then you refer to the list of those who are in the guild? A. I know those who are our customers perfectly well, and therefore I do not require to refer to any list.

Q. You know the rates at which you sell to those individuals? A. Yes.

Q. Do you sell to all of them at the same rate? A. Not in every case.

Q. What makes you make a difference in their rates? A. There may be certain reasons as to quantity.

Q. I mean the same quantity? A. I sell at the same rate to men whom I know are entitled to it.

Q. Whether they belong to the Wholesale Grocers' Guild or not? A. Oh, no.

Q. You have different rates then for those who belong to the guild and those who do not? A. As a matter of fact, I have no authority to sell to anyone outside the guild.

Q. Mr. Sinclair, you have been there for some time? A. Yes.

Q. You are perfectly well aware of the fact that individuals in the guild get better rates than those outside of it? A. I said so before.

By the Chairman:

Q. Who furnishes you with the prices at which you are to sell the sugar? A. On the prices of the general market, without consulting with Mr. Drummond I sometimes fix the prices for different lots myself. He cannot fix the prices on every lot; I consult him with regard to some, while on others I do not get any opinion from him.

Q. Do you have any communication with other refiners? A. None whatever.

By Mr. Fisher :

Q. Do you issue the weekly prices or does Mr. Drummond? A. On the Friday afternoon generally a member of the guild comes in and asks me, "what is the price to-day?" and I tell him, the price of granulated in every case. I do not know what the prices of other refiners are. Sometimes our agents notify us that other refineries are underselling us one-eighth and sometimes a quarter of a cent, but I give them our price. I think our prices might be changed to-morrow morning, if I have different instructions from Mr. Drummond.

By Mr. Guillet :

Q. In selling to the guild, do you sell 1,000 barrel lots cheaper than 200 barrel lots? A. If I had an offer for 1,000 barrels I would consult Mr. Drummond, and it would depend upon his ideas as to how the markets were.

Q. If one dealer bought 1,000 barrels you would have more profit in sending it out than if he only bought 200 barrels? A. I suppose so.

By Mr. Fisher :

Q. You are instructed to sell to all the members of the guild at the same price? A. Yes.

Q. Whatever amount they take? A. If a man wants to buy 1,000 barrels, or 500 barrels, I ask him to give me his offer. I will then consult Mr. Drummond, and we will decide whether we take it or not.

Q. But the prices that are quoted to the guild every Friday evening, is that the price fixed for that date? A. Yes, that is the price fixed on that date.

Q. Do you fix that price according to the mere amounts? A. No.

Q. If you had an order for 100 or 1,000 barrels, would you fix it at the 100? A. That is the question. We might sell 100 barrels at one price and 1,000 barrels at another price. For instance, I might ask Mr. Drummond how we should fix the price of granulated now.

Q. For the guild? A. Yes.

By Mr. Bain (Wentworth) :

Q. Do you make any restrictions as to quantities? It has been charged that those outside of the guild could not buy refined sugars without buying twice the quantity of yellows. Is it not a fact? A. I have had no occasion to deal with that question.

Q. Does it not come within your knowledge? A. I have no dealings with it.

By the Chairman :

Q. Did the wholesale guild make that arrangement with you? A. I made no arrangement with the wholesale guild. The matter was arranged with the refiners.

By Mr. Bain (Wentworth) :

Q. You have no instructions? A. No.

By Mr. Fisher :

Q. You made a sale to Mr. Matthewson in January? A. I do not know. I think we did, but I cannot state positively.

Q. You do not know whether that was white and yellow both or white alone? A. No. Our sales are large and I cannot remember each one.

By Mr. Guillet :

Q. You do not remember? A. No, I do not remember that fact.

Q. If the members were reduced in this list would it be simply submitted to you or would Mr. Drummond be consulted? A. I presume Mr. Drummond would be consulted. I know if they took off any of our customers, I should consult them; but if they took off those who were not our customers, I would not consult him. There are a large number on that list who are not scored and with whom we never did any business.

Q. Are there any brokers on this list who buy to sell to the trade? A. I do not know of any one.

The Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 14th March, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the Chair.

ALEXANDER DONALD FRASER, of Montreal, retail grocer, sworn.

By the Chairman :

Q. I see your name to a petition, Mr. Fraser (Exhibit 12) protesting against this Wholesale Grocers' Guild. Would you not make a statement of your grievances and whom you represent? A. Our case is pretty well stated in a petition that we presented to Mr. Drummond last October. By the instructions of the president of our association I have been requested to hand in a copy of the petition which we presented and which we think states pretty well our case. The following is the petition:—

GEORGE A. DRUMMOND, Esq.,

President Canada Sugar Refining Company, Montreal.

SIR,—As members of the executive committee of the Grocers' Association of Montreal, we beg to submit for your consideration the following statements:—

At a meeting of our association held on Thursday, the 6th instant, the following resolution was unanimously adopted: "That this meeting of the Grocers' Association of Montreal desires to record its protest against the unjust combination which at present exists between the sugar refiners and the Wholesale Grocers' Guild, and that the executive committee of this association be requested to take the matter up at once and endeavor to secure a satisfactory and feasible arrangement with the sugar refiners."

We respectfully beg to supplement the above resolution with the following statement of grievances:—

We first premise "that for many years a large majority of the members of our association have handled with pleasure and profit granulated sugar, the produce of the Canada Sugar Refinery; that we have no fault whatever to find with the quality of sugar supplied by that refinery, on the contrary, we are glad to be able to bear testimony to its uniform excellent quality; that we desire it to be understood that we do not object to a proper scale of duties being placed on the importation into Canada of refined sugars in order to protect, encourage and foster this industry in Canada;

That for many years, in fact from its foundation, until quite recently, the doors of the Canada Sugar Refinery were open to all members of the trade, both wholesale and retail, who might be in a position to purchase the quantities fixed upon as a limit by your company and at prices fixed upon by such quantities.

We, therefore, object that under the present arrangement which exists between the Canada Sugar Refinery and the Wholesale Grocers' Guild, we are denied this privilege and compelled to pay a certain fixed tribute or profit to certain jobbers and middlemen on this necessary and leading article of our trade; that the present arrangement discriminates most unfairly against an overwhelming majority of the retail grocery trade throughout the city and Dominion, inasmuch as it would seem to your subscribers quite impossible to draw the line strictly as between a wholesale and retail merchant; that many members of the so-called Wholesale Grocers' Guild and others who, under the present arrangement are receiving their supplies direct from the refinery, are not simply wholesale merchants, manufacturers or jobbers, but are in point of fact largely engaged in a retail family trade; that in consequence of the combination at present existing, such parties are enabled to purchase their supplies of granulated and other sugars at lower prices than other members of the retail trade, thereby placing the large majority of the members of our trade at a most serious disadvantage in the legitimate prosecution of their business; that the tax we are compelled to pay jobbers and others as a profit on refined sugars is most exorbitant and unwarranted; that the combination exists to the great detriment and injury of consumers throughout the Dominion;

That while we admit it is a matter with which we have nothing to do, we may be allowed to express the opinion that the sales of refined sugars, manufactured in Canada, are not increased or advanced in any way in consequence of the present combination.

Therefore, we respectfully request that you will be kind enough to give this communication your serious consideration, and we trust that an arrangement may be consummated satisfactorily to all concerned.

Yours respectfully,

THOMAS GAUTHIER, *President*,
ALEX. D. FRASER, *Vice-President*.
GEORGE GRAHAM, } *Members of the*
JOHN ROBERTSON, } *Executive Committee.*

Q. You say "that the sale of refined sugars manufactured in Canada are not increased or advanced in any way in consequence of the present combination." You simply mean in reference to the price? A. We thought at the time that it was in the interest of the Canada Sugar Refinery. If they did not sell more sugar it was simply because of the higher price.

By Mr. Guillet :

Q. What was the difference in the price of sugar to those in the guild and to those outside of the guild? A. A quarter of a cent on 15 barrel lots and on less than 15 barrels $\frac{2}{3}$ of a cent.

By the Chairman :

Q. The difference is a quarter of a cent and how much discount? A. A quarter of a cent and $2\frac{1}{2}$ per cent. discount. The discount to retailers is $1\frac{1}{2}$ per cent.

Q. Mr. Drummond stated that the only difference was a quarter of a cent? A. At that time it might have been, but it has changed since.

By Mr. Guillet :

Q. As a matter of fact the wholesale jobber does not give more than $1\frac{1}{2}$ per cent. discount? A. $1\frac{1}{2}$ per cent, sixty days.

By the Chairman :

Q. He has never given more than $1\frac{1}{2}$ per cent.? A. I would not swear that.

By Mr. Boyle :

Q. What terms do the refiners give the jobbers? A. $2\frac{1}{2}$ per cent. discount in 14 days.

Q. The difference between 14 days and 60 days is 1 per cent. in the ordinary way? A. Yes, but you understand that they get that 1 per cent. While they get $2\frac{1}{2}$ per cent. from the refiners they only give $1\frac{1}{2}$ per cent. when they get cash. Sixty days is taken as no discount. If we pay cash we get $1\frac{1}{2}$ per cent.

By the Chairman :

Q. When you get $1\frac{1}{2}$ per cent. off, is it understood to be 14 days? A. If we pay cash.

Q. Instead of 14 days? A. Yes.

By Mr. Fisher :

Q. Before that agreement was entered into between the refiners and the wholesalers you were able to buy from the refiners direct? A. I had not been in the habit of doing so.

Q. But several members of the retail trade did? A. Yes.

Q. You yourself never did? A. No.

Q. Since this arrangement came into force you are not aware of any retailer buying from the refiners? A. No.

Q. As a matter of fact, you know they do not? A. No, they do not.

By Mr. Guillet :

Q. But they did, a few of them? A. Our petition was simply for the purpose of showing the injustice of the thing, and not to get these men struck off the list. Many pure retailers were on the list, whereas some who had been purchasing from the refiners were not on the list. Since then, however, I understand that these retailers have been struck off.

By Mr. Wood (Westmoreland):

Q. So far then have you obtained what you wanted? A. Our object in waiting upon Mr. Drummond was not simply to get these men struck off the list. We did not desire that, but desired simply to show the injustice of the arrangement.

By Mr. Fisher:

Q. You all wished to get the same privilege? A. Certainly.

Q. Are you aware of any discrimination now? A. I am not.

Q. Are you aware whether the wholesale association makes any discrimination in their sales to different retailers? A. No, beyond the fact that they may get a hint now and again.

Q. But no regular rule? A. No.

Q. The whole arrangement is in regard to the sales between the refiners and the wholesalers? A. Precisely.

Q. Which works detrimentally to the retail trade? A. Precisely.

By Mr. Bain (Wentworth):

Q. How does that affect your trade, when you never bought direct from the refiners? A. I have not been in the habit of doing so, but it might so happen that I might want to do so, and of course I am prohibited now from doing so, no matter what my means might be.

Q. So far as your business has gone heretofore it would not have affected you? A. That is a pretty hard question to answer.

Q. You never have purchased direct from the refiners. You would always have to compete with those retailers who had purchased from the refiners direct? A. I do not really understand the drift of the question.

Q. I understood you to say that while some retailers had the privilege of buying, formerly, direct from the refiners, you never did so? A. I have never done so.

Q. Did that affect your business heretofore? A. It did not place me in any worse position, but in exactly the same position as before.

Q. Then where does your complaint come in? Where does it affect your business directly? A. It does not affect my business.

Q. It does not affect your own business? A. No.

Q. You do not find any difference in the competition formerly in that respect? A. No; I cannot say that I do. If I pay more I charge my consumers more. But if I understand the question it is since this combination came into force.

Q. Yes? A. Well, I was in a different position then. I could buy what I liked and as cheap as I possibly could, but now no matter where I go the prices are fixed at which I shall purchase.

Q. The prices are on a fixed scale? A. Yes.

Q. You now find that you cannot gain any advantage by trying to do business with different parties? A. Yes.

Q. The one result is, then, that you cannot get any concession from different parties? A. Yes.

Q. They are the same prices all round? A. Most certainly.

By Mr. McKay:

Q. Do I understand you to say that you are in a better position now since the other retailers have been cut off the 'ist? A. No.

Q. You are not in a better position? If the privilege was worth anything, that must have been a benefit, and you and I are not better off? A. No.

Q. You do not think it worth anything, the privilege of buying from the refiners, because you never used the privilege, never took advantage of buying direct from the refiners? A. When I commenced business about three years ago this combination was being worked out, as it were, then. I mean an attempt was being made then to organize this combination, and Mr. McGibbon and I met Mr. Drummond. That is the firm with which I was formerly connected, and which had always purchased sugar direct from the refiners just as they wanted it. I made arrangements with Mr. Drummond to get my sugar from the refinery, Mr. Drummond stipulating that I should take not less than 15 barrels. He expressed himself quite satisfied with

that, and the following day when I went down for my order from the refinery to get the sugar, the clerk who was in charge was drawing up the order when Mr. Drummond's salesman happened to come in and questioned the clerk as to what he was doing. The clerk explained the matter to him, when the salesman stated that there was some trouble about refiners selling to the retailers, and that he would like very much if I would let the matter stand over until he could see Mr. Drummond. I did so, and I think it was the same afternoon I received a notice or circular with a price list stating that sugar could only be bought at the refinery on certain conditions, and from that day to this I have never bothered with the refinery for sugar in any way.

By the Chairman :

Q. What time was that? A. In May, 1885. I presume about the 10th. I know it was a few days after we started, and we started on the 7th of May. The following day, after I made the arrangement with Mr. Drummond, it was cancelled by Mr. Sinclair, and from that day to this I never troubled the refinery. I merely state this to show why I have not been purchasing from the refinery.

By Mr. Boyle :

Q. You are a member of the retail association of Montreal? A. Yes.

Q. What are the purposes of that association? A. I regret very much not having brought a copy of our by-laws and constitution with me. If I had had any idea of the question being asked, I should have brought it. It is to further our interests in every possible way. The members of the trade thought, some few years ago, that by uniting together they could meet pleasantly and further the interests of the trade whenever it became necessary, such as in this case before us; that is, by uniting and combining.

Q. Is there any understanding among yourselves as to the maintaining of the prices of any article? A. There never has been. Such an object has never been mentioned.

By Mr. Guillet :

Q. Is not one of your objects to prevent undue credit being given? A. No. At several meetings such a scheme was mooted, but I for one refused and said that we should not interfere with the internal economy of any our businesses.

By Mr. Boyle :

Q. You have a recognized status? A. Yes, we are incorporated.

Q. Would not the wholesale trade have a right to associate themselves? A. Yes, the same right as we have.

Q. Is it a practice, generally, for manufacturers to sell directly to the retail trade? A. I think they have as a rule, as far as I know. They have stipulated for certain quantities and the payment of certain prices, and any person in the trade, provided he is prepared to take the requisite quantity, can purchase and get as favorable terms as any house, wholesale or retail.

Q. You think it a hardship that the wholesale trade should bring any pressure to bear on the trade to prevent them selling to you? A. Certainly I do.

Q. Would you think it a hardship, on the other hand, if the wholesaler were to sell to the consumer? A. The association has done so before this. As far as my opinion is concerned I do not coincide with that, although I went in with the majority of the association when such a matter was brought up. My idea is that there should be perfect freedom.

Q. Your idea, however, is that the retailer should have control of the consumer? A. Yes, family consumers.

Q. You object to the wholesale trade having control? A. I do, most decidedly. Consider our capital of money is as good as theirs. I know I can purchase goods in Europe, France, Germany and Spain, and all over, and do so, and handle goods that men in wholesale houses do not touch at all. I am able to purchase goods there as well as they are, and I feel it a hardship that I am not able to do so here. In our business we work hard from early morning to late at night, and I consider it a hardship that we are not able to buy our supplies where we like, and at prices equal to anybody.

Q. Is there any reason for this? A. My own views coincide in general with others, but I think when I went to the meetings I said that I was quite able to compete with them, and they could sell to families, if they liked.

By Mr. McKay:

Q. That does not express the views of the retail association? A. No, it does not.

Q. Did you ever ask the wholesale merchants not to sell to your customers? A. I have already stated that they did.

Q. What is the condition of membership in your association? A. That he must be a grocer in the trade, and pass of course election before our body.

Q. He must be a retailer? A. Yes.

By Mr. Wood:

Q. How are you guided in balloting for a man; are there no rules or conditions?

A. The proposition is handed in, and voted on at our next meeting.

Q. Do you admit a man on his character, or business standing? A. He must be proposed by two members in good standing.

Q. Have you ever rejected any? A. Not to my knowledge.

Q. Did you ever object to anyone that applied. A. Not to my knowledge.

Q. What do you impose with respect to rules? A. I am sorry I have not our printed rules and by-laws with me.

Q. Can you give us the principal ones? A. I have already stated that it is sufficient that he is a grocer in the trade, and pays the annual fee of \$2. Of course there are quite a number of rules and by-laws and all that, but I really do not remember that they bear on the question in any way. If you had an idea of anything you wanted to know, I could give it to you.

Q. There is no regulation about cutting prices? A. It has never come up at our meetings. It has come up, but it was at once frowned down.

Q. I understood that your individual opinion was that other persons should be free to cut prices if they chose? A. I did not say that. I said any person in the trade, wholesale or retail, should be free to sell to whom they please.

Q. And at what prices they choose? A. Certainly.

Q. It is quite a customary thing for persons in the trade to cut prices on leading articles? A. I believe it is. I think that refers principally to little stores in the suburbs who sell tea and shove in sugar at $\frac{1}{2}$ a cent less than it is bought for, and stipulate that the person must take 2 or 3 pounds of tea.

Q. Do you think that is a wholesome principle? A. I do not.

Q. Would you approve of an association that discountenanced that principle? A. I would not approve of any association undertaking to regulate the prices of any member of that association. I think that every man should be allowed to conduct his business as he pleases.

Q. Do you think the general public derive any benefit from the cutting of prices? A. I have no doubt that they do not.

Q. What they take off one they stick on to another thing? A. Yes.

Q. Still, you do not think that the price of standard articles, like sugar, for instance—granulated sugar—for which there is a standard everywhere, should be uniform; that there is no advantage in that? A. No, I do not consider there is.

Q. What do you consider a fair profit on sugar for a retail man? A. I would not answer that. I would not like to state that, because establishments are so different all over the city, one man being under different circumstances from another. If you ask me what the profit would be in my business I do not think I am here to tell that.

Q. Would you have any objection to answering this: How do your profits now compare with those before the guild was formed? A. I have no hesitation in answering that. It has been injurious to the consumer. If I have to pay $\frac{1}{4}$ of a cent more per pound I will get that out of the consumer. I am not in business for the fun of the thing.

By the Chairman:

Q. The general result is that the consumer pays more for his sugar? A. Yes, he suffers to the extent of this rise.

Q. Did they benefit from this freedom of trade? A. Yes, they did.

By Mr. McKay :

Q. If a man sells this sugar at cost or less, in conducting his business he has to make a profit to meet that loss; does he not have to put up the price of something else? A. I have already stated that he must of necessity, or he cannot stay in business.

Q. On tea or some other article? A. Yes; it is robbing Peter to pay Paul.

Q. He does not make anything by cutting on sugar? A. I do not believe he does.

Q. You say in your petition that wholesale merchants are making exorbitant profits. What are the profits made by wholesale men? A. I do not know; I have never been engaged in the wholesale trade.

Q. You know what they pay the refiner? A. I think the profit is about 5 per cent.

Q. Do you consider that an exorbitant profit? A. I do not for such a standard article as that.

By Mr. Wood :

Q. Is that net profit? A. The expenses of business come out of that. I think the profit is 5 per cent. gross.

Q. That has to carry the retailer for 60 days. The wholesale man has to carry the retailer for 60 days? A. I think it nets him at least 5 per cent.

Q. They count the interest at 60 days? A. After allowing the discount we carry them for 60 days.

By Mr. Fisher :

Q. As far as I have understood you up to the present you complain of this agreement between the refiners and the wholesalers because it shuts the retailers out from buying from the refiners. That is the first point you make against it? A. Yes.

Q. Do you also complain because it fixes the price at which the wholesaler sells to the retailer? A. Yes.

Q. That prevents any competition between the wholesalers and prevents men from buying from one cheaper than from another? A. Yes, precisely.

Q. And prevents useful competition in trade? A. Yes.

Q. It controls the price at which you buy? A. Yes.

Q. And as I understand it gives a fixed profit to the wholesaler on every transaction? A. Yes, precisely.

Q. It secures them their profit? Yes, precisely.

By Mr. McKay :

Q. Can you tell me if the refiners insist upon that when they sell at a fixed price? A. I understand that they do.

Q. Have the refiners anything to do with the price arrangement with the guild? A. With the price of sugar as fixed?

Q. Yes? A. The price at which they can buy from the refiners?

Q. No, the price at which they sell? A. One follows the other.

Q. You have been informed—? A. I have been informed that the wholesale men have a certain fixed advance at which to sell to the retailers.

Q. Is that not an arrangement among the wholesale dealers themselves? A. That may be.

Q. Do the refiners have anything to do with the price at which the wholesaler sells to the retailer? A. One follows the other. It was understood that the prices were fixed when they made this arrangement with the refiners. I have it from one or two of the members of the guild that Mr. Drummond stipulated that if the members of the Wholesale Grocers' Guild could guarantee him an agreement to sell at a certain fixed advance that he would agree to protect them, that is, not to sell to any dealers except at the fixed prices, and that they did fix the prices at which they would sell.

By Mr. Wood (Westmoreland):

Q. When you say, Mr. Fraser, that the wholesale grocers have a fixed advance, does that apply to all grades of sugar, both white and yellow? A. I understand it does.

Q. Are you positive about that? A. I am not positive about it.

Q. I think that some of the witnesses who were examined stated that it only applied to the standard granulated? A. Possibly.

Q. But that there was freedom to sell yellow at any price they choose? A. That may be. I do not know.

By Mr. Guillet:

Q. This resolution that you speak of: You simply passed a resolution condemning the practice of wholesale grocers selling direct to the consumer. There were no penalties imposed, were there? There was no by-law passed compelling the members of your association to refrain from dealing with them, was there? A. Such a resolution was proposed, but it was never carried into effect.

Q. As a matter of fact you did not keep a list of the wholesale men with whom you were bound to deal? A. No.

Q. To the exclusion of others whom you were to boycott? A. No. This was suggested by some of our members because these combinations were spreading. They were tying up one article after another and placing the members at a serious disadvantage in purchasing supplies and many of the members thought that it was a well known and notorious fact that many of the wholesale houses in Montreal did a very large purely retail business. They were taking such steps and took a leaf out of their own book and asked them to confine themselves to their legitimate business, a wholesale jobbing trade. It was a notorious fact that many of these jobbers were also doing a wholesale trade.

By Mr. Wood (Westmoreland):

Q. What do you consider the distinction between a wholesaler and a retailer? A. There is not a very great distinction as trade is done now-a-days. The wholesale trade in Montreal has changed so very much. Some of the so-called wholesale men are doing a large business in Montreal which can be considered as nothing more or less than a purely retail business. They are doing both a wholesale and retail business.

Q. Do you think it desirable that there should be two classes? A. I have already said that there should be perfect freedom of trade. If a man has the capital he should be allowed to purchase as low as he can and to sell at what price he pleases.

Q. Would you have any objection to stating what your selling price for granulated sugar is now? A. 8c. per lb. at the present moment.

By the Chairman:

Q. And 13 lbs. per dollar? A. No, except in very large lots.

By Mr. Wood (Westmoreland):

A. Do you know what the wholesalers' price is now? A. I could not say. I think it is $7\frac{1}{2}$ c. I have not bought any this last three weeks. The last I bought was $7\frac{1}{2}$ c. at 60 days or $\frac{1}{2}$ per cent. off.

By the Chairman:

Q. When was that? A. A few weeks ago.

By Mr. Wood (Westmoreland):

Q. Would you send us a copy of these by-laws? A. Yes.

By Mr. Fisher:

Q. You spoke of having approached Mr. Drummond on the question of buying from him. Have you asked to buy from any other refiners? A. Not as yet, for the simple reason that the St. Lawrence sugar refinery has been burnt down and the refineries in the Maritime Provinces were so far from home that we thought that it would be out of the question to get supplies from them.

Q. You are in Montreal practically dependent upon Mr. Drummond then? A. Yes.

By the Chairman :

Q. What did you say was the last purchase you made. What was the price? A. 7½ cents.

Q. And what was the quantity? A. 15 barrel lots.

By Mr. Fisher :

Q. Supposing that the refiners were to break this agreement with the wholesalers would you be able to sell your sugars cheaper? A. Certainly, we would buy them cheaper.

By Mr. Guillet :

Q. As a matter of fact you formerly could buy from brokers, could you not? A. Yes.

Q. But there are no brokers now? A. No.

Q. As a matter of fact, if the broker in these times was allowed to buy sugar, he might place a lot of sugars below the refinery price, if the sugars advanced after they were bought. You would have an opportunity then to buy very cheap? A. Yes.

Q. Now, you lose that? A. Yes.

Q. That is sometimes very serious? A. Certainly.

Q. Do you find cases where merchants who are anxious to realise, place their sugars below the market price. A. Yes.

Q. These brokers are being closed out of the business? A. Yes, there is a great want of free competition.

By the Chairman :

Q. Well, you stated that the profits on sugars were between 5 and 6 per cent.? A. I did not say 6. I think it is 5 per cent, or thereabouts.

Q. That appears to work satisfactorily to the wholesalers now? A. Yes.

Q. Do you know why it should not be doubled? A. They have the means if they choose to do it. They have the monopoly of the business, and they would only require the connivance and consent of the refiner.

Q. They could raise it up to 20 per cent. if they chose? A. Yes, but we could import sugar then.

Q. But they could have a large profit still, and you could not import? A. I suppose so.

By Mr. Fisher :

Q. Have you ever made any enquiries as to what you could import sugars for? A. I know I have purchased—

Q. At lower figures? A. No, but repeatedly at the same price as granulated.

By the Chairman :

Q. But last season prices were going up all the time? A. Yes.

By Mr. Fisher :

Q. From whom do you purchase? A. From Messrs. J. A. Matthewson & Co.

By the Chairman :

Q. How does the quality compare with our granulated? A. Very well, I can assure you.

By Mr. McKay :

Q. You consider it equally as good as granulated? A. Yes, equally as good, but I agree with the statement that I have no fault to find with the granulated.

By Mr. Fisher :

Q. Have you fault to find with the yellows? A. I am in the habit of handling only the finer grades. Occasionally I have had to try the lower grades, and I have thought that they were not quite up to the mark.

Q. Not as good as they were some time ago? A. As I said before, I only handle the finer grades.

By Mr. Wood (Westmoreland) :

Q. Do brokers handle yellow sugars at all? A. At present?

Q. Yes? A. I could not say. Not to my knowledge.

By Mr. Bain (Wentworth):

Q. Is there any difference in the weight or the quality of the yellow sugar compared with what it was formerly? A. They are now considerably heavier, but I may say that the barrels are larger.

Q. They make the packages larger do they? A. Yes, somewhat larger, but even with that I think the weight is sometimes more than it was.

Q. The sugar is heavier and denser. A. Yes.

By Mr. Fisher:

Q. Is that due to more moisture in the sugar? A. I should imagine so, but it is very seldom that I handle the low grades of yellow?

By Mr. Bain (Wentworth):

Q. That does not apply to the finer grades of sugar? A. No, I have no fault to find with them whatever.

Q. About the same bulk and weight as formerly? A. The barrels are larger, but as far as the sugars which I handle in my business are concerned, I have no fault whatever to find with them.

Q. But the yellow grades are more wet or moist than formerly? A. Yes, it sometimes requires considerable labor to get these heavier grades out of the cask. A purely retail man in the suburbs would have more occasion to grumble than what I have.

By Mr. Boyle:

Q. Was this low grade not manufactured to meet requirements in the trade? A. I could not say; not to my knowledge. I require the finest sugars which I can get for my own trade.

By Mr. Bain (Wentworth):

Q. Do you remember an advance in the prices after the St. Lawrence Sugar Refinery was burned last year? A. I do not recollect if there was an advance immediately after the refinery was burnt down, but I know that there was an advance about that time.

Q. They quoted higher figures then? A. If I remember rightly the prices were slightly higher.

Q. About how much? A. I am not very positive, but if I recollect rightly I think I purchased in May, and shortly after there was a slight advance.

By Mr. Fisher:

Q. What advance? A. I think I purchased one lot at the same price as previously, but shortly after that I paid an advance of one eighth of a cent per pound, as far as my recollection serves me.

By Mr. Guillet:

Q. Have you formed an idea as to what you think would be the best means of stopping these combinations? A. Well, in regard to this question, to my mind the only means, whether it is in the power of Parliament to prohibit it at all, I think the simplest or shortest way is to make a reduction in the duty on refined sugars, as that would undoubtedly kill it in short order.

By Mr. Fisher:

Q. That would enable retailers to import when they wished to? A. Yes, as far as the means taken to crush this combination, to do away with it, this gentleman has asked me my views. I think the only advisable way would be to reduce the tariff.

By Mr. Gui let:

Q. In your petition you express yourself—the petition of your association is that you believe the manufacture of refined sugar in this country has been a great advantage? A. A proper protection being given, but if that protection is abused we always thought the only advisable means of having things right is to make a certain reduction, not to prohibit the refining of sugar in Canada, but make a sufficient reduction in the duty to enable other sugars to come into Canada.

By Mr. Wood (Westmoreland):

Q. You say refiners don't make any larger sales in consequence of this? A. I should think not.

Q. Do they get any advanced prices? A. I may state that I think that our association saw that it did not benefit the sugar refinery in any way, that it did not sell more sugar or anything like that. We had the assurance of Mr. Drummond that it did not benefit the refinery and that he did not care if the combination terminated to-morrow.

Q. They only wanted to get the advantage that the wholesale dealers get? A. Precisely.

By Mr. Fisher :

Q. What object then do you think the refiners have in consenting to this arrangement? A. I have no doubt that their object was to confine sales in as few hands as possible and sell in large lots.

Q. What is their object in confining their trade to a few hands? A. They would have their output in as few hands as possible without supplying so many accounts probably all over the country.

Q. That is rather a trifling advantage I should think. Do you think that that would be sufficient to induce the refiners to consent to an arrangement of this kind? A. We thought so.

Q. You do not think that the refiners get any advantage in any way? A. We said so in our petition (Exhibit 12). We did not consider it would affect them in that way.

Q. It seems to me that the refiners would not consent to such an agreement as this for that purpose alone? A. That was the statement which Mr. Drummond made to us, that as far as he was concerned it did not affect him one bit.

Q. Could this agreement be carried on without the refiners at all? A. Certainly not.

Q. The refiners have it in their own hands to break the agreement any time they choose then? A. Precisely.

Q. If they did break the agreement the whole combination would fall to the ground? A. Immediately.

Q. The wholesalers could not keep it up themselves at all? A. No.

By the Chairman :

Q. Did Drummond say they had put any further pressure on them in reducing the number of his customers? Did he say they had put any further pressure on him about threatening to retire from the sugar business if he did not come to their terms? A. He never stated so to us.

By Mr. Fisher :

Q. You were never aware of any threat being held out to the refiners by the wholesale trade? A. No.

By the Chairman :

Q. Do you know of any threats being held out by the wholesale grocer? A. I did not personally know of any such thing, until I heard it here; I did not know of any such thing.

By Mr. Fisher :

Q. As I understood you a few minutes ago it is in consequence of the fact that you cannot import that the wholesalers are able to control your trade? A. Precisely, the tariff prohibits almost entirely the importation of sugar.

Q. If you were able to import this, the wholesale combination could not carry out its object? A. Certainly, not at all. We would not be depending on them for our supplies.

By the Chairman :

Q. You would have to import it all, because there would be none of it manufactured in Canada if there were no protective duty? A. We think there could be a sufficient protective duty without enabling them to create a monopoly.

By Mr. Boyle :

Q. If the combination could be broken up in that way it would answer your purpose just as well? A. Certainly it would. We are desirous that the industry should be protected.

Q. I think in the petition (Exhibit 12) set forth here, filed, it expresses the fact that you are in favor of a reasonable protection? A. Yes.

Q. And that is the expression of your association? A. Yes.

Q. When you say you think the lowering of the duty would be a remedy you speak for yourself and not for the association? A. Yes, I speak for myself; I was asked my opinion.

Q. Do you know what protection is on sugar? A. I know the duty on sugar.

Q. What is the duty on refined sugar? A. I understand it was 35 per cent.

Q. Is it not a graduated scale on refined sugar? A. I understand it is, I am not conversant.

Q. You know there is a duty on raw sugars that the refiners have to pay? A. Yes.

Q. Do you know what the difference is between the duty on refined and raw sugar? A. I am not conversant with it.

Q. Are you aware that it is about 60 cents per 100 pounds? A. I cannot say.

By Mr. Fisher:

Q. You spoke about importing and not being able to import, do you know what the duty charges would amount to on granulated sugar imported from Scotland? A. I could not say, I have never imported any myself.

Q. I did not know but that you had examined the prices to see if you could import? A. I did not, I heard the price of importation on high graded sugars.

Q. High grade yellows—can you tell me the price? A. I don't remember at the present time.

By Mr. Landry:

Q. There is just one thing I would like to ask. You think the refiners themselves would not make any more profit by this arrangement? A. We thought so at the time we made that petition.

Q. Well, the profits I understand you are limited? A. I may state when we made that petition, we understood it was entirely owing to pressure of the Wholesale Grocers' Guild that the refiners consented to enter into the arrangement, and we had the statement of Drummond that he did not value it at one cent.

Q. According to that the profits would go simply to the wholesale dealer? A. Precisely.

Q. Their profit then, it occurs to me, would be not because of a higher price, but because of a larger market? A. Because he was able to fix a certain fixed margin at which they would sell it, not on account of the higher price. They would have their certain fixed profit.

Q. Am I right in concluding that the wholesale dealers do not get a higher price but a more extended market? A. Oh, they control the market—all retailers are compelled to purchase from them.

Q. As a matter of fact, after they have made their price of selling, do they raise the price themselves? A. They raise the price on their profit as it were. There is a certain fixed profit which they get no matter what the rise or fall of sugar may be. That profit is theirs over the price they have to pay.

Q. I cannot understand if it does not make any difference that in the rise and fall of sugar that they always have the same prices? A. They have the same profit all the time, this is fixed every week. The profits are always the same.

Q. Would it not be the same, or was it not the same previous to the existence of these combines? A. There was a freer competition then. There was no certain fixed profit. We were able to buy sugar wherever we could buy it cheapest.

Q. Has it raised the profits, in your opinion? A. Yes.

By Mr. Guillet:

Q. For the past year sugars have been advancing considerably? A. Yes, during last year.

Q. If the wholesale trade withdrew from this arrangement you could frequently get sugars from them at less than the full advance? A. Probably so.

Q. Whereas in this case you have to pay the full advance of a quarter of a cent above that? A. Precisely, from week to week, as the prices run.

Q. There is no chance for competition at all? A. No.

Q. The public would get the benefit of that if there was no arrangement, as you would be able to sell lower by buying at less than the full advance? A. Precisely.

JOHN ROBERTSON SWORN.

By the Chairman :

Q. Where do you live? A. Philip's Square, Montreal.

Q. What is your business? A. Grocer.

Q. Will you just state what you think is unjust as far as your trade is concerned.

I understand you came here to state what you consider as an injustice? A. I just start out by saying that I am a British subject and it is not according to anything that I ever knew of British law for a British subject to be boycotted or conspired against. I am not a lawyer, and I may be wrong, but I interpret it as conspiracy for one, two or three persons to conspire to defeat another. That is my interpretation of it. That is the way I view it.

By Mr. Landry :

Q. What we want is proof that this is done? A. It is a simple case. Going on further I claim as a British subject that my dollar is as good as your dollar. I might say that there is a great point of the objection. We have other combinations, but this sugar combination is the worst combination of them all. I am not admitted at all; I cannot buy from them. I suppose they call it in Ireland "boycotting," I don't know what you call it here; I call it conspiracy against. I may say that this is a matter to which I take great exception. The injustice of the thing is that a man cannot buy owing to the position in which he is placed, even if he has the money to pay for everything. Certainly any refiner has a right to say to whom he shall sell, provided a man has not got the money to put up. If I have my money to put up in a public establishment, as I claim sugar refineries are, protected by law, we have a right to look to the law to protect us, and if I go there with my \$100 I claim that my \$100 is just as good as that of any member of the guild. That privilege we have not got now. It is taken from us through the action of the guild and the refiners. It takes two to make a bargain. It is all right for Drummond to say that the refiners are not in the combination. There can be no combination without them. It is quite clear that it takes two to make a bargain, and a bargain is made between these two to my detriment. I have been in business in Montreal in the same place since 1876, and I commenced buying sugar from the refinery in that year, and until last year. I don't know that I bought any within the last 12 months just passed, but I paid them a great many dollars. I took it very hard when it was told to me that they must decline to sell me any more. They said: "You shall have to buy your sugar through sugar jobbers."

By Mr. Landry :

Q. It appears to me that you had better tell us when this was done, by what authority and by whom? A. I haven't it down in writing. I can give you the gentleman's name.

Q. Whom did they represent, those who told you that? A. One who represented and worked at the sugar refinery, after my buying from them for seventeen years.

By Mr. Fisher :

Q. You went to them and wanted to buy? A. Yes.

Q. And they refused you on what ground? A. They did not refuse me, but they gave me a quotation I could not buy at.

Q. Did you remonstrate? A. Certainly I did.

Q. Did you find out why they charged you that price? A. I asked that question and they declined to answer me. I asked was it owing to the members of the guild, and that answer they would not make. I knew the prices in the guild.

Q. Were you offered the guild list? A. Never.

By Mr. McKay :

Q. Are you a wholesale merchant or a retail merchant? I am wholesale when I can.

Q. Retail business? A. Retail business.

Q. You belong to the Retail Association of Montreal? A. Yes, sir, I might say that they asked me if I was a wholesaler. I have sold between 600 and 700 barrels of sugar a year for the last 3 or 4 years. I have just got a list with me showing the prices I paid. Just to bring it stronger before you to show you the change that has taken place. In November, 1886, I bought 75 barrels of granulated sugar, at \$5.95, less $2\frac{1}{2}$ per cent. or four months, which, you as business men will understand is a better bargain than to be obliged to pay cash. I might have four months if I wished or pay part cash; we considered that better terms than strictly cash in 14 days. You cannot get four months now. This was bought outside but it was their sugar.

By the Chairman :

Q. I believe the time for sugar is two months? A. They did not always give this to wholesale grocers.

Q. The wholesale grocers' terms are usually sixty days? A. It has been for one year or so.

Q. In Toronto it has been for some years? A. It is in Montreal.

By Mr. Guillet :

Q. What about the price of the sugar. A. This is a list. This is day and date.

Q. That was 1886? A. That is 1st November, 1886, \$5.95, less $2\frac{1}{2}$ per cent. or 4 months or 5. If cash was paid I get my discount 2nd November, 1886. This is a date that I bought a small lot for which I had to pay $6\frac{1}{8}$ for granulated. So you see, then, that we had the difference in our favor when buying a large lot of sugar. I got 75 barrels at \$5.95, but only buying 10 barrels I had to pay $6\frac{1}{8}$. Now, according to their own showing, the lowest rates for granulated—

By the Chairman :

Q. What discount did you get on 10 barrels? A. $2\frac{1}{2}$ per cent. in 14 days. The lowest rate was \$5.85 net cash, that is, without $2\frac{1}{2}$ per cent. off.

By Mr. Guillet :

Q. What year was that? A. 1887. You have the discount off of 5 cents which makes it even less.

By the Chairman :

Q. That reduced the price to \$5.80? A. Yes, 17th February, 1887. That was the lowest time I think for sugar. About that, I am not exactly sure, I bought 50 barrels at 6 cents; 22nd February, 93 barrels (that is 5 days afterwards) I bought this at 6 cents on the same terms, $2\frac{1}{2}$ off, discount for cash in 14 days. Now, sugar in my opinion was a good stock then, I thought it advisable to buy more than I needed for immediate use and I bought that 143 barrels within 5 days. It proved that I was correct as sugar advanced in price considerably. On 1st June, 1887, I bought 100 barrels of granulated at $6\frac{1}{2}$.

By the Chairman :

Q. When did the combination start? A. The combination went into existence about that time or a little before that,—about the 1st of May, this was after it.

Q. Then the price went up? A. Well, I don't think that was the reason for the price going up, I don't want to be misunderstood on that point.

Q. It just happened so, though? A. Yes, 1st June, 1887, I bought 100 barrels at six and a half cents. I think at that time the factory price was $6\frac{3}{4}$ cents, if it was not on that day it was on the day after; I was one quarter under the factory. That was optional again in 4 months.

Q. How much did you buy that for? A. $6\frac{1}{2}$ cents and $2\frac{1}{2}$ per cent. on 4 months. What I want to prove is this: that this combination has been an actual loss to me, not only the loss of a quarter of a cent a pound and one per cent. discount, but the advantages it has taken from me of using my judgment. The experience I have had in buying sugar, when I thought it was best to do so, and buy small quantities when I

did not think it best to buy a large quantity, is gone. Now we have no advantage of that kind.

By Mr. McKay :

Q. You can buy from the wholesale men? A. Certainly.

Q. You have to pay their prices? A. Yes, but formerly I got the advantage by buying in larger lots.

Q. You cannot get lower prices on 500 barrels than on 5? A. No.

Q. 500 barrels or 15? A. It is the same thing.

By Mr. Boyle :

Q. You would have the advantage of a rise in the market? A. Yes, of course; we are not prevented from buying more than 15 barrels if we desire to do so, but we cannot have any advantage except on the rise of the market. We had an advantage before by buying in large quantities.

By Mr. Landry :

Q. You do not get the same advantage as those in the guild? A. No; and that is where I claim the injustice is; my money is as good as theirs.

Q. Does that not apply to everything in trade? A. No, sir.

Q. Do you retail people in other classes of goods, such as tea, and such articles, not insist that wholesale dealers do not sell retail; that they must not sell retail? A. I do not know whether they have any understanding, but if there is, they do not keep it. In other combinations that I know of they will admit you or anyone else who buys the quantity wholesale or retail. I can go to the manufacturers of starch, soap, baking powder, biscuits, Berger's starch, candles, gin, whiskey and a great many things in which there are combinations, and they are all open if I buy the quantity.

Q. The combination consists in buying a quantity? A. Yes, they do not exclude you or anyone else, if you buy the quantity. The only condition is that I shall not sell it less than the wholesale price; that is, that I shall not sell it wholesale at less than their price.

Q. That is, less than the price you buy it at? A. They have sliding prices. They fix the price. If you take 10 boxes of starch, you get one price, if you take 25 boxes, you get another; and 100 boxes, another. You must not sell lower than their lowest price. I have to buy 100 boxes of starch. But they do not question me as to what I shall retail it at, but I must not wholesale it at less than their lowest price.

By Mr. Fisher :

Q. If you were to be allowed to enter this arrangement, you would not object to it? A. I certainly would.

Q. Your objection to the arrangement is, that you are not allowed as a retailer to enter it? A. I am not allowed, but I object to it on principle. It is not good for the wholesale men, or anyone else.

By Mr. Landry :

Q. Your objection would be not because of the thing itself, but simply because it does not extend to everybody? A. It is worse than the others. They are all bad, but this is the worst.

Q. If you were allowed in, you would not object provided they would allow your neighbor in? A. They dictate at what I shall sell.

Q. On other things they do too, and if you object, it should be a decided objection? A. I object to the whole thing on principle, but there are many things we have to submit to, and which we cannot help.

By Mr. McKay :

Q. You are into something like a combine when you agree not to sell certain things under a certain figure? A. There are reasons for that.

Q. That is a fact, though? A. Yes, but there are reasons. I have not made my fortune yet. I am not prepared to go out of business. You cannot get the goods unless you sign their combination. You cannot get their stuff, you must sign.

By Mr. Fisher :

Q. And agree to sell at certain prices? A. They do not fix our retail prices, but we cannot sell wholesale below their figures.

By Mr. Landry :

Q. Does not that retail association of yours require on the part of wholesale dealers that they shall not sell at retail prices? A. They have asked them, and remonstrated, but have not exacted it.

Q. In making this representation it is almost the same as exacting? A. I would put it in a different light. There was no idea of boycotting.

Q. You asked them, and they consented? A. They possibly did, but I do not know that they have got it. I am not in a position to know that they have not.

By Mr. McKay :

Q. Would you patronize a man who went round and sold to your retail customers? A. I am not obliged to ; but I would not like it.

Q. Who suffers by that? Who suffers provided the wholesale man can sell at retail prices to the consumer? A. I believe the consumer suffers in the long run, because the wholesale man makes far more profit. I have proven that it would be cheaper to buy from me. They go down and buy a box of tea, and are charged 15 cts. a lb. more than I would have sold it to them for.

By Mr. Wood :

Q. Do you approve of dividing the trade into wholesale and retail? A. No, I believe in equal fair play for all, not boycotting any man. I believe it is not consistent for a man who claims to be a wholesale man to go round and sell his goods retail. That is all I can say, I do not think it is any crime.

By Mr. Gilmor :

Q. The retail man would not patronize such a man? A. No.

By the Chairman :

Q. You spoke about other articles when you named the different articles that were in combination in your trade. We had a witness here the other day who stated that there were only combinations in three articles outside of sugar. He was not in the sugar combination, and he stated that the only other combination that exists was in baking powder, matches and tobacco. These are the only ones he knew of.

Mr. BAIN (Wentworth). He mentioned pickles, but he said he did not handle them.

The CHAIRMAN. We mentioned other articles, but he denied that he knew anything about them. He said there was no combination.

Mr. FISHER. He said he was not in any other combination, but he would not deny that there was any such.

The WITNESS. Cook's Friend Baking Powder is one, and now I am speaking of what I know ; there may be other baking powders in combination, but I do not know whether there are or not. Then there are matches. Tobacco I do not deal in. Then there is Nestlé's Food, Berger's starch, Crosse & Blackwell's pickles. They do not carry all their lines through, they only take in pickles. Then there are biscuits of Canadian manufacture. All these biscuit men have fixed prices.

By Mr. Guillet.

Q. How long has the biscuit combination existed? A. Two or three years.

By the Chairman :

Q. These are fixed prices that wholesale men have to sell them at? A. I believe these biscuit men have a combination among themselves. One will not sell you cheaper than another. They do not say, however, what you shall sell them at. If you buy their goods at 25 cents you can sell them at 20 or 21 or whatever you like. Then there is Brantford starch, and the soap makers I think have a combination. I do not know the facts, but I know you have to buy certain quantities—100 boxes, I believe—especially Queen's Laundry bar. There are also different kinds of liquors, gin, rye whiskey and high wines.

Q. Do you import these? A. Yes ; gin is imported.

Q. All wholesale men sell at the same prices? A. Yes.

By Mr. Guillet :

Q. Brandy? A. No; I do not know of any combination in brandy. Each maker stands on his merits. Gin is the only one among imported liquors.

By Mr. Fisher :

Q. Is there any in home made liquors? A. Yes; rye whiskey and high wines.

Q. Beer? A. I do not know of any in beer.

Q. In Gooderham's rye whiskey there is no restriction as to the quantity to be purchased? A. Yes; I think so.

By the Chairman :

Q. I understood that Gooderham's is sold in quantity at the same price; only the discount is different? A. That comes to the same thing.

Q. What we want to understand is that these men, the wholesale grocers, have a fixed price for old rye, below which none of them dare sell? A. Yes.

By Mr. Bain (Wentworth) :

Q. Is there any penalty? A. That I cannot say. I am not in it.

By the Chairman :

Q. Who fixes the price? A. I do not know.

Q. Men buying from Gooderham & Worts do not need to sign an agreement?

Mr. FRASER.—We require to sign an agreement.

Mr. ROBERTSON.—They will not sell you less than half a car, I think it is, of whiskey.

By Mr. Fisher :

Q. You spoke of Crosse & Blackwell's pickles, Berger's starch and several other things, which are particular things manufactured by one firm, as I understand it? Now, does that firm of Crosse & Blackwell impose upon those who buy from them any particular conditions as to their sale? For instance take Crosse & Blackwell's pickles. If you buy their pickles you can only do so on the understanding that you sell them at certain figures? A. Yes; or you cannot get them.

Q. But they combine among themselves to sell only to certain people? A. Not at all.

Q. These conditions which Crosse & Blackwell make are their own, and there is not an arrangement with any other? A. Not that I know of.

Q. This is not the same arrangement as exists between the refiners and the wholesale merchants? A. No.

Q. Then Berger's starch would be in the same list? A. Yes.

Q. The other starch manufacturers you speak of are members of the starch combination. Have they any agreement among themselves that you know of as to the prices at which they will sell? A. I think they have.

Q. Have they any agreement with any body of wholesalers or other dealers as to who they shall sell to? A. I think not. They will sell to anybody who will take the quantity.

Q. That is not an agreement in the nature of the sugar agreement? A. No, the sugar agreement is the worst of the lot.

Q. It is not only the worst in the fact of being more important, but it is in the nature of the agreement itself? A. Both ways it is worse. It is the great staple article, amounting to more than all the others put together. It is what everybody must have, poor people and all.

Q. There is a difference in the principle of the agreement itself? A. I think so.

Q. These others are simply an arrangement either by one individual, as Crosse & Blackwell, or an arrangement amongst a certain number of men amongst themselves in the same class of trade, but not with any other. That is to say, it is an arrangement among manufacturers whereby they agree amongst themselves to sell only at certain prices, but will sell to anybody who will buy the quantity? A. Yes, anybody who will buy the quantity.

Q. But do not force them to sell at a certain price? A. Yes, they do sometimes.

Q. But they will sell to anybody? A. Yes, the consumer can buy if he likes.

Q. The amount of the sale regulates the price? A. Yes.

Q. In the sense of fixing the price they are the same as the sugar refiners? A. In that sense, as far as fixing the price.

Q. But when it comes to refusing to sell they do not carry it so far? A. They will sell to anybody.

By Mr. Landry :

Q. But the consumer suffers the same, although the trade does not? A. I do not say that.

By Mr. Boyle :

Q. You cannot sell retail less than you buy wholesale? A. No.

By Mr. Bain (Wentworth) :

Q. They limit you to sell at prices not below theirs, or at less than wholesale rate? A. They give you a certain discount, the prices being the same in most cases. It is 5 per cent. off, or 10, according to the quantity, but you must not sell less than their original price. Take Cook's Friend, the price is \$2.40 a dozen to anybody and everybody, but they give to the man who takes the quantity a certain discount; he must not, however, sell below \$2.40.

By Mr. Fisher :

Q. There is no fixed advance? A. No, but it cannot be sold for less than \$2.40.

By Mr. Boyle :

Q. How much discount? A. That would not be right to expose a man's business. It would not be right I think. It is not my own, and I would be interfering with another man's business.

Q. You are interfering with the trade, because the profit is to the trade? A. If the Committee think I have to answer it, I will, but it is not a question you should force me to answer.

By Mr. Guillet :

Q. Has the price increased to the consumer? A. Not at all.

Q. Are they not putting up a smaller parcel for a pound? A. They are putting up a smaller parcel of Cook's Friend, but do not say it is a pound.

Q. But in such a shape that it might be sold for a pound? A. I think it is 12 or 14 ounces.

Q. And might be sold to the consumer without his discovering it? A. I never had those parcels in my shop.

By Mr. Landry :

Q. What is the penalty to anybody who sells under the wholesale prices; can you get any goods again? A. At \$2.40 they will sell to anybody.

Q. And you will get the discount? A. No, not unless you comply with their terms.

Q. If you refuse to do this? A. They will not sell you again.

By Mr. McDougall :

Q. They give the same discount to all parties purchasing small quantities, whether a dealer or not? A. I cannot answer that question. They are supposed to do so. I think they do.

By Mr. McKay :

Q. In this case the price fixed for you was \$2.40, and if you go below that price and give the consumer the benefit of your discount, you are not allowed to do that? A. No.

Q. The penalty is you get no more of those goods? A. No.

Q. The consumer is the sufferer in this deal? A. Oh, no.

Q. You can give your consumers the benefit of the discount if you wished, could you not? A. The discount is not big enough to divide.

Q. You cannot do as you like? A. You cannot sell it under \$2.40.

Q. If you wanted to sell a customer some Cook's Friend Baking Powder cheap for the purpose of getting his good will, you would like the privilege of doing it? A. You are to follow the agreement.

Q. There is an agreement? A. Yes.

Q. You are not allowed to treat your customers as you would like to do in some goods? A. You are not allowed to sell it under the price.

By the Chairman :

Q. There is no necessity for such an agreement, if I understand you, because they sell you high enough and you cannot afford to sell it at less? A. Yes, you can buy it for \$2.40 any place, but if you want to get the advantage of the discount, you must agree to sell it at not less than \$2.40.

Q. The protection the public get is the competition of a dozen other members who claim, and the probability is, that they have as good an article? A. Oh, yes.

By Mr. Fisher :

Q. I understand that in the question of starch the makers agree to sell at the same price? A. The makers of Canadian starch. I think so.

Q. Biscuits, too? A. The biscuit makers I think are the same; the majority of them.

Q. Does their association bind you not to sell below a certain price? A. I think not. All the biscuit makers' association fix is the price at which they sell to retailers.

Q. They will sell to anybody? A. Anybody.

Q. They are different from the starch makers and the sugar makers? A. Yes.

Q. The question I wish to arrive at is whether this is a mere association or agreement among themselves or not, or whether this is an association by which they coerce the retailers. It seems to me that this is a distinction between conspiracy and a trade agreement. In one case Mr. Robertson says the biscuit makers agree among themselves that they will sell at a certain price but they do not coerce anybody in regard to his business, but the question is, do they only agree amongst themselves as to their business? A. It is only some few staple articles in which we are coerced, with the others you can do what you like.

Q. In the starch agreement and the sugar agreement, as I understand, they individually agree among themselves that they will sell to you or anybody else at a certain price, but you in turn must sell at a certain price. Again, they not only arrange about their own business, but coerce you about your own business? A. I take these to be about the terms.

Q. That is why I draw the distinction between trade arrangement and conspiracy; the question is, what is the nature of the agreement between the manufacturers? A. I cannot tell.

Q. You say you are pledged in one case? A. I know my part of the agreement, but I have never seen a copy of the agreement amongst themselves.

By Mr. Guillet :

Q. What would they do supposing an independent manufacturer went in? A. I don't know of any case of the kind. I did know of a case of the kind before this agreement existed, and they were cutting on the sale of these biscuits, and what we pay 6 cents for now, we got then for 4, and all other things equal, I believe.

By the Chairman :

Q. Do you think the biscuit agreement is practically an agreement the same as the others? A. I don't know. I know we did think, before the agreement, we were selling too cheap then, or perhaps too dear now. I could not answer that question.

By Mr. Guillet :

Q. As a matter of fact are not the ingredients cheaper now than then? A. I think they are. I think flour is as cheap. The manufacturers said they were losing money then.

By Mr. Fisher :

Q. When they sold you at 4 cents they were losing money they said? A. I think so. There was a new factory started and there was one running in opposition to the other, and they were just running one another to death, and the general opinion not only among the biscuit men, but among the grocers as well, was that the thing should come to an end, and there was an arrangement to pay one price for biscuits entered into.

By Mr. Boyle :

Q. Crosse & Blackwell are English manufacturers? A. Yes.

Q. Are there no other standard manufacturers of pickles who sell in this country? A. Yes.

By Mr. Guillet :

Q. Imported? A. Yes.

By Mr. Boyle :

Q. There is one called Batty? A. Yes, I didn't know there was any combination on them.

Q. They have no agents in this country? A. I don't know, I didn't deal with them at all.

Q. Might there not be an understanding between these manufacturers in England, as to how prices would be regulated in this country? A. There might be. The document they give us to sign is simply that we shall not sell goods at less than a certain price.

Q. Was it Crosse & Blackwell's agent who gave you this document to sign? A. Yes; it was Blackwell himself. He said he had made a trip to Canada to know why his goods were not selling as freely as they used to in this market, these recent years, and he learned that the wholesale people would not keep them as they could make no profit on them, as all the retailers imported them themselves and there was so much competition that they would not keep them in stock, and he was forced to make this agreement to get them to take his goods, and the agent says that the sale has now increased. I don't know how much and how they make a profit on them for selling them.

By Mr. Guillet :

Q. Other goods must have taken the place of Crosse & Blackwell's pickles? A. Oh, some of these others, Batty's and other importations.

Q. Canadian pickles? A. There are some few Canadian pickles. I haven't seen any of any account.

By Mr. Boyle :

Q. It would be impossible for Crosse & Blackwell to make a corner on their pickles without an arrangement with the other manufacturers? A. You don't know them if you take that view. Crosse & Blackwell are very independent people. The pickles are there and they are wanted.

By the Chairman :

Q. Their sale having been lessened, they came out to see what was the matter? A. These pickles used to cost us \$2.85 net, and they were retailed around the country at 25 cents a bottle. You can quite understand that the wholesale men didn't want to do anything in that class of goods.

By Mr. Wood (Westmoreland) :

Q. I think you said some time ago you believed in perfect freedom in trade among the wholesalers and retailers? A. Yes.

Q. And if I understood you right in the case of the sugar refinery, for instance, you took the ground that any person that goes there with the money has a right to buy at the same price as any in the trade? A. Yes.

Q. Do you lay down, then, as a principle, that a sugar refinery or any person in business has no right to select his customers? A. He has a perfect right to select his customers as far as the question of getting pay for his goods goes.

Q. Yes as these customers go there with money, with cash, he has no right to select his customers? A. I think there is a great difference between a man in private business and a general Joint Stock Company protected by the Government, I think that we should have free trade at the latter. I think that makes a great difference with these.

Q. You think a private individual would have that right and the company would not have it? A. I think so. I think it was never the intention—if I may be allowed to say so—when the tariff was arranged for such a protection as it is now, that they were going to take the merchants of Canada by the throat and keep them in their power.

Q. They cannot advance beyond the protection given them? A. Oh, no. There is the whole secret. We don't ask to buy from the other side. I think the tariff should be reduced.

Q. Then you would import? A. Yes.

Q. Then you would have to reduce below the point at which they could manufacture it? A. I think not, sir. If they had'n't too much protection, we would not have this business. They have too much protection and they can share it.

Q. How much too much protection have they? A. Just about three-eighths of $\frac{1}{2}$ per cent. If that $\frac{1}{2}$ of a cent were off we would show them a little fun. We don't believe in throwing our money away however. The duty on sugar now is about 62 per cent., as near as I can figure it, but that is a pretty good duty to pay on sugar. That is not refined sugar either.

By Mr. Fisher :

Q. What is the duty on refined sugar? A. I don't know.

THE CHAIRMAN—We are not discussing the policy of the Government about putting the duty on raw sugars.

By Mr. Wood :

Q. I might ask this question—I don't know that there is any advantage in following out that point that we were just discussing, but that the same remedy would not apply to these other combinations that you speak of, would it? A. They are not made in the country, many of them.

By Mr. Guillet :

Q. Matches? A. Matches are not one man's goods. If you don't want Eddy's matches, you can buy the others.

Q. Sugars, pickles and all these things you were speaking of? A. Pickles are only one man's goods.

Q. Would you remedy the grievances you complain of by reducing the tariff? A. The grievances in this case are different. These are goods manufactured in this country and refined in this country.

By Mr. Landry :

Q. The remedy don't apply? A. I might bring them under it; yes.

Q. You suggest the reduction of the duties as a remedy for the sugar combination, especially? A. I don't know that it is my place to suggest any such thing.

Q. That is your opinion that it would remedy it? A. Yes, if you increase the standard to 16.

Q. For that particularly, but not for the others? A. Increase the standard from the standard of 14 to 16, and reduce the tariff so there would be room to bring in a little lot once in a while.

Q. That would not be the general remedy to break the combination deal? A. I don't think so.

Q. It would simply apply to this particular case? A. Yes.

Q. I want to follow out that idea a little further to get your ideas with regard to a man's right or privilege to choose his own customers. Suppose this case: Suppose that the Montreal Sugar Refinery, for instance, or the Canada Sugar Refinery, found that one of their customers who was paying cash for sugar was selling it at cost or below cost, as a sacrifice article, an advertising medium, or something of that kind for his business, and if the refinery found that though selling for cash to that particular man, they were losing trade in other quarters, would that be good reason for the refinery refusing to sell him? A. As to whether it would be a legal reason or not, I don't know. I think it would be a good reason. I don't think that is the position they take though.

Q. I was asking whether they would have the right in that case to exclude that man from their list of customers? A. I should feel inclined to do it myself.

Q. That is if you had twenty wholesale customers and you found that one of them was cutting the prices and through that you were losing the trade of some of your customers, you would be very apt to cut him off, even if he did pay cash? A. Yes.

Q. What is your opinion with regard to the principle of cutting prices? Do you think the public (the consumer), in the long run, gets any benefit from that? A. Well, it is a very long question to answer that. There are a great many different circumstances. A man that pays 100 cents on the dollar and cuts prices, it is certainly a benefit to the consumer.

Q. That is, on that article, but that man, if he continues to do business, must make that good on something else? A. Certainly he must or else he has got to compromise.

Q. So that really the consumer might get the temporary advantage in one particular instance, but on the whole do you think the consumer gets any advantage from that cutting of prices? A. I don't think so. And I would like to add to that, that it is not at all my view of doing business, cutting prices away down. I believe in a legitimate profit.

By Mr. Fisher :

Q. One man might be willing to make a smaller profit than another. He should have the right to do so if he chooses. That might be called cutting prices. One man might sell still closer than another man, and make a living profit? A. Yes, it is quite possible. It is quite possible for you to do business and take 10 per cent., and I might make money out of the same business and do it at 7 per cent.

By the Chairman :

Q. Have you sold sugar at cost at any time? A. Yes, when the market went down.

By Mr. Fisher :

Q. Independent of the rise and fall of the market? A. No.

By Mr. Wood (Westmoreland) :

Q. If a certain number of grocers then found one or two of their number cutting prices and in their opinion do what was not a wholesome and legitimate business, do you think it would be wrong for them to go together to the sugar refiner and say: "We will take your whole production, provided you do not sell to these other men?" A. Yes. I don't think that this affects the case.

Q. Would you consider that an improper thing to do? A. I would consider that a man has to sell out all he has got, but I take exception to that in this case, because the sugar is for sale and at an advanced price we cannot buy it. I can send to the refinery day after day and they sell, but the prices are so high that we cannot buy it. That is a different thing from being sold out of goods altogether. A man has a perfect right to sell out.

Q. Would you object to a certain number of grocers, if they found one of their number cutting prices and injuring the trade in their opinion, going to the refinery and saying: "We will take all your sugar, provided you won't sell any man outside except at a certain advance?" A. I would not call that legitimate. That is a different thing from selling goods out altogether.

Q. These wholesale men buy the whole product of the refinery, don't they? A. I don't think they do. They buy simply what they need.

Q. Then the refinery sells to men outside the guild? A. Yes, if they will buy from them.

Q. You do not know that they do? A. I think they can buy cheaper from the second men. I don't think they do. I know that I can buy 10 or 15 barrels of sugar by getting an order on a refinery for it. The price of sugar is fixed. The wholesale men get the profit and they never see the sugar at all.

By Mr. Fisher :

Q. There are a number of men on that list who are mere jobbers of that kind, and they don't handle the goods at all? A. The guild?

Q. Yes? A. Oh, yes, I suppose the most of them keep some sugar on hand.

Q. I presume, a good many just do a jobbing trade? A. Any man in business would rather deal that way. He sells his sugar and gets his money, and he goes and pays for it in 14 days.

Q. He does not keep a stock unless he thinks sugar will advance? A. I don't think they get any advantage now in buying a larger lot. The price is there, and you can take what you want.

Q. That is not in accordance with Mr. Sinclair's evidence taken last night?

By Mr. Guillet:

Q. Mr. Sinclair said they would sell a large lot? A. I do not know as to the internal arrangement of their office.

By Mr. Landry:

Q. How is it in your opinion that for several years the refiners sank so much money. I understood you a few moments ago to say that the protection enabled these people to control the markets, and make immense profits, but for a number of years they did not make these profits? A. That is a hard question for me to answer, but everybody knows that the raw material kept going down until there was no bottom under it.

Q. Then the protection did not enable them to manipulate? A. Any man who imported sugar lost money. I lost money myself. It kept going down and down.

Q. The fact of their being able to make profits is not entirely the effect of protection? A. Not entirely.

By Mr. Boyle:

Q. Are you what is generally known as a free trader in principle; do you believe in any extent in protection to raise up home industry? A. I do, or I should not have signed that petition.

Q. You said you thought the remedy was to reduce the protection on sugar? A. Yes.

Q. Do you know what protection the refiners have now? A. There is $\frac{1}{2}$ a cent a pound, and 5 per cent. It is on a sliding scale.

Q. The refiners have to pay a heavy duty on raw sugar? A. Yes, for revenue purposes.

Q. The other protection consists of the difference between raw sugar and what you would have to pay on refined sugar if imported? A. And what they make out of it.

Q. I am told the average is about 2.60, and on the raw 1.90? A. I cannot say as to that. I know I made up the duty that was paid on some raw sugar recently and it came to between 61 and 61 $\frac{1}{2}$ per cent.

Q. Do you mean yellow sugar? A. It was under 14 Dutch standard. It was a bright sample, and they had hard work to get it through.

By the Chairman:

Q. What was the actual duty? A. It was 1 cent a pound and 30 per cent., and 7 $\frac{1}{2}$ per cent on the whole duty.

Q. What did it cost you in New York in bond? A. 4.55 per cwt. I am only speaking from memory, it was 4.50 or 4.55 per cwt.

Q. The duty would be 2.73? A. Yes, it costs nearly the same as granulated. It is a stronger sugar, but the color is not there, and people will not have it.

By Mr. Fisher:

Q. That is not a raw sugar such as refiners would import? A. No, they bring in lower priced sugar.

Q. That has no effect on the duty which refiners would have to pay? A. No, not at all. I am only giving these figures out of my mind, they may be wrong, but the others I can vouch for.

By Mr. McKay:

Q. What would be the price of English or Scotch sugar laid down in Montreal? A. That is a matter of figures. Sugar fluctuates so much there, it is up and down. I do not think it can be imported here.

Q. It could not to compete with the refiners; but do you know the prices at which it could be laid down? A. It is costing 7 $\frac{3}{8}$ to 7 $\frac{1}{2}$ cents. But really I do not know.

By Mr. Gillmor :

Q. All sugar manufacturers here seem agreed as to how much they shall sell at?

A. Yes, $7\frac{1}{2}$ cents with $2\frac{1}{2}$ per cent. discount.

By Mr. Fisher :

Q. It would range about $\frac{1}{2}$ cent higher than Canadian sugars? A. Yes, more. The wholesale man's price of granulated is 7 cents, less $2\frac{1}{2}$ per cent. discount. I do not believe but that any sugar that is being brought in now costs more than that.

Mr. GUILLET—Mr. Drummond said last night that the import price would be higher, and that the price was not up to the protection.

By Mr. Fisher :

Q. He said he regulated his prices below? A. But the price of granulated today is not as high as it was a month ago. It was $7\frac{3}{4}$ cents for the retail trade, and now it is $7\frac{1}{4}$ cents. There is $\frac{1}{2}$ a cent off. I am not a sugar man, but I could not see the cause of its going up so much, nor can I see the reason for its coming down.

Q. This sugar arrangement could not be kept in force if it were not for the agreement of the refiners? A. Of course not.

By Mr. Bain (Soulanges) :

Q. Did you apply to other refiners? A. Yes.

Q. And they would not sell you? A. Only on the same terms. They are all the same. I have it from the agent of one of the others. I accused him of being in a combine, but he said: "It is no combine." I said: "What do you call it?" He said: "We agree to protect the guild."

By the Chairman :

Q. Did he say what arrangement they had for making the prices uniform among the refiners? A. That is their own business.

Mr. Guillet :

Q. It appears there is no extension of this guild to Nova Scotia, New Brunswick, or British Columbia? A. No.

Q. Is it confined to Ontario and Quebec? A. I do not know.

Q. It must be as they have not entered into this combination? A. I do not really know.

Mr. GUILLET—So that men down in New Brunswick and Nova Scotia can sell, while Ontario and Quebec are keeping up the prices.

By Mr. Gillmor :

Q. Have you ever made any application to the refiners of Moncton to purchase sugar? A. I have.

Q. Do you believe they are a party to this arrangement? A. They have an agent in Montreal, and he told me so himself.

By Mr. Fisher :

Q. Have you made application to the Nova Scotia refinery yourself? A. Not personally.

Q. I understood you to say that in biscuits and starch they exact from every body an agreement not to sell at prices lower than theirs? A. Not the biscuit makers, only the starch.

Q. You buy from the biscuit makers, and can sell at any price you like? A. Any price we like, but the starch men ask that we shall not sell below their limit.

Q. In regard to liquors mentioned a few minutes ago, I think I understood you to say that in Walker's whiskey there was an arrangement. Do you deal in liquors? A. I do.

Q. Do you buy from Walker? A. I do from his agent.

Q. Are you obliged to sign an agreement that you will not sell below a certain price? A. Yes, only in case lots. We can sell a bottle for what we like.

Q. Then Mr. Walker has an arrangement with wholesalers respecting the price at which they shall sell? A. Yes, because you are obliged to sign an agreement before you can get the goods.

Q. Does he regulate the prices at which they are to sell? A. Only wholesale. If we come in amongst the wholesalers, we have to sign their agreement, although we retailers are amongst the wholesale trade in a great many of these things.

Q. Anybody who would not keep to that agreement could not get goods? A. No, he cannot get his goods.

By Mr. Landry :

Q. Does that include liquors that are imported, as well as domestic? A. Gin is in combination.

By Mr. Fisher :

Q. Is it a combination of importers? A. No, of the guild here. They import it through the agent. The agent acts here for them in most of these cases.

Q. Are there any rival agents? A. I really do not know. There is only one agent, and the others do not compete. It is not the same as sugar. Granulated sugar has the same quality, no matter what you call it. De Kuyper's gin, or Van Houghton's gin all stand on their merits.

Q. All those in the same trade would have an agreement in that way. What would be the good of one or more people combining? A. Nobody can get the goods unless they comply with the terms. They trade on their reputation.

Mr. FISHER.—De Kuyper's gin has a reputation, and the man who wants that will not take any other; the same with Walker's whiskey.

HOUSE OF COMMONS, OTTAWA, 16th March, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the Chair.

WALTER PAUL, retail grocer, Montreal, sworn.

By the Chairman :

Q. You are in the retail grocery business in Montreal? A. Yes.

Q. Have you any particular grievance with reference to this sugar combination? A. I think I have. Mr. Chairman and gentlemen, I am what I consider one of the largest retail grocers in Montreal. I handle a large quantity of sugar, being an extensive retailer, and have been a regular buyer from the refiners for the last 9 or 10 years. I have constantly bought my sugar from the refiners and got it at the prices at which the refiners were selling it. I may here state that I was one of those who was honored by being put on the list of sugar buyers of the combine, and therefore my rights were not interfered with until the month of December last. The combine so far as it existed did not affect me in any way at all until I was very much surprised when going to make a purchase at the Canada Sugar Refinery in the month of December, that the price of sugar was so much, net cash.

By Mr. Landry :

Q. By whom? A. By a salesman in the sugar refinery. I had always believed that the terms of the sugar refinery were simply as to quantity.

By the Chairman :

Q. You were prepared to buy sugar the same as usual? A. Yes, and I asked the reason but he could give me no answer. He said my name was no longer on the list (Exhibit 1). He referred to our good friend Mr. Childs, who is here to-day. I went to Mr. Childs' office but he was not in. I then went to the office of the Secretary of the Board of Trade of Montreal whose name was attached to the price list from week to week, to enquire of him the reason why my name had been struck off the list.

By Mr. Fisher :

Q. Who was the Secretary of the Board of Trade? A. Mr. George Hadrill. I wrote him that evening the following letter :—(Exhibit 21 A).

“MONTREAL, 23rd December, 1887.

“GEORGE HADRILL, Esq.,

“Secretary Montreal Board of Trade.

“DEAR SIR,—I was very much surprised to-day when calling at the office of the Canada Sugar Refinery to learn that my name was no longer on the list of privileged
SUGAR AND GROCERIES.

81

buyers of the Grocers' Association. I called at your office immediately thereafter to learn the reason but you were not in. Would you be good enough (without delay) to inform me by whose authority and for what offence I am subjected to such treatment without any notification whatever.

Your prompt attention will oblige

Yours truly,

WALTER PAUL."

I received from Mr. Hadrill the following reply :—(Exhibit 21 B).

"MONTREAL, 23rd December, 1887.

"WALTER PAUL, Esq., City :

DEAR SIR,—In reply to yours of yesterday's date inquiring the reason of the erasure of your name from the list of signers to the sugar agreement, permit me to assure you that it is for no reason particular to yourself, but simply in compliance with the terms of appended resolution of the Dominion Wholesale Grocers' Guild which orders that the agreement be confined to strictly wholesale houses, acting under which resolution the various grocers' associations in the Dominion have removed the names of all retailers from the sugar agreement.

I am, dear sir, yours truly

GEOURGE HADRILL, *Secretary.*

He sent a copy of the resolution which is as follows :—(Exhibit 21 C).

"Resolution adopted at a meeting of Dominion Wholesale Grocers' Guild held at Kingston on 16th November, 1887."

"Resolved that the sugar combination be confined to strictly wholesale houses, and that local guilds be requested to erase from membership any retail house, being understood to mean any house selling direct to the consumer and that a new list be sent to refiners of those who are in the combination."

I quite forget now, whether I had any occasion to buy sugar early in December or not, without referring to my books. At any rate, this resolution did not bear upon me until about that date, the 23rd December.

Q. You knew that your name was on the privileged list before? A. I did.

Q. How did you get it there? A. I was Secretary of the Retail Grocers' Association and they came several times after me to get my name, I never went to get my name on the list.

Q. They came to you and you consented? A. Yes.

By Mr. Fisher :

Q. When your name was put on the list were any conditions imposed upon you? A. The conditions were similar to those bearing upon all the members, but as those conditions were very easy I had no hesitation in allowing it to be put on the list.

Q. Did you sign the agreement? (Exhibits 4 and 22.) A. I did sign the agreement.

Q. The sugar agreement? A. Yes.

Q. Did you subscribe to the Wholesale Grocers' Association? A. No, I am not a member of that association.

By the Chairman :

Q. Did you sign that agreement? A. Well, I could not say what agreement. Mr. Lightbound explained the agreement to me and said that the reason he had got my name was because he had understood that I had been a regular buyer from the refiners for such a long time that they wished my name to be put on as one of the regular customers.

By Mr. Landry :

Q. What were the particular advantages that you received? Do you remember? A. I was not getting any more advantages than I had been getting already, except that my rights were not to be interfered with and I was permitted to buy my sugar just as usual.

By Mr. Guillet :

Q. But your name is off the list now? A. Yes. The loss in my business resulting from this sugar agreement will be nearly \$1,000 a year, besides the very unpleasant thing of being compelled to buy sugar where I do not want to.

By Mr. Bain (Wentworth) :

Q. Did they send to you or notify you when they struck your name off the list? A. No.

Q. They are in the habit of notifying parties? A. They did not give any notice to me, at any rate. One of the members of the Montreal Guild called upon me and said he was sorry they had not sent me a notice. He said that they had taken my name off the list because it was very well understood that I was a retailer. I replied that it was so understood at the time that they put my name on the list; I was no more a retailer at one time than the other.

By Mr. Guillet :

Q. Do you know whether the wholesalers sell direct to any large customers or not? A. No, I cannot say. They have been remonstrated with for doing so hitherto, but I do not know that they do it now.

Q. Do they not supply sugar to the hotels, for instance? A. I do not know, but I have reason to believe that strictly speaking the terms of this resolution are not being kept by members of the guild: "The retail houses being understood to mean any house selling direct to the consumer." I hold that the Windsor Hotel, the Grey Nunnery, the St. Lawrence Hall, the Turkish Bath, &c., and every place in fact where a large number of boarders are kept, are consumers in the strict sense of the word.

By Mr. Landry :

Q. Are they on the guild list? A. No. I think proof could easily be got that they are buying direct from the guild. I do not care what price they pay, but it interferes with my business.

Q. Have you any proof that any of these buy directly from the guild? A. I say that these wholesale grocers are prohibited from selling direct to any consumer.

By Mr. McKay :

Q. But do they sell direct to these hotels and other large consumers? A. I have reason to believe that they do.

Q. Do you know that they do? A. That could be easily ascertained.

By Mr. Guillet :

Q. Do the guild sell direct to those who want sugar for refreshment saloons on the railways? A. I do not know.

Q. But they buy largely for their supply between Montreal and Toronto do they not? A. They may, I do not know.

Q. How about the steamboats? A. I could not say.

By Mr. McKay :

Q. Do you know that they are doing this? A. I have been told that they are.

Q. But you do not know, it is only hearsay? A. Yes.

By Mr. Wood (Westmoreland) :

Q. Do I understand that you object to the wholesale people selling direct to the class of people that you refer to? A. I say it is a direct violation of their own resolution.

Q. Do you object to that? A. I certainly do. They are not keeping their own resolution.

By the Chairman :

Q. They then became both wholesalers and retailers? A. They may say that they sell a large quantity but I have no objection to have the sale established on the quantity basis. I quite agree that the retailer should be able to purchase sugar direct from the refiners, provided that he can buy a certain quantity at a time. I hold that the refiners should be allowed to say that, "we will sell to any party provided that he will take so many barrels," but I do object to be prohibited from buy-

ing sugar from the refiners, no matter what quantity I may wish to purchase simply because I am a retailer.

By Mr. Wood (Westmoreland) :

Q. Do you approve of the establishment of the general principle of dividing trade between the wholesale class and the retail class? A. I am strongly in favor of freedom of business, of the survival of the fittest.

Q. Is it your grievance that you complain of, that the arrangement exists between the wholesale grocers and the refiners, the arrangement which exists at the present time? A. I do not quite understand that question.

Q. Do you complain of the terms of this arrangement or do you think that no arrangement should exist? A. I think that no arrangement should exist.

Q. No arrangement? A. None at all, unless on a quantity basis.

Q. You would approve then of a quantity basis? A. Yes, but not one being called a wholesaler and another a retailer. I make bold to say that I handle more sugar myself as a retailer than a number of the so-called wholesalers.

Q. Then do you approve of grocers making an arrangement to govern their own business? A. I cannot say that I do. I do not believe in combinations or agreements of any kind. Of course, I am speaking from the refiner's standpoint. If the wholesale grocers choose to say to the refiners "you are not to sell to the retail grocers," I think it is quite right that the wholesale grocers should be protected by all manufacturers, but I think at the same time, that the manufacturers should say to them that "we will not sell to the retail grocers unless they take a certain quantity," not because that the one is a wholesaler and the other a retailer, but because you can take a sufficient quantity at one time.

Q. You approve of an arrangement of that kind existing? A. Yes.

Q. And you assented to an arrangement of that kind when you first joined the guild? A. Although I signed the agreement, it was simply because it did not interfere with my right and did not stop my buying sugar from the refiners. I have been taunted that I was on the guild list. There is not a man in the guild or not in the guild, in Montreal, that I suppose ever approved of it on principle. For my own part, I never approved of it.

Q. That arrangement did not interfere with your business, as I understand it? A. No, not while I was allowed to buy from the refiners. While my name was on the list I was placed just where I had always been.

Q. But the present arrangement is a loss to you personally? A. Yes, I consider that it is a loss to me of nearly \$1,000 a year, besides being obliged to buy sugar whether I like it or not.

Q. The loss does not come out of the consumer, but out of you? A. Out of me.

Q. It does not affect the general consumer? A. Not so much.

By Mr. McKay :

Q. You do not object to the principle of a large buyer getting a more favorable rate than a small buyer? A. I do not.

Q. You think that if a man can buy a large quantity at one time, he should get the advantage of a cheaper rate? A. Yes; I do.

Q. And a man who only buys a small quantity should pay more? A. Yes. If he cannot buy a large quantity, the same as his neighbor, he should pay more. This has the effect of preventing unwholesome competition in the way of little corner groceries.

By the Chairman :

Q. You are not prevented from buying sugar at the refinery. A. No; but I am prevented from buying sugar on the privileged terms.

Q. On the privileged terms? A. Yes.

Q. What are the terms? A. Those inside get 2½ per cent. discount, while those outside pay one-quarter of a cent or one-eighth of a cent, I think it is now, more and are allowed no discount.

Q. Those are the better terms? A. Those are the better terms.

Q. You say that makes a difference to you of \$1,000 a year. What quantity of sugar do you sell in a year? A. My books will show. I know that my discounts are about \$70 to \$80 per month, that is, on the basis of the difference of one-eighth of a cent. I think my book-keeper told me about \$300. With a difference of one-quarter of a cent, it would amount to over \$1,000 a year.

By Mr. Landry :

Q. How many barrels of sugar would that mean? A. We get through pretty nearly 100 barrels a month.

Q. That would be about 1,200 barrels a year? A. My consumption of sugar is very largely granulated.

Q. There is upwards of 80 cents per barrel of a difference? A. Yes.

By Mr. Bain (Soulanges) :

Q. Were you not one of a deputation that called on the wholesale grocers and asked them to come to some arrangement? A. When I was a member of the retail association I was asked to give a sort of weight to a deputation which waited on the wholesale grocers. The Retail Grocers' Association of Montreal made complaint that wholesale people were selling caddies of tea—

THE CHAIRMAN.—Please answer the question.

WITNESS.—I was one of a deputation.

Mr. McKay :

Q. That objected to wholesale merchants selling to customers which I believe they were in the habit of doing? A. Yes, they did. I, individually, did not object but was asked to form one of a deputation that waited on them.

By the Chairman :

Q. You have to pay a higher price for your sugar now, have you not? A. I have to pay the same price as anyone else outside of the guild.

Q. At a higher price than the privileged class? A. Yes; three-eighths of a cent higher.

Q. Do you sell at the same price or do you advance the price? A. I sell at the same price.

Q. That \$1,000 comes out of you individually does it? A. Yes; out of me individually.

Q. Do your customers lose anything on this? A. The price of sugar is cut so much that the customers do not lose very much.

Q. But the loss is divided between you and the customers? A. Yes.

Q. You part and the customers the other part? A. Yes.

Q. But do you think that it does either you or the customers any good to have this combination in existence? A. Oh, no; it does harm to us both.

Q. It does harm to them? A. Yes.

By Mr. Landry :

Q. Who profits by the agreement, wholesale dealers or the refiners? A. The wholesale dealers profit by it. I cannot say that the refiners make anything out of it at all. I consider it a very great mistake that the refiners entered into such an agreement with the wholesalers at all.

Q. You named a lot of people, a while ago, you thought should be included in this resolution as parties who ought not to be allowed to buy? A. I mean to say that these institutions were still buying from the wholesale houses, and the wholesalers were not following the terms of this agreement.

Q. Don't you think that, reading this strictly, the names should be erased from the membership, that is of the men in the wholesale business selling direct to consumers? A. I consider that the Grey Nunnery in Montreal are not retailers.

By Mr. Fisher :

Q. You complain that wholesalers who sell to these institutions are selling to the consumers? A. Yes. They should follow the terms of the resolution.

Q. I wish to ask one or two questions. I understood you to say that you had paid the refiners a higher price than those within the guild? A. Yes.

Q. Are you aware that when you were in the guild the price at which you sold was limited by the agreement (Exhibit 4)—when you signed that sugar agreement you were bound as to the prices at which you should sell? A. Yes, I was bound to the prices in this resolution, but it was very easily cut by the retailers.

Q. That part didn't interfere? A. I had no difficulty as far as signing that agreement goes. I didn't care to sell sugar by the pound at a lower price than the guild would sell 15 barrels.

Q. Your being within the agreement didn't make any difference as to the price at which your customers got their sugar? A. No, unless they took it by the barrel.

Q. If you did that you did live up to that agreement? A. I was obliged to be careful not to sell a barrel of sugar cheaper than the agreement.

Q. Or higher? A. I didn't understand anything of the kind, the charge could be as high as you like. I thought it was a strange thing that I should have been cut off that list without any notice. I understood that anyone cut off the guild had to be given two months' notice, but I was cut off without two minutes' notice.

Q. That guild is practically an arbitrary association,—they decide who shall get certain privileges and who shall not? A. They dictate to the refiners.

Q. Suppose the refiners were to refuse to agree to that, where would the harm come to the refiners you speak of? A. If they refuse to agree to the guild's terms, I do not see that any possible harm could come to the refiners. The refiners can sell their sugar, it is simply a question of distribution. The whole guild could not be kept together unless the refiners were a party to it.

Q. The refiners have it in their power at any time to break up that guild? A. They can break up that guild to-morrow morning by saying, "we will sell to whom we like."

Q. Can you give me any reason why these refiners keep in that guild? A. I don't think that they have any profit. I cannot.

The CHAIRMAN. We have been asking that of others, but they could not possibly have any knowledge of it.

Mr. FISHER. He applied to the refinery to give him sugar on the same terms he got it at when he was in the guild, and it was refused to him.

Q. The reason given to you that you could not get that sugar was that you are no longer on the list? A. Yes.

Q. The price lists that were supplied were signed by Mr. Hadrill, Secretary of the Board of Trade in Montreal. Did he sign this officially as Secretary of the Board of Trade. A. The wholesale grocers' office was the Board of Trade.

Q. Do you know whether there is any connection between the wholesale grocers and the Board of Trade of Montreal? A. They are affiliated.

Q. The Secretary of the Board of Trade is also Secretary of the Wholesale Grocers' Association? A. I don't think he is. He does not say so in his circular, it is sent from the offices of the Board of Trade.

By Mr. Bain (Soulanges):

Q. What profit do you consider the wholesale grocers make off the retailers on white and yellow sugars? A. I have no knowledge. I know there is a profit certainly of one-quarter of a cent clear to them. What extra profit they clear I have no means of knowing and have no right to inquire.

By Mr. Guillet:

Q. There is a difference in the discount? A. Yes; they get 2½ and give 1½.

By Mr. Bain (Wentworth):

Q. Are you a member of the Retail Association or Guild? A. No, I was, but am not now.

By Mr. Fisher:

Q. Are you obliged to get your sugar from one refinery? A. There is only one refinery there now.

Q. Did you see whether you could get it any lower at Moncton? A. I enquired of the agent at Montreal, and the prices were the same. Of course you cannot buy anything less than a carload. The fact is, that early in the season when one of our

refineries was destroyed by fire you were obliged to take from the Canada Sugar Refinery Company what sugar you could get. They were glad just to give every person only as much sugar as would keep him going.

Q. What quantity makes up a carload? A. I think about 80 barrels.

By Mr. Boyle :

Q. You think it a grievance that the wholesale trade shall sell direct to any consumer? A. I think it is not fair, but I have no personal complaint. I know my customers have told me that they could get their tea wholesale, and I have told them that I could sell it to them as cheap as they could get it wholesale. One likes to be above complaining of the way any other one does his business. A large number of retailers however have complained.

Q. You think it wrong that the wholesale trade should sell to large consumers? A. In ordinary business I do not think so. I would not.

Q. Why should not the wholesale association have the same privilege of selling to large consumers that the refiners had of selling to large retailers? A. They should not do a thing and then say I must not do it.

By the Chairman :

Q. That is a dispute between the grocers' guild and the retailers' with which the committee has nothing to do. He claims they have excluded him and left in persons who are doing the same thing? A. I think that resolution is framed in such a way as not to show its true meaning. They are violating it and do not know it. Hotels are consumers, just as much so as a wife and family.

By Mr. Wood :

Q. But I understand that you are not a member of the Retail Grocers' Association? A. I was, but I am not now. I could not attend their meetings and have not been there for some time.

Q. Did you join voluntarily? A. I did not see what good they done, and my time was so precious I could not attend any of their meetings.

Q. I have been requested to ask you whether you were one of a deputation who went to the Wholesale Grocers' Guild and protested against them? A. I was there, as I answered to another gentleman. I was asked to go but it was not at my own suggestion.

Q. Of course you considered you have no more right to make any suggestion to regulate their trade than you say they have to regulate yours? A. I do not think I have.

By Mr. McKay :

Q. You spoke about the difficulty in getting sugar at the time of the St. Lawrence refinery fire. Do you know it to be a fact, that there was a difficulty in the refinery supplying sugar? A. I knew that the refinery was doing its best to fill all orders. I was never refused sugar, but I want to say that if a man had wanted 100 barrels and a stipulation had been made that he would not take any less than 100 barrels, it would have been impossible for the Canada Sugar Refinery Company to have filled his order.

Q. What is your complaint in that connection? A. I have no complaint; but I said we were all obliged to buy from one refinery, and we had to bear with it.

Q. They supplied you with all you wanted? A. Yes; but supposing the quantity had been 50 barrels, and that no one would have been allowed to take less, he could not have got 50 barrels.

Q. That is your own trouble then? A. No. I say the refiners should be allowed to sell to anybody they think fit, but I do not think they have the right to have a list handed to them by the Wholesale Grocers' Guild who say to them, "you must sell to these men on special terms;" particularly, as I am told that this resolution did not emanate from Montreal but came from Ontario, from Toronto, and it was very natural for me to object to members of the Toronto Guild putting their foot on my neck.

GEORGE CHILDS SWORN.

By the Chairman :

Q. What is your name? A. George Childs.

Q. Residence? A. Montreal.

Q. Occupation? A. Grocer.

Q. Are you a member of the Wholesale Grocers' Association of Montreal? A. I am, sir.

Q. Have you made an arrangement with the sugar refiners as to the sale of sugar? A. Mr. Chairman, if you allow me to say this: By way of preface, there are several members of the guild here, and I have been asked to make a general statement, and I think it would save time if you would hear my statement and what they would say would be but a repetition of what I would say, and I wish to lay the whole circumstances and facts. I think you could get at the facts quicker in this than by examining a dozen witnesses. It gives me great pleasure to be present this morning for this reason: I think no question of commerce has been so disgraced or so unfairly treated in the papers as this in reference to the sugar question, and when the question came up that this Committee had been appointed I thought that is the proper thing to do. Get all the facts on both sides and if the guild are engaged in any illegal act, why, we should like to know it. Our object was to protect ourselves against losses. We are charged with being a secret society.

Q. I think that is pretty wide of the object for which this Committee has been called? A. As a matter of fact we have been charged with being robbers, highway ones, pickpockets and blackmailers and other complimentary names; but I may say without any reference to the guild itself that up to about 1883 the wholesale grocery business had really become demoralized by the cutting of prices.

Q. Are you referring to Montreal? A. I am referring to Montreal and the whole Province of Ontario.

Q. Do you know of any wholesale grocer in Toronto who became bankrupt in all those years? A. I am not prepared to say.

Q. Could you name one. You say the whole business was demoralized, now could you name one in Toronto? A. I cannot, but in a general way business had become demoralized and unprofitable. Therefore we organized for the purpose of protecting ourselves; if I am allowed to read the preamble of our Guild constitution it will perhaps explain. The preamble is this "The necessity for co operation and the benefits of reciprocal exchange of opinion," &c. (Exhibit 7.)

Q. I must protest against the general organization of the Wholesale Grocers' Association being gone into; we are not enquiring into that at all. It is simply the sugar agreement? A. The public and the papers have.

Q. Not the formation of the Wholesale Grocers' Association for legitimate purposes. It is that they have gone beyond that, and this sugar agreement embodies the particulars of the charge that has been made. We are not enquiring as to the formation of an association for legitimate purposes.

Mr. WOOD (Westmoreland).—I think we ought to have some knowledge of what the character of the association is.

The CHAIRMAN.—Let him put in the constitution

Mr. MCKAY.—We had some witnesses before this Committee who came to oppose the so-called combine between the wholesale grocers and refiners. They were not checked in any way. They stood there and went on with their evidence until they were through and no objections were made. I think this Committee was formed for getting evidence on both sides.

The CHAIRMAN.—This is no evidence.

Mr. MCKAY.—I think we should treat both sides fairly. I have listened to the statements on the other side and am prepared to sit here and listen to the other also.

The CHAIRMAN.—You seem to have forgotten the unanimous decision of this Committee to-day. We are confining ourselves strictly to the question. Mr. Childs has gone beyond, in his statements, any gentlemen who has been before the Committee. He is going into a general dissertation of the Grocers' Association.

Mr. CHILDS.—I think I am the first who has appeared before you from the Wholesale Grocers' Association.

The CHAIRMAN.—Mr. Childs will confine himself as much as possible to the question that is up.

Mr. CHILDS.—We merely claim in justice that our case may be placed fairly before you, and if you will allow me to proceed you will get through quicker.

As regards the arrangement, I may say that the organization was not for the purpose of advancing the prices, but regulating them. For instance, the trade had got into the way of selling goods at 30 days, 3 per cent. off. Then this three per cent. off sometimes amounted to as much as the profit and generally made the trade unprofitable. There was need of this arrangement in the interest of the consumer. The result has been that it has established a better feeling and everything has been working more in harmony since the petty jealousies existing have been largely removed, a much more harmonious feeling has prevailed, the trade is now better, and in fact, we now aim to conduct the business on business principles. Business was not conducted on business principles before. Lightbound, who was really the prime mover in this agitation against the sugar agreement, was one of the prime movers in the formation of this guild. I was going to say, sir, I did not wish to use names, but inasmuch as Lightbound has made charges against the sugar arrangement, I think it is but fair that I should notice him here. He was one of the founders of the association. In fact he was our most active member of the organization. In looking over the minutes, I find he moved more minutes, and entered more largely into the discussion of the affairs of the association than any other member; I find on referring to the minutes of 17th December, 1883, that Mr. Lightbound moved that it is desirable to form an association, on the preamble submitted of which I have read a portion. On 7th January, 1884, the preamble, constitution and resolutions (Exhibit 7) were adopted, one or two of which have been given to show that the society was a secret one. In fact, that resolution is a dead letter. It has never been acted upon nor has a single member of the association ever been expelled for any cause whatever, no such case has ever come up before the association. Mr. Lightbound moved—

The CHAIRMAN—He is not on trial here to-day.

WITNESS—He is attacking things in the newspapers. I notice that some of the gentlemen who came here claimed the right of British subjects. I am a British subject. Lightbound was appointed one of a committee that called upon the wholesale jobbers and urged them to join the association. On September 30th, he was appointed one of a committee to wait on the tobacco manufacturers asking them to fix prices. He was asked if he objected to the tobacco combination and he said "yes." He had agreed to these terms. Lightbound was appointed one of a committee to fix the selling price. On 14th February, at a meeting, Lightbound refused to enter into the sugar agreement west of Montreal. Mr. Lightbound was quite willing to enter into the sugar agreement so far as Montreal East and Montreal South were concerned, but he would not agree to the west because he stated he would suffer.

By Mr. Bain (Wentworth):

Q. What time was that? A. On 14th March, 1885, no, that was 4th February, 1885. On 16th March, Lightbound moved that the tobacco men be again approached, asking them to fix the price at which wholesale dealers should sell tobaccos. On 20th April, 1885, asked and moved that the agent of Crosse & Blackwell be approached to fix a price on their goods. On the 7th he moved that the committee request the grocers of Kingston to form a local guild and enter into the tobacco combination. Lightbound withdrew from the association in 1886, not that he objected to anything in the combination or any of its rules, but for personal reasons, not referring to business but for personal reasons which, of course, it would not be proper to introduce here. Mr. Lightbound signed the tobacco agreement in 1883, which was at three cents a pound advance for the Province of Quebec. On 6th May, 1884, he signed the tobacco agreement at 4 cents advance for all points east of Toronto.

By Mr. Guillet :

Q. What was the first advance? A. Three cents. On the 22nd November, 1885, Mr. Lightbound was a delegate from the Montreal guild—in Ontario it is called the association, and in Montreal, it is called the guild. These are the names but the organizations are the same. We are all one body, and united; I wish to lay this statement before you. We do not wish to conceal anything, but give you the whole facts and evidence. Mr. Lightbound was a delegate from Montreal at the annual meeting in Toronto, on 22nd November, 1885. At that meeting Lightbound seconded a motion asking Mr. McLaren to fix the selling price on the Cook's Friend baking powder. I notice in his examination Mr. Lightbound says he was forced into it. Mr. Lightbound was the first member of the association who moved a resolution asking Mr. McLaren to fix the price.

By Mr. Fisher :

Q. Do you mean the price at which he should sell to members of the guild, or the price at which he should sell to retailers? A. I mean the price at which we are bound to sell to the retailer. At the same meeting in Toronto Lightbound moved a resolution appointing a committee to wait on the Edwardsburg Starch Company, asking them to fix a price on their manufactures in the same way. Now, this is all I have to say as far as the guild is concerned.

By Mr. Fisher :

Q. I suppose these resolutions in regard to this were not the only ones Lightbound moved there, but other ones similar were moved? There were other ones bearing in the same direction? A. Yes, in the same direction but I thought they would be the most interesting.

By Mr. Landry :

Q. Can you give us a list of articles or goods for which you have regulated the prices by resolutions in your guild? A. I may say, sir, that in reference to sugar and tobacco, they are the only two articles.

Q. I thought there were resolutions about other things? A. No, the manufacturers fixed the prices.

Q. I mean the prices you should sell groceries to your customers? A. Matches, pickles, baking powder and starch (an English starch); there is no combination on Canadian starch that I am aware of.

By Mr. Bain (Wentworth) :

Q. Rice? A. No, not on rice.

By Mr. McKay :

Q. There is no combination fixing the price on Edwardsburg starch? A. No, sir, they never succeeded.

By the Chairman :

Q. What is the advance on the price of tobacco? A. Four cents.

Q. Started at three cents? A. Yes.

Q. Four suits better? A. I can explain the way it suits better.

Q. Never mind? A. I would rather that the advance of three cents was put upon tobacco. The duty was 12 cents a pound. That duty was placed at 20 cents a pound.

By Mr. Landry :

Q. Could you give us a list of the articles or goods that the guild or guilds have regulated the prices for their customers? A. There are very few, sir.

Q. Can you give it? A. All that I know of is tobacco, Cook's Friend baking powder and sugar; they are the only articles that the guild fixes the prices of; that is, really, tobacco and sugar, they are the only two.

Q. You say these are the only two that you have fixed the prices of to your customers? A. Oh, no.

Q. Was the purport of that resolution that was moved as to the sale of baking powders, wasn't that to fix the price between yourselves and your customers? A. The object was to fix the prices that we might obtain a profit.

Q. Wasn't that to fix the prices for your customers? A. Yes.

Q. Then there is the article of baking powder as well as the two you have named? A. Well you see the manufacturer—

Q. I am speaking of yourselves as a guild, I would like to know the articles on which you have fixed the prices between yourselves and your customers. If I understand it, on these two articles you fixed the prices yourselves, on your customers? A. Yes.

Q. These prices were fixed, based upon the prices that you would receive from the manufacturers, yourselves? A. Yes.

Q. You are at liberty when you ascertained the current price from the refiners to fix whatever price you liked to sell to customers? A. Yes.

Q. Regarding the sugar refiner and the manufacturer of tobacco when you obtained the price at which you could get it from these people, didn't you fix your own profits that you should make in selling to customers? A. The arrangement we made was that we were to sell at one quarter advance or 4 cents.

By Mr. Bain (Wentworth):

Q. If Mr. Childs would kindly continue those resolutions down through the last 12 months, as these have all been moved 2 years ago and backward.

By Mr. Landry:

Q. This state of facts seems to exist, that refiners are to sell to members of the guild at certain price? A. We are privileged to sell to members of the guild at any price we please.

Q. It is not established to my satisfaction, whether this is by an understanding between the guild and the manufacturers, based on the profits of the manufacturers or not. Some witnesses think the manufacturers make no profit, but as I understand it, when you have ascertained the prices from the refiners, then you, as a guild, fix the prices at which sugar is to be sold to your customers? A. No.

Q. See this: "The scale of prices is to be based on the prices of refiners in Montreal?" A. That is the selling prices based on the prices of refiners to certain members.

Q. When you have ascertained what the prices are on the part of the refiners, then you make the prices for your customers? A. We make a certain advance on the refiners' prices, and when they decline we make a reduction.

Q. You are confined by an understanding between yourselves and the refiners to a certain standard? A. Yes.

Q. What is that standard? A. If you will allow me to go on further; I want to defend our position as a guild first.

By Mr. Guillet:

Q. Does that same rule apply to the products of the tobacco manufacturers? Are you at liberty to place a profit on them or is it by an arrangement with the manufacturers that your profits are regulated? A. The guild fixes an advance of 4 cents.

Q. There is no arrangement with the manufacturer in that case? A. There is no positive arrangement. There has been a good deal of correspondence, but the manufacturer has never committed himself as to whether he would or not.

Q. You sometimes sell tobacco in bond? A. Yes, sometimes.

Q. Is the advance 4 cents per pound then? A. Yes.

Q. Does that not affect the amount of capital invested? A. When I say we sell in bond, I do not remember ever having sold any in bond, but the question of selling in bond has been introduced here. The prices here of an advance of 4 cents is based on the duty. In bond then it would be different.

By Mr. Boyle:

Q. You say an attempt was made to fix prices? A. Yes.

Q. On what articles? Was there anything besides Edwardsburgh Starch? A. The matter came up for discussion on a suggestion by Mr. Lightbound, but the members did not agree to it. I do not know of anything else but starch.

Q. Were the manufacturers approached with a view of effecting an arrangement of this sort? A. Yes.

Q. What manufacturers? A. Well, we approached the Edwardsburgh and we approached the Hamilton, that is The British American Company. The only difficulty about arriving at an arrangement was that one manufacturer was willing to fix prices, but the other was not.

By the Chairman:

Q. Now, what is your statement? A. It is well known that sugar is a weak spot in the grocery trade. For years the cutting has been such that it has undermined the capital of those engaged in the business. Up to the early part of 1887, the losses from competition were so great that most of the wholesale trade would have been quite willing to have given up the article of sugar. I may say that the question of a profit on granulated sugar was discussed for several years but nothing satisfactory could be arrived at. There seem to be localities where some would have advantages over others. The matter was discussed in Toronto at a meeting of the Dominion Guild, and the conclusion was come to sell like this. The loss on sugar and especially on granulated sugar, because there is more of it used than other grades, was so great that it would be better for the wholesale trade to abandon the sale of sugar, as under the present tariff they were placed in such a position that they could not import any. They were merely acting as brokers for the manufacturers without getting any commission and guaranteeing all bad debts. I may say here if the refiners have to take the distribution of their own sugars into their own hands they would be obliged to advance the price. They could not possibly sell them at present figures. It costs the merchant to distribute his sugar throughout the country $2\frac{1}{2}$ to 3 per cent. The refiner in sending out his agent to sell to the retailers could not do it in my opinion less than 5 per cent. and this 5 per cent. that grocers are said to be getting now would have to be added to the refiners' prices. I think the trade is so linked together that the wholesale grocers are the natural distributors of the sugar as they sell it with other goods. We therefore came to the conclusion to offer to the manufacturers that they should supply the retail trade; in fact we called a meeting in Montreal at which representatives of the three refineries were present and said you can take the trade.

Q. When was that? A. On the 20th of April, 1837. The refiners objected and said they did not like to do so. We said if you cannot do that the next thing is to discriminate one quarter of a cent between the wholesale and the small buyer, or those who were not in the wholesale guild. This quarter of a cent was only on granulated sugar. We did not ask any advance on yellow. Now there are 2 barrels of yellow sold for one of granulated, so that it was like a quarter of a cent advance on one barrel out of three.

By Mr. Fisher:

Q. Before that you had no arrangement with the refiners as to the prices to be sold at? A. Previous to that sugar bought at 6 cents was sold 5-90 or 5-95 or at any prices they liked; but it is evident that if sugar was being sold at a loss the price had to be made up in some other way.

By Mr. Bain (Wentworth):

Q. In saying you bought at 6 cents was that at a discount off? A. That would be with the discount off, but when sold at 6 cents to the consumer it was sold at 60 days. I may say that the difficulty in the city was that if a retailer bought sugar from the refinery he would be obliged to carry it from his store, as it is now we pay 7 cents from the refinery to the wholesale house and five cents to the railway. That makes 12 cents. The cartage comes out of our profits.

By the Chairman:

Q. Who pays the cartage outward? A. The railroads.

Q. Taen the one who received it paid the cartage? A. Yes; of course. I mean in the city it costs 12 cents.

By Mr. Landry:

Q. That is single barrels? A. It would cost the same for five barrels. It would cost twenty cents for a single barrel. For instance when we draw a lot of five barrels it would be 35 cents for the lot. In the meantime, sometime in August, I

think, a large quantity of sugar being brought in, it interfered with the arrangement with the refiners.

Q. Imported sugar? A. Yes; and was being sold; and I may say that the gentleman who undertook to undersell those in the sugar agreement, was very cautious. They usually would sell at $2\frac{1}{2}$ cents per 100 lbs. less. I know, in our own case, we sold a small quantity to a gentleman, and he immediately came back and cancelled it, because one of these parties had sold him at $2\frac{1}{2}$ cents per 100 lbs. less. I was unavoidably out of the city when the meeting was held with the refiners in December; but an arrangement was made that sugar should be supplied to those not in the combination and pay one-eighth of a cent per lb. more than those who were in it.

Q. Were all the refiners represented? A. All but the St. Lawrence, which is not working. Not having any sugar to supply, nor expecting to have for some time they did not feel disposed to go. They were in the arrangement previously.

Q. The Maritime Province refiners were represented? A. Yes sir. I may say that all along it seems to have been taken for granted that the grocers were the only ones in this sugar agreement, but it is not so. There are quite a number who are not grocers who are in this agreement. For instance the wholesale confectioners who use sugar in their manufactories, they are also on the same terms as the wholesale grocers.

By Mr. Guillet :

Q. Are their names on that list? A. Yes, and I may say further that some grocery firms who do not sell sugar at all for the simple reason that it is an unprofitable business. To show how it works, a gentleman who was connected with one of our largest grocery firms in Montreal retired from business sometime ago, and he stated recently that the year he left business he had sold \$150,000 worth of sugar and he made the calculation that he lost on that \$5,000. That was of course the loss of distributing, and interest one way and another.

By the Chairman :

Q. Had sugar gone down in price? A. No; but simply that they had sold sugar at such a low price that it did not pay the cost of distributing and other costs connected with the establishment.

By Mr. Guillet :

Q. As a matter of fact sugar had not been declining? A. No.

By the Chairman :

Q. What year was that in? A. Two or three years ago. But there has been such wild and exaggerated statements published in the newspapers that the grocers have been making one and two per cent. that the majority of consumers imagine that they are all coining money. I may say that quite recently a lady at an evening meeting with her friend declared that during the past month her expenses had increased \$8.50, and she said she was sure it was all owing to the sugar combine. The gentleman who told the story is not a grocer himself, but he said that struck him as rather an extraordinary thing, and he asked the lady how much sugar she had used in the month. She said they had been making preserves, and she thought they had used about 80 pounds, and he came to the conclusion that the extra cost to her had been more like 80 cents than \$8.50. I think some consumers do not appear to have any appreciation or idea of it at all. Now, I notice that Mr. Matthewson, a gentleman for whom I have a very great esteem, and one whom I would not like to say anything against, a gentleman who is full of good works, and who would not state anything that he did not believe to be true. But Mr. Matthewson stated that sugars were never higher nor the quality never poorer than at the present time. Well, I have got a statement to show that sugar has been as high as 10 cents per pound.

Q. Mr. Matthewson did not make that statement? A. I took the evidence from the papers. Well, sir, I wish also to say this: Mr. Lightbound makes this statement, that he had no objection to the guild or any combination of merchants making an arrangement for themselves. But Mr. Lightbound knows very well that if you have 100 merchants, and 95 or 96 are in the combine, and 3 or 4 remain outside of

such combination, it is utterly impossible to carry it on, as those 3 or 4 who remain outside will issue circulars all over the country and endeavor to get the sympathy of the public and take away their trade. You may say in answer to that, that if the sale of sugar is not profitable why not let them have it. We would be willing to let them have it, but the trouble is that we could not do our business without the sugar. If they could take the sugar and allow us the other business we would let them do so, but we cannot do it. I have, gentlemen, in conclusion, to say that I think the present arrangement is the best in the interests of the refiner and of the grocer. It establishes a sugar business and it is on a fair and equitable basis for all concerned, and I do not think that if the refiners had to distribute the sugar themselves that they would like it any better.

By Mr. Bain (Wentworth):

Q. What is the present arrangement? A. The advance to those not on the sugar list is one eighth for granulated and they also lose the two and a-half per cent. discount which is given to members of the guild.

Q. Does that apply to all grades? A. Yes.

Q. To whites and yellows? A. The previous arrangement only referred to the granulated, but I think the arrangement refers to both now.

By the Chairman:

Q. Those outside the guild lose the two and a-half per cent. discount and pay one-eighth of a cent per pound more than those in the guild? A. Yes.

By Mr. Bain (Wentworth):

Q. There was a statement made here that the final arrangement with the combine was that in addition to the restrictions as to price that the guild had required that the refiners were not to sell granulated except by requiring the parties purchasing to take two barrels of yellow to one of granulated, provided he was not a member of the guild? A. That was discussed freely at the meeting of the guild, and after the meeting broke up I was under the impression that such was the arrangement, but I have understood since that it was not enforced.

Q. Not formally placed on the books? A. I may say that there is no record on the books in writing between the sugar refiners and the guild. It is merely a verbal arrangement.

By the Chairman:

Q. What was the advance charged to those outside the guild? A. A quarter of a cent per pound on 15 barrels and three-eighths of a cent on less than 15 barrels.

Q. What other advantage have you? Have you any other advantage? A. I do not think so.

Q. How much discount do you get? A. Two and one half per cent. discount.

Q. And how much do you give? A. One and one half per cent.

Q. The same date, 60 days? A. Yes.

Q. Do you call that no advantage? A. I do not think so. 12 cents on the barrel and the other expenses which absorb the difference of one per cent.

Q. Two and one half per cent. you get and one and one half per cent. you give? A. Yes.

By Mr. Guillet:

Q. Do you not frequently leave the sugar you purchase stored at the refinery and order it shipped from there? A. We have not done so, but I understand some do.

By the Chairman:

Q. Who pays the freight on sugars sent outside of the city? A. The Grand Trunk included their bill of lading to the place which it is going to.

By Mr. McKay:

Q. To all places? A. Yes.

Q. Is there no place in the west at which it is allowed to pay the freight to their customers? A. Yes, at competing points. I may say, gentlemen, that the whole sugar arrangement has been fixed so as to be equitable to all parts of the country. Montreal cannot sell at a less price than Toronto. I think that the great

prejudice that has arisen in the public mind in reference to this combination has been largely connected with the sugar trust in New York. I regard that trust as a dangerous combine which regulates not only the quantity manufactured, but also regulates the prices at which it shall be purchased. There is no relation whatever between our arrangement and the American trust as there is thought to be. Ours is simply an arrangement whereby the grocers are protected to the extent of $\frac{1}{4}$ of a cent, and if the grocers dropped the distribution of the sugar, the refiners would have to raise their prices.

By the Chairman:

Q. Perhaps somebody else would go in and distribute it for them? Have you made any bargain with the refiners in this arrangement, or what is the bargain you have made with the refiners, if you have made any? A. Of what nature?

Q. Have you made any contract with the refiners by which they are to assist you in getting your profit? A. The only arrangement is the one I have mentioned.

Q. They agree to sell only to these persons on your list. That is the first agreement? A. Yes.

Q. They agree further that to all those outside of the list there shall be an advance of one-eighth of a cent per pound? A. Yes.

Q. Have you a separate understanding with each refinery, or is there somebody representing all the refiners with whom you made this agreement? A. They represented all the refiners in making this agreement.

Q. Have you made a separate arrangement with each refiner? A. No.

Q. Well is there someone representing someone individually or did they all come together? A. Yes.

Q. And met your guild? A. They met a deputation of the guild?

Q. Was there any written agreement? A. No, sir.

Q. Just a verbal understanding with the refiners? A. Yes. In reference to the retailers on the sugar list I may say there are several names on it here in the retail trade. For instance Mr. Paul's name was on it. He was asked, I do not know why, but someone asked him to put it in. His name was the only one out of the retail trade that was on the list, and some of the others in the retail trade felt that they were not fairly treated. They claimed that either they should be placed on the same footing to buy as the wholesale dealers, or else that those in the retail business should be removed from the list. A special objection was made by the trade to Mr. Paul's name being on the list. They argued that while we kept Mr. Paul's name on the list we were doing them an injustice, and a deputation from the Retail Grocers' Association waited upon us, saying that they understood that some of the members in the wholesale guild had been in the habit of selling to consumers. Further than that they brought a document around for us to sign, and stated that the wholesale grocers who would not sign would be boycotted if they did not agree to it. That was rather an undignified way to be approached, but in discussing the matter in the guild we said that as a matter of justice to the retail trade, the wholesale trade should not sell direct to the consumers, and that the retailers had just cause of complaint against having any members of their organization on the sugar combine, as it is called, and after discussing the matter at Kingston we came to the conclusion that it would be better to separate the wholesale from the retail trade. I think the retail trade are satisfied with the present arrangement, because they all get their sugar at the same price.

By Mr. Fisher:

Q. It has been complained that the wholesale grocers sell direct to large consumers, such as the Windsor Hotel, the St. Lawrence Hall, the Hotel Dieu and others. Are you aware whether that is the case or not? A. I may say first of all, that I advocated strongly in the guild, that as a matter of justice to the retail trade we should not do so, I myself have refused to sell even to my own brother-in-law.

Q. Has there been any complaint? A. No.

Q. There has been no investigation on the part of the guild? A. There has been no evidence of such a thing being done, as far as I know of. The other members of the guild have assured me that they do not sell to consumers direct.

Q. How does the association make out the list which they supply to the refiners? A. A good rule has been adopted, and that is, that all who shall sign the agreement and who are doing simply a wholesale business, if a firm comes forward who are simply doing a wholesale business we admit them at once.

Q. Is there no other condition except that they are doing a wholesale trade? A. Yes; that they will not sell at less than $\frac{1}{2}$ of a cent advance.

Q. Your guild maintains an absolute control over the list, and say what names shall go on the list and what names shall not go on the list? A. We do.

Q. You supply that list regularly to the refiners? A. Yes.

Q. From whom you buy? A. Yes.

Q. And you consider that according to your agreement the refiners are only to sell to those whose names are on the list? A. We do.

Q. Have the refiners no voice in the question of who shall be upon that list, and who shall not? Do you not recognize any suggestions on the part of the refiners at all? A. Well, while we have had the control, some of the names have been put on at the suggestion of the refiners. The refiners might say that some merchants were old customers of theirs, and they would therefore like to have their names on the list, and we put those names on at their desire.

Q. You do it out of deference to the refiners? A. Yes, the sugar agreement is entirely outside of the guild. Some gentlemen who are in the sugar agreement are not in the guild at all.

Q. But they are on the list? A. Yes.

Q. The refiners then have a voice in the names that are on the list? A. Certainly. If the refiners say that they had a good customer we would be obliged to put the name on at once. We have no arbitrary control as to that.

Q. You do not absolutely control the list then? A. No, but if a retailer, we should ask it to be removed. It is merely a verbal understanding.

Q. It is a mere verbal understanding which the refiners are at liberty to break at any time to the wholesale grocers? A. That I am not certain.

Q. The only combination you are aware of, is, that every man buying on that list shall only sell at the advance agreed upon? A. That is the only combination, sir.

By Mr. Guillet :

Q. You were present at this meeting at which there was a discussion as to the propriety of insisting upon the sale of 2 barrels of yellow sugar to one of white to members outside the combination? A. Yes.

Q. You understood that that was agreed upon? A. Oh, yes; I might say that the meeting really broke up without doing anything. That was a meeting of the guild and the refiners.

By the Chairman :

Q. Was Drummond present at that meeting? A. Yes.

By Mr. Guillet :

Q. You were in the habit of doing these things by resolution? A. No, I made inquiries since and I found that that was never put in force.

Q. We were informed by one witness that Drummond had these terms demanded of him? A. Not as far as I know.

By the Chairman :

Q. Who proposed this arrangement between the refiners and the wholesalers? A. The wholesalers proposed it.

Q. Was it very long before it was accepted by the refiners? A. Yes.

Q. How long, some years? A. I could not say from memory, after a couple of years, I suppose.

Q. Three or four years, or two or three years? A. Perhaps a couple of years.

Q. You had been urging this on? A. Yes.

Q. They had refused? A. They had refused.

Q. Up to this time, up to last April? A. Yes, up to last April.

Q. They had refused to give in? A. They had refused.

Q. Have you induced them to give in? Have they consented? A. They said they had looked the matter over and had gone into it and it was an injustice to the trade that such arrangement should be made.

Q. What arguments did you adduce in addition to that you have already stated? A. None.

Q. Did you say it would be necessary to go out of the sugar business. A. I think that I have already mentioned that at the meeting at the Windsor Hotel we made that proposal that they might take the distribution of it into their own hands.

By Mr. Guillet :

Q. That settled the matter? A. Yes.

By the Chairman :

Q. You gave them to understand that your decision was that they might take the distribution of sugar into their own hands? A. We were quite willing that they should do so.

Q. That is taking them by the throat, saying that they have to sell their own sugar or consent to your offer? A. I have yet to learn that a statement of that kind is taking anyone by the throat.

By Mr. McKay (Hamilton) :

Q. You intimated to them that if the wholesalers were not allowed to make a reasonable profit they could sell the sugars themselves? A. I do not think there is any laws to compel the public to throw away money.

By Mr. Fisher :

Q. Then as I understand it this agreement between your guild and the refiners does not bind the refiners? A. Not at all, sir.

Q. The refiners are doing this work entirely voluntarily? A. Yes, I understand it is to their interest to do so.

Q. Before they made this agreement with you were you able to fix the price of sugar? A. No, sir, the customers fixed the price.

Q. The difference between the agreement then and now is, you are enabled to fix the prices; before that, the customers fixed the prices? A. Yes.

Q. By means of competition between the various members of your trade A. Yes.

Q. Another point. I understand that there is a weekly arrangement as to the prices at which you get your sugars, and, consequently, at which you sell them? A. Yes.

Q. Who fixes that price? A. I am in charge of that department. It occurs in this way, I might say for this reason: I am right on the spot every Friday evening. We simply go to the refinery and ask their price, and if it is one-eighth, then one-eighth is at once telegraphed to all the guilds that this is the price for the week. If during the week the prices advance or decline any, no notice is taken of it, because if a change occurs in the middle of a week we could not reach them during the week, but, if an advance of a quarter of a cent or a decline takes place, we telegraph the guild that the price has advanced or declined.

Q. Only on Friday this is done. On Friday evening you are given a price of say seven cents. Suppose on Tuesday sugars decline one half cent, you could not then lower your selling price? A. Oh yes, we would. If it only declined one-eighth of a cent we would not. If it declined one-quarter of a cent we would.

Q. You are only allowed to alter your price if the difference amounts to a quarter of a cent? A. Yes.

Q. The standard fixed on Friday evening, is that not absolute for the whole week? A. The standard fixed is just taking the starting point. For instance, the refiners although they give you that price, they are quite at liberty to sell at a less price or higher. They don't bind themselves to anything at all.

By the Chairman :

Q. They give you notice? A. Yes.

By Mr. Fisher :

Q. That price does not bind your selling prices either, that fixed price? A. Oh, yes,

Q. You say that that price may vary within a week. Take the instance I gave, 7 cents a pound on Friday evening, and supposing it was now advanced to $7\frac{1}{2}$ during the week, what do you sell your sugar at? A. We sell it at $7\frac{1}{2}$.

Q. This is an agreement to advance between you and the refiners? A. If we pay seven, we sell it in lots of 15 barrels at say, seven and a quarter and in lesser lots we sell it at seven and three-eighths.

Q. Taking 15 barrels it is seven and a quarter? A. Yes.

Q. Supposing on Monday the price of sugar at the refinery was changed and it became seven and a quarter? A. Of course we would change our price at once and advance it one-quarter.

By the Chairman :

Q. Supposing it became one eighth less? A. We don't alter the price at all.

Q. If it advances one-eighth during the week do you change your price? A. No.

Q. Can you not advance the price if it is advanced one-eighth? A. I know of no standing order to do so. We would have to send it to all our guilds and we could not do that in that time.

Q. You are not permitted to advance if you are able to send it? A. We are not permitted.

Q. Is there anything to prevent from doing it except the physical obstacle? A. The physical obstacle I mean.

Q. Of reaching your travellers? A. Of course, if the price advanced or declined one-quarter of a cent. For instance recently the wholesale trade were selling sugar one-quarter a cent. less.

Q. Supposing the price was seven cents fixed on Saturday and they fixed the price at seven and one-eighth on Monday, can you telegraph your travellers to advance the price one-eighth? A. No.

By Mr. Fisher :

Q. Is that price fixed by the refiners? A. Yes.

Q. Have all the companies the same price? A. Yes, for that purpose they seem to unite, but you can buy sometimes cheaper from one than from the other.

Q. Then the refiners agree personally to fix the same price? A. Yes. It would be just as well to do so as it was only a nominal thing.

By Mr. McKay :

Q. How does Scotch and English sugar compare with Canadian granulated in quality? A. I consider Scotch and English sugar as a rule inferior to Canadian. There is some English sugar made which is pretty good.

Q. The other witnesses are not very clear about that? A. I prefer Canadian. I have examined the samples and I like Canadian sugar.

By Mr. Landry :

Q. You have no prices in the Maritime Provinces at all, in the guild? A. No.

Q. Do you know whether those who purchase direct from the refineries in the Maritime Provinces purchase at this advance price or whatever price they agree upon? A. I don't know anything about it; my impression is they should have the prices they agree upon.

By Mr. Wood (Westmoreland) :

Q. I simply want to ask Mr. Childs' opinion as to the quality of the sugar now compared with what it was before this arrangement was entered into. Is there any difference in reference to yellow sugar? A. I don't think there is.

Q. It was stated they were very much poorer? A. I think all proper yellows are just the same as they were, but there has been a strong demand for cheap sugar and the refiners have been making something to meet that demand which is of course heavy and syrupy. Now that remark only applies to the low priced sugar.

By Mr. Gillmor :

Q. I was going to ask if the wholesale merchants of the Maritime Provinces belong to the guild? A. No, sir.

Q. If they don't can they approach the refiners quite independently of your arrangement with the guild? A. I think so; as long as they don't sell sugar in

Quebec and Ontario it don't affect them at all. You asked if all the refiners fixed one price. When the arrangement was entered into there was this understanding that there was no difference in the price. We should take their different prices and take an average as the basis on which we would establish an advance.

Q. For instance, the refiners give three prices? A. We would take these three prices and average it, and take that as a basis.

Q. Were they ever equal? A. When the guild was first formed.

Q. If you don't get the prices from all the refiners, what do you generally take as a basis? A. We manage it in this way, we get the price of the Canada and the price of the St. Lawrence and see whether or not they differ.

By Mr. Bain (Wentworth):

Q. Who do you get the prices from, as a matter of fact; do you get them from Drummond? A. We don't get it from Drummond personally, but we get the ruling price.

Q. On Friday night, for instance, do you get more than the quotation from the Canada refinery? A. No, we take that as a basis.

Q. Generally as a basis? A. Yes, once a week. We wrote to the other refiners and they said they agreed to establish their prices on the basis of the Canada Sugar Refinery.

By Mr. Guillet:

Q. Did you say that Mr. Paul was the only name struck off the list of the Montreal members of the guild? A. No, sir, I didn't say that.

Q. Do you know how many there were struck off? A. I think there were about 11.

Q. I have heard it stated that the retailers made a strong objection to the guild arrangement with the refiners on the ground that Mr. Paul was not notified? A. There were three names only, and the other two, both their names were on the list, and the other firm struck off were persons who did a retail business, but who claimed that they did a jobbing business. I might say when Mr. Paul was cut off he should have been notified. He was'n't notified, but he should have been.

Q. He was jobbing was'n't he, too, Mr. Paul? A. Well, Mr. Paul knows best. I cannot say. I know he is doing a first-class Montreal business and making money.

Mr. PAUL. The question has been asked here to-day, was'n't I one of the deputation who waited on the Wholesale Grocers' Association in regard to some consumers. Childs has stated here that the boycott document was brought round to the Wholesale Grocers' Association. I was'n't a party to that. At the time I attended the meeting, there was no talk of any such document whatever, and if any document was handed round to be signed by the Wholesale Grocers' Association, I had no knowledge of it.

WITNESS. I believe Mr. Paul had nothing to do with it.

W. B. MATHEWSON SWORN.

By Mr. Guillet:

Q. Are you aware that your father stated to the committee that on offering to purchase white sugar from the Canada Sugar Refining Company he was told that he would require to purchase two barrels of yellow to every one of white in addition to paying one-eighth of a cent more than those in the guild and losing the discount? A. He was told by Mr. Buchanan in the presence of a witness that he would have to pay one-eighth of a cent over the price of granulated and that he would have to take two barrels of yellow for one of granulated.

Q. By whom? A. Mr. Buchanan, an employé of the refinery.

Q. Is not Mr. Sinclair the salesman? A. Yes; but I do not know whether he was present or not. I would say that I believe Mr. Childs states that that was withdrawn because I do not suppose they could get anyone to approve of it.

Q. You know nothing of this except what your father told you? A. I do not.

By Mr. McKay :

Q. Were you ever a member of the guild? A. No.

Q. Did you ever apply for membership? A. No.

Q. Were you very anxious to join it? A. No.

By Mr. Guillet :

Q. Do you know of any other cases or were you ever yourself negotiating for the purchase of sugar in which mention was made of extra prices and the quantity to be taken of each kind? A. I paid the Canada Sugar Refining Company an extra quarter of a cent.

Q. Upon how many barrels? A. 900 barrels.

Q. When did your father tell you this? A. Immediately after he came back from the refinery and he was told the same by Mr. Childs, Chairman of the Wholesale Grocers' Association.

By Mr. Landry :

Q. Do you belong to any association whereby you fix prices? A. I belong to no association.

Q. In opposition to this association is there anything you desire to inform the Committee? A. I think in our particular case that it is a very grave thing, because it is not altogether the amount of money that is actually lost on every barrel of sugar bought from the refinery but the large amount of money that we are obliged to pay in advance or import the sugar from foreign countries. During the month of July and August (I cannot prove it of course, but I have strong evidence to that effect) a secret meeting was held by this guild in Montreal where they advanced the price of sugar $\frac{1}{2}$ a cent.

Mr. MCKAY—Is this evidence? I think not.

Mr. LANDRY—I think he should have authorized someone to ask the question but it would not be evidence about such a meeting.

By Mr. Wood (Westmoreland) :

Q. Did you ever express yourself in favor of entering a combination in granulated sugar? A. I never expressed a wish to enter any combination in granulated sugar whereby I could deprive any man from getting sugar at the same price I could get it at myself. I would not enter into any combination but I would enter into an agreement with any body of men to sell goods at a fair living profit of advance, but I would not agree to prevent other people from getting goods from the refinery or any other manufactory because they refused to go in with me.

Q. Because he refused to charge the same advance? A. Because he refused to agree with me. I would not enter into an agreement whereby I could prevent any other party from getting goods.

Q. Before the formation of this sugar agreement did you ask a member of the Montreal Wholesale Grocers' Association if they were going to get this granulated sugar business fixed and when? A. I did not.

Q. How do you get your baking powder? A. On an agreement.

Q. You do not call that a combination. How do you get your matches? A. Some of them on an agreement and others we get in the ordinary way.

Q. You have signed that agreement whatever it is? A. We have not signed it; we have verbally agreed to it.

EDGAR A. WILLS—A statement.

Before I address you or be examined as the Secretary of the Dominion Grocers' Guild I wish to place in your hands the affidavit of the Canadian Association of jobbers in American watches, showing that the resolution with reference to Mr. Stark's particular injunction was passed before that injunction was placed in my hands. I also wish to place in your hands a letter which the officers of the association think an extraordinary document to receive. I simply have to say that at that meeting the president of the association and vice-president and treasurer were present.

By the Chairman :

Q. I think you are going a little too fast. We have nothing to do with any letter which Mr. Stark may have written to you. You had a communication from us through our secretary? A. Nothing of the kind.

Q. A telegram from the secretary? A. From you personally.

EDGAR A. WILL sworn.

By the Chairman :

Q. You are the Secretary of the Dominion Grocers' Guild? A. I am.

Q. You fix the price every week do you for the sale of sugar for the succeeding week? Who fixes these prices on the sugar? A. These are fixed in Montreal.

Q. By whom? A. By the committee.

Q. Who are the committee? A. Mr. Childs and Mr. Herbert, generally Mr. Childs, I think.

Q. Who supplies the names of the persons to whom the refiners are to sell? A. The names that are published on the list are regulated by the various guilds.

Q. And who are they submitted to? A. To me.

Q. And to whom do you furnish them? A. I have the list printed and furnished to the refiners.

Q. You serve the refiners with this list, what for? A. To show the names of those who are entitled to come under that agreement and to buy at the special terms.

Q. The better terms? A. Yes, the special terms.

Q. Who was it that formed this Dominion Wholesale Grocers' Guild? Who were the active parties in forming it? A. The Dominion Wholesale Grocers' Guild was formed in Montreal on the 7th June, 1884, at which were present Messrs. Ince, Davidson and Blain representing Toronto, Messrs. McPherson and Guillard representing Hamilton, and Messrs. Childs, Kirk and Tees, representing Montreal.

Q. When did you become the secretary of it? A. I see by the minutes (Exhibit 24) that I was appointed secretary at that meeting.

Q. And have continued as secretary? A. I have ever since.

Q. Is there anything relating to the sugar agreement in the minutes of the first meeting? A. There is nothing about sugar at the first meeting.

Q. When does that question first appear on the minutes? A. That question appears to have come up and was first discussed on the 26th November, 1885, at which Messrs. Lightbound and Kinlock represented the city of Montreal. The meeting commenced on the 25th and continued to the 26th. I find here "granulated sugar.—The desirability of fixing a maximum profit fully discussed but no conclusion arrived at."

Q. When did the question of making arrangements with the refineries first come before this Dominion Guild? A. It appears to have been first discussed at a meeting held in Kingston on 30th April, 1886. My minutes read: "Afternoon session, 3 p.m.—Sugar. Mr. Guillard explained that he had been in correspondence with the refineries and was satisfied that if a large percentage of the trade desired to have a protective arrangement, they, the refiners, would assist them."

Q. Would assist the wholesale trade? A. Yes.

Q. What further? A. On the same afternoon it was moved, seconded and resolved: "That this meeting desires to affirm the principle that the sugars should not be sold at, or nearly cost as they are at present, and to urge that arrangements should at once be entered into by the wholesale grocers of Montreal, Kingston and the West, under which sugars in quantities of less than 50 barrels should be sold at a uniform minimum advance of say $\frac{2}{3}$ cent on Montreal refiners' prices per car load lots, and that a copy of the resolution be sent to each of the local guilds for an expression of opinion thereon at the earliest possible date."

Q. In 1885, then, you first tried to get the refiners to go into this agreement with the wholesale men; in 1886 you made some progress. You were still endeavoring during all this time to get them to consent? A. Yes.

Q. And when did they consent? A. On the 9th of July, 1886, at a meeting held in Hamilton, Mr. Guillard, President of the Hamilton, London and Brantford

Association, "submitted the resolutions of the Hamilton, London and Brantford Guild of 10th May, 1884. The meeting was unanimously of opinion that something should be done immediately to remedy the existing state of things."

The hour for adjournment having arrived, Mr. Wills' further examination was postponed to future meeting, and the Committee adjourned.

HOUSE OF COMMONS,
OTTAWA, 17th March, 1888.

The Committee on alleged Trade Combinations met this morning; Mr. Wallace n the chair.

WILLIAM INCE, wholesale grocer, of Toronto, sworn.

By the Chairman :

Q. Mr. Ince, you are the President of the Dominion Wholesale Grocers' Guild, I believe? A. Yes.

Q. Will you please state the objects of it? A. Yes. As I am pretty intimate, Mr. Chairman and gentlemen, with the formation and objects of this guild, I will give as briefly as possible a short history of it and what led up to what is called the combination. Some years ago, it was felt that it would be very desirable if the wholesale trade of the Dominion of Canada knew more of each other, and in pursuance of that object there was a guild formed in Hamilton, and then in Toronto, and another in Montreal. These guilds met and it was agreed that part of the proceedings were to be of a social character. Different matters relating to their own particular business were discussed, and the proposition was made to take some steps to arrive at a better understanding. In course of time, it was thought advisable to have a Dominion Guild. That Dominion Guild was formed with the same object, viz., to bring us more together, and also for the purpose of regulating, suggesting and conferring together on matters relating to our own business. In the course of our proceedings, various subjects came up, one of which was the desire to get rid of the system of cutting prices on leading articles and selling them at no profit,—frequently at a loss, merely for the purpose of influencing trade in articles on which there was a possibility of exacting a large profit. This was felt to be an evil, not only by the wholesale trade, but it was also felt to be an evil by a large number of the retail dealers. There was one article, in particular, which we felt should not be in that position, that was the article of tobacco. You heard yesterday the evidence of Mr. Childs with regard to that article. The first advance that was put on, was 3 cents per lb. It was nominally an advance, but it really was not so. For instance, take tobacco at 25 cents per lb., and 12 cents for the duty, making altogether 37 cents. That duty was being paid in cash, while we allowed 3 per cent. discount to our customers who pay cash. Add to that the cost of freight, the interest from the time that the tobacco was held in stock until it could be sold, and the exchange, it only left an average profit of 2½ cents per lb., or between 5 and 6 per cent.

By Mr. Landry :

Q. Who made this advance, the guild? A. I am only referring now to the action of the guild.

Q. That is the guild with their customers? A. The wholesale trade proposed, among other things, that that advance should be made. Of course it was impossible to do anything, unless it was unanimously carried out. Nearly all the dealers in tobacco who had been purchasing from the manufacturers, signed an agreement not to sell at less than a certain advance. When the duty was increased from 12 cents to 20 cents, it meant that we would have to pay that much extra duty in cash, which when paid by our customers, they were allowed the usual discount of 3 per cent.

By the Chairman :

Q. What is your present advance in price? A. It is nominally four cents per lb., but it is really only a fraction over three cents per lb., because we allow a dis-

count on the whole value of the tobacco duty paid. We also pay the freight between Montreal and Toronto, so that you see, gentlemen, in putting on this advance we were putting on a very moderate profit, as I will point out to you afterwards, there is not a wholesale house in the west—(I believe there are one or two houses in Montreal perhaps doing their business at a less percentage of expense than in the west from the fact that they are able to do it without commercial travellers, &c.)—at all events in Toronto, that can do the business at a less profit than $3\frac{1}{2}$ per cent. to be able to pay rents, taxes, clerks' wages, and all those expenses incidental to business, which are never included or added, as it were, to make up the cost of the goods.

By Mr. Bain (Wentworth) :

Q. You say it takes $3\frac{1}{2}$ per cent. on the current business to pay the incidental running expenses? A. Yes.

Q. That you cannot avoid? A. Yes, that we cannot avoid. There are expenses incidental to the business that cannot be avoided.

Q. Current running expenses? A. Yes. In some cases, in Montreal, they run their business with commercial travellers, and are able to do their business at a less expense than we do. This estimate of mine does not make any allowance for bad debts. I am not prepared to say what the bad debts of other firms are. They may be more or less, but I know, taking a series of years, that ours is not less than three quarters per cent. So you see that brings the expense of our doing business, adding our bad debts would bring our expenses of doing business up to an average of $4\frac{1}{2}$ per cent. I do not think, gentlemen, that business cannot be done at less, by any firms, at all events, in Ontario. All those I have conversed with on the subject agree that that is the minimum that will cover the cost of doing business, so, if you get $6\frac{1}{2}$ per cent. and it costs $4\frac{1}{2}$ per cent. to do business, we are selling goods at really a profit of not more than 2 per cent. Of course, if a firm does a large amount, it is a very handsome thing. A firm doing a million a year at 2 per cent. profit, realizes a very handsome return, but there is involved a great deal of risk and a great deal of labor and interest in almost any business, and I do not think it is out of proportion at all that they should receive that remuneration. That is as regards the article of tobacco.

By Mr. Landry :

Q. By this arrangement, or this agreement, by which you were to charge a certain advance, was there any understanding with those from whom you bought that they should not sell to anybody else? A. We have no positive understanding with the tobacco manufacturers more than that having the thing explained to them they told us they would be willing to do what they could to help us. I think that will be the effect of it.

Q. As a matter of fact when you entered into that understanding with the manufacturers, promises were made, whether they did so to bind themselves legally or not, to only deal with yourselves? A. They promised to assist us, but not to deal with no one else.

Q. What do you mean by assistance? A. I understand that the assistance they were to render was that they would adhere to the prices at which they were selling.

Q. To those that were buying tobaccos from them? A. There are some few houses that are keeping to the terms and yet have not signed the agreement.

Q. Do you know as a matter of fact whether the manufacturers of tobacco, after you had come to that understanding, sold to others outside of your association? A. They did at first, I am certain, but I do not know whether they do now or not.

Q. Has it come to such a system with them, do you know? A. I could not state positively that they do, I know it works very well, and those who were opposed to it at first have since seen the reasonableness and justice of the thing.

Q. At any rate you are satisfied that it works very well now? A. Yes; parties generally are satisfied with it. It was an objection, and is yet, that some retail houses that retail tobaccos are still on the list, and it is felt to be a serious grievance. I constantly hear complaints of that from other retailers.

Q. When you say on the list does that mean to say that you have a list the same as the sugar business? A. Amongst those who have signed the list and who are now buying from the manufacturers.

Q. The manufacturers are aware of who those parties are, whether by list or not? A. I presume so.

Q. You as a guild are aware of who they are? A. Oh, yes.

Q. And the manufacturers? A. Yes, and we try to get them in as much as possible, some of the buyers and retail houses.

Q. Have you any understanding? Where there is a rise or fall you communicate with one another? A. I do not quite understand the question.

Q. Have you a scale of prices? A. No; the fluctuations will never be so small as in sugar. They are not so frequent as it is a much more steady article.

Q. Then do you advise one another? A. Immediately the manufacturers of tobaccos publish the list of prices at which they sell, and when that list comes out we do not require to notify in the case of tobacco because the manufacturers notify what their prices are. We could notify those in that list.

Q. The advance on the tobacco is fixed amongst yourselves? A. Yes.

By Mr. Gillmor:

Q. Is not the advance fixed by the manufacturers? A. No; we fix the advance on tobaccos ourselves.

Q. The wholesale profit? A. Yes.

Q. On the prices? A. Fixed by the manufacturer.

By Mr. Landry:

Q. The wholesale profit is fixed by yourselves? A. Yes.

Q. There is a considerable quantity of tobacco sold that is not manufactured in this country, is there not? A. Very little. It is so insignificant that it does not amount to much, and does not fetch a very high price. Nobody will sell it.

By Mr. Fisher:

Q. I understand you that there is some gentlemen who deal in tobacco who are not in your association, others who get their tobaccos from the manufacturers? A. Oh, yes, there is quite a large number.

Q. You are not aware of any of those selling at a less advance than the advance you agreed upon among yourselves? A. Well, I think they all agree to the prices. I do not know that they would. They would be placed in an awkward position with regard to the trade, and probably it would be put in the shape of a remonstrance, and possibly they might, if they pursued such a course, try and bring pressure to bear upon them. Suppose, for instance, that you had a business and you had a large number of customers in the place, and one captious individual tried to injure the others by underselling, you would be very likely to bring pressure to bear upon him.

Q. Does your association watch the actions of these men in any way, so as to see what they do? A. There is no such thing as watching. We very soon hear of it.

Q. I suppose you would probably remonstrate with them? A. We would probably remonstrate with them.

Q. If he was not a member of the guild? A. We would not hesitate if not a member.

Q. And if he paid no attention to your remonstrance, you would then notify the manufacturer? A. Very probably. I have had no occasion to do so yet in my business or in my own observation.

Q. As a member of your association are you aware of any such proceeding having taken place on the part of the officers of the association? A. As far as I can remember, it has been done, I think representations have been made to the manufacturers that parties were underselling.

Q. Does your association watch the action of these men in any way so as to see what they do? A. There is no such thing as watching at all in the business. Of

course we very soon hear of it. Anyone attempting to sell we would very soon hear of. In 48 hours we would know.

Q. You would remonstrate with the manufacturers? A. We would remonstrate individually. We would not hesitate to remonstrate with him if he was not a member of the guild.

Q. You would then go to the manufacturer? A. Very likely. I have never had occasion to do it personally.

Q. Are you aware as a member of your association of any such proceedings having taken place on the part of the officials of the association or members of the association? A. I think as far as I can judge it has been done by representations made to manufacturers that parties were underselling and an injustice was caused.

Q. With what result? A. I think generally after we had remonstrated the evil had been removed.

Q. The manufacturers themselves taking steps to see that this individual buys from them? A. I think it has been the result altogether of remonstrance. I am not prepared to say that there ever has been a threat used to withdraw.

Q. On the part of the manufacturers? A. I don't know, I am not aware that there has been.

Q. There is no definite agreement between your association and the manufacturers that that would take place? A. No. It is just that they aid us in such a manner as they choose to accept themselves and aid us as much as they can.

By Mr. McKay :

Q. Wholesale dealers in selling tobacco to retailers, do they sell it in or out of bond? A. Altogether out of bond except in a few very rare cases.

Q. The rule is to sell it out of bond? A. Yes. I may mention the question was asked yesterday, I think, with regard to other goods which were sold in bond. A man has his goods invoiced. Suppose he is buying tobacco. That is 50 cents a pound; the selling price is 50 cents a pound. He says I want that tobacco in bond. He is credited on his invoice with 20 per cent. a pound and discount 3 per cent. as if he paid that in cash and he derives no further advantage. Of course he is allowed on this, as a cash payment, the same discount as if he paid the money. That is the rule, I think, of goods purchased in bond, that the buyer is entitled to the same discount as if he were paying the cash.

By the Chairman :

Q. Mr. Childs stated yesterday, when I asked him why they raised the profit on tobacco from 3 to 4 cents, he said it had been raised from 12 to 20 cents a pound. I didn't suppose that he stated the thing correctly, do you think that is correct? A. That is the reason why it was advanced.

Q. There has been no advance since 1880? A. On the duty on tobacco?

Q. Yes? A. You are mistaken on that, I think that must be a mistake.

By Mr. McDougall :

Q. It was the excise duty? A. I think that must be a mistake. I cannot speak confidently, but it is barely two years since the change was made in the duty on the excise. It was made in 1886. That is 2 years ago.

By the Chairman :

Q. "The duty from 1870 to 1879 was, tobacco, foreign leaf, 15 cents per pound.—(Sd.) E. Miall?" A. The excise duty on tobacco, foreign leaf, was 15 cents per pound from 1870 to 1879, the present duties on tobacco and cigars were imposed in 1885, July the 6th.

Q. In 1880 tobacco from foreign leaf was 20 cents per pound and Canada leaf was 14 cents per pound? A. We cannot help what the department puts in. We know the fact that 12 cents a pound was the duty up to July, 1886, because that is the time the difference was made. Some of the other gentlemen will remember that.

Q. Mr. Miall, the Commissioner of Inland Revenue over his own signature, here says that the duty from 1880 to the present day on tobacco from foreign leaf was 20 cents per pound, as distinguished from Canadian tobacco? A. We paid 8 cents per pound a little over three years.

Q. When was that three cents per pound imposed? A. I think it was about 1884. At that time the duty on tobacco, when we fixed the three cents per pound advance the duty was 12 cents and it is now 20 cents and it was after the change in the duty that we made the increase. It was just immediately after the reduction that we established this arrangement on the sale of tobacco.

By Mr. Fisher :

Q. That duty of course was paid by the manufacturers and they increased the price to you and you increased your profit on it. The advance of course is the profit which the wholesalers get? A. Yes, the manufacturers only pay the excise.

Q. You paid the increase excise and it was formerly three cents a pound advance and when the duty went up to 20 per cent. you made your advance to 4 cents? A. Yes.

Q. Well now that is increasing your profits? A. Formerly the advance on tobacco didn't increase the profit one cent a pound. We allowed three per cent. at 12 cents, which is nearly one half a cent a pound, and instead of increasing it one cent it is only one half a cent.

Q. Then your profit on the 12 cents was one half a cent and when it was 20 cents you made a profit of a cent? A. It was two and one quarter cents on the 12 cents duty and the 4 cents advance was about two and three quarter cents.

Q. And the rest of the advance is your expenses, is to cover expenses? A. It has to come out of that of course.

Q. It was on the three cents advance you considered that about two and one quarter cents is your profit? A. Yes. That is not allowing for any expense of doing business if you figure it out. You put down 25 cents for the tobacco, 12 cents for excise. That is 37 cents you have to add to that 12 cents, three per cent. of the cost we allow on the whole price on tobacco to our customers at three per cent. discount. We pay freight from Montreal to Toronto and the freight is 20 cents per 100 lbs., and then you don't buy tobacco and turn it out the same day you buy it. I suppose the ordinary holding of tobacco in stock is from one to two months. These are items which should be added to the cost.

Q. I understand that the extra cent advance is what you consider to be your legitimate profit on account of the extra duty? A. It was a little lower than that, and our guild thought the previous advance wasn't adequate at all.

Q. The three cents advance wasn't as good a thing to you as the 4 cents advance? A. No it wasn't. I am not posted on the details of the price because I am not a salesman. On 22nd July, I think, black tobaccos were 22½ cents per pound in bond and bright tobaccos were 26 cents per pound in caddies. Continuing, the next subject that the guilds attracted our attention to was the question of discounts and terms. One of the things that we felt was most important for all branches of trade was, that credit should be reduced to the lowest possible terms. We regulate our business as far as credits and discounts are concerned, on a basis of 4 months on certain classes of general groceries, and 60 days on sugar and other things, of course, net cash. We allow a discount of one and one half per cent. in 15 days, on 60 days' goods, and three per cent within 15 days on 4 months' goods, that was, if you call it so, the next combine we had. The only other combine that the guilds have made is that which is now agitating the country.

By Mr. Bain (Wentworth) :

Q. I suppose you heard Childs on that, did you? A. Yes; his evidence was pretty clearly and fairly given.

Q. Can you add anything to his evidence? A. I don't know further than this. I wish it to be clearly understood by yourselves and the public the nature and justice of the position we occupy in regard to that article. I have explained to you that it takes 4 per cent. to do our business. We have to sell sugars and other goods, and we are as frequently making bad debts with sugars as with anything else. If you will figure up the advance on granulated sugar and white sugars, which are the only sugars on which there is any combination, you will find that our profits on the average price of sugars will not exceed the actual expenses on doing business.

When we proposed this arrangement for the sale of granulated sugar, we settled it amongst ourselves that the proper way would be to ask no more on this article, as it was a leading article of consumption, than what would pay the actual expense of handling the goods. At the present moment that is all we receive. We do not get the expense of handling yellow sugar. Mr. Childs has told you that the average consumption of the country is 2 barrels of yellow to one of white. At the present moment we are not getting an average of more than from $12\frac{1}{2}$ to 15 cents per 100 pounds on yellow sugars, which would be about 2 to $2\frac{1}{2}$ per cent. Consequently, we bear a loss on yellow sugar of about 2 per cent. If you take the one at 4 per cent., and the other two at 2 per cent., that is 8 per cent. on the three, or about $2\frac{2}{3}$ on the whole article. So, you see, we are losing on our sales of sugar at the present moment.

Q. The only other question that would interest the Committee would be your views of qualities as compared with former times; say, since last August? A. I think I see very little difference between the qualities made now and in other years. There are as fine sugars made now as ever, rich and strong grained; but the refiners likewise are manufacturing lower grade sugars to compete with raw sugars. I do not like the low grade sugars, but we are obliged to keep them, and they are made to meet that trade. They are of inferior quality. I think we have always had, and particularly a few years ago, more trouble with sticky sugars. Four or five years ago we frequently had sugar that was sticky, heavy and utterly unsaleable, especially in winter.

Q. The low grades are heavy? A. The low grades are especially so, but others not necessarily so.

By the Chairman:

Q. Do you know of any failures in Toronto, in the wholesale grocery business, within the last fifteen years? A. Yes; several.

Q. Say 10 years? A. Very often when you want to recollect a thing of the kind you cannot. I think there is one. I think Bryan, Ewart & Murray has occurred within 10 years; and there has been others. I do not think it wise to mention names here; but there have been others, jobbers, &c. I think I can remember several.

Q. General wholesale grocers? A. Yes.

Q. Who were they? A. One man, named Adams, failed whom we were interested in. Unless I am interested I do not charge my mind with it.

Q. Is not Adams a flourishing man to-day? A. No; he is manager for Smith & Keighley. Another man named Burns has failed.

Q. They were liquor merchants? A. You mean Adams & Burns. No. He was strictly a wholesale grocer.

By Mr. Guillet:

Q. Within the last 5 years? A. I cannot remember any, I am happy to say. I am very much pleased to say that the grocery trade of Toronto is in a position which I think is due to care and the management of business. I think the grocery trade is in a good position, and I am happy to say that there have been very few failures.

Q. Are your profits better now on sugar? A. Yes. On white sugars they are better. They are about 2 per cent. all round.

Q. You have not made a larger profit than before? A. Yes. You must take into consideration the question of advance in value. Now, take for instance, I had very little doubt in my own mind that the bulk of the profits in that business had been fair enough without any advance in sugar; but the market commenced to advance about May, and it has gone steadily up ever since, so that it has been simply impossible but the refiners should make profit.

By Mr. Landry:

Q. You would not make much profit by that? A. Yes. On what we had on hand. I do not count that. My experience is, that you never make money on an advance because you lose it on the decline. A man may go into speculation and

lose nothing; but I do not believe that in an average of years there is anything made on an advance. Last year there was a profit because the advance took place at a time when the refiners had a large stock. They must have had a large stock of raw sugar on hand when the advance began.

Q. They had lost a good deal on a decline? A. Yes. For several years it was disastrous I believe, we bought some at 11 shillings and sixpence, raw sugars, to Toronto, and we have bought as high as 16 shillings. There was an advance of 4 shillings and sixpence, or to put it in percentage, of about 40 per cent. on sugar, which went on steadily throughout the season. They are not so high now. I believe the refiners have lost a good deal of what they made already. Prices are lower now by about 2 shillings on the 100 lbs. than at New Year's.

Q. Is there an understanding between the guild and the refiner about selling to them only, or if they sell to others it is at an advanced price? A. There is a clear and distinct understanding that they are to sell to those in this arrangement at a less price than to those who are outside.

Q. That you admit and that is understood? A. There is no doubt about that whatever.

Q. Beyond that understanding, as to whom they will sell to, is there an understanding among themselves, that is the wholesale men, that they sell at uniform prices also? A. Yes.

Q. Would you wish this Committee to understand that, under these circumstances, you have not as a guild taken advantage of this position to take more than what you consider a reasonable profit? A. I only ask on one class the expense of handling, so that we shall not be at an absolute loss on that particular grade. We do not ask a profit at all. Any reasonable man, around this table or anywhere else, will see the justice of our endeavoring to get a price that would at all events let us out without loss on any article; and what I would like to impress on the Committee is the injustice that would have been done by the refiners expecting us to distribute their goods without remunerating us for the expense. We were clear and distinct. We made the proposition that we would be very glad to let the refiners distribute to the trade. If they distribute to the retail trade, there is no reason why they should not distribute to the public generally. If there is not the three divisions, the manufacturer to the wholesaler, the wholesaler to the retailer and the retailer to the public, if there is not this, there is no reason why the manufacturer should not do his business with the consumer, and if has no right to charge more to the retailer than the wholesaler, he has no right to charge more to the consumer than to anybody else. He should sell a few pounds across the counter at the same price as 500 barrels. If that is followed to its conclusion, that must be expected. I think we have not acted in that way, as some journals have stated, and scandalized men who were honest towards the public.

Mr. BAIN (Wentworth). You want to come into the field of politics to see how these things are looked at.

WITNESS. Probably. It cannot be avoided, as we are sure to get onesided views. It is only right that the position we have taken should be known as one that is fairly right, and that it is not to take from the public one fraction more than is right. I think the public is satisfied with the thing generally. There is not a dissenting voice in Toronto. Every retail house in Toronto is heartily in accord with us, and the same throughout the country generally, and I think we have put things on a better and more satisfactory basis for the retail and wholesale trade.

By Mr. McKay:

Q. If sugars were sold by refiners to retailers do you think the cost to the consumer would be made greater, taking the average of bad debts? A. The consumer would get the goods cheaper if the wholesale dealer did not distribute them.

Q. If the refiner distributed it to the retailer? A. There is no question about it that the consumer would get the sugar no cheaper, because he would pay the full cost of distribution.

By Mr. Gilmer :

Q. You are a benevolent institution then. In listening to your statement, the object of this combination seems to be a most worthy one, but in all the arrangements you have fixed a price, so that it covers all your expenses and losses and leaves what you call a reasonable profit? A. That is on tobaccos.

Q. Don't you make anything in any other way? I was going on to say that, as to a wholesale dealer, you considered him safe if he sell to good customers only, but after all there is no risk in this arrangement. He is there to make money. That is all right if his profits are reasonable, but how much do you consider a fair profit to grow rich on in a series of years without any risk at all? That is the point. If you want to make too much on your capital, you have fixed a system by which you could become very rich if you fixed it high enough? A. Yes, and sold enough.

Q. It looks to me, without all this benevolent intent, that the gentlemen of the guild are perfectly safe under all circumstances? A. The public would not expect that the wholesale merchants would do business for honor and glory, without any profit.

Q. A good many have to, and are not protected by this arrangement? A. It may be.

CHARLES P. HÉBERT SWORD.

Q. What is your occupation? A. Wholesale grocer, Montreal.

Q. You have heard the evidence of Mr. Childs and Mr. Ince, have you anything further to add? A. No. But I have to say that I am vice-president of the Montreal Guild and I fully corroborate Mr. Childs' evidence and also that which our president, Mr. Ince, has given. I may say in support of what you have heard from these two gentlemen, that before this sugar agreement was entered into, this article was sold at ruinous competition, and since it is sold at a fair living profit. I may say that this guild was not formed for the purpose of advancing the cost of goods to the consumer, but properly to regulate the trade. I may say in support of what Mr. Ince has said with reference to the cost of handling goods, that our firm is an exceptional one in the trade. We do our business without travellers. There are very few firms in this Dominion that do so and yet the handling of sugar by us leaves hardly any profit. Our firm sold this year close (I have not the figures with me) between \$275,000, and \$300,000 worth of sugar. The prices as nearly as possible were as follows:— One third whites, on which we would yield from four to four and a half per cent.; two thirds of yellows on which we would yield two and one half per cent. at the utmost, which as near as possible shows a net profit of one and one quarter per cent. after deducting working expenses, which I have already stated are less to us than the general trade of the Dominion, on account of having no travellers. And yet from this very small profit we have assumed the risk of bad debts like others. So you see, gentlemen, the sugar business is not a very profitable one. If we have to add on to this the cost of travelling expenses, we would be in the position of our confrères. I have nothing else to add, except that if you desire to be informed on some question I shall be happy to reply.

By Mr. McKay :

Q. Are the wholesale grocers of Montreal associated with the Board of Trade of that city? A. Yes, the wholesale grocers of Montreal are a branch body of the Board of Trade of Montreal.

Q. There is no object in having them associated together. It is merely a trade object? A. No; when the Wholesale Grocers' Association of Montreal was formed it was an independent body and I was one of those who worked very hard, being in the Board of Trade, to have this body come in, because we were all business men and I thought it would be far better if we were in the board and thereby we would have the use of the Board of Trade secretary. The minutes would be properly kept and everything be in better order, and we amalgamated with the Board of Trade some time last year.

Q. You have heard the statement made by Mr. Paul who gave evidence. One of his statements was that he lost \$1,000 a year by the sale of sugar by having to pay additional costs to the refiners? A. I do not think Mr. Paul, according to that statement, has lost anything.

By Mr. Bain (Wentworth):

Q. Do your retail customers complain? A. There are always complainers, but the bulk of them do not. They are delighted.

Q. Your retail customers do not complain about this arrangement, as a rule? A. No.

Q. But some of them do? A. Since the sugar agreement (Exhibit 4) has been arranged, I do not think we have had half a dozen. They are all satisfied. They maintain that nobody will buy less than they do now, and no one will pay more than they do now. Now with reference to Mr. Paul. As I said, Mr. Paul, according to this arrangement, has lost nothing, because since the formation of this arrangement, the retailers have advanced their prices accordingly, and even if he did not, I hold from the best authority that the sugars that Mr. Paul sold last year would not show a loss, even by his own statement, of over \$550.

By Mr. McKay:

Q. That is according to his statement? A. Yes; I hold upon the best authority that the sugar Mr. Paul handled last year would not show a loss of over \$550.

By Mr. Fisher:

Q. That is only hearsay? A. I will give you the proof if you like.

By the Chairman:

Q. But Mr. Paul says he lost \$1,000? A. I maintain that even with the arrangement, he would not lose over \$550.

By Mr. Bain (Wentworth):

Q. Do you admit that he might have lost that? A. He might have, according to his own statement.

By Mr. Wood (Westmoreland):

Q. He might have paid that much more for the sugar he handled than if he was in the sugar agreement? A. Yes.

By Mr. Fisher:

Q. I understand the reason that the retailers are satisfied with the agreement is that they all know what each one has paid for his sugar, and they all know there is no undue competition amongst them? A. Yes.

Q. And they charge an advance sufficient to cover the increased advance which you charge? A. Yes, and they are supposed to sell at about the same price, just like ourselves.

Q. They each get the same same profit all round, or about the same. A. Yes.

By the Chairman:

Q. You get a little more profit and the retailer gets a profit. Who pays all these profits? A. I think the consumer must not expect the trade of the Dominion to work for them for nothing.

Q. Please answer my question? A. Consumers pay it, certainly.

By Mr. Guillet:

Q. You say your net profit has been $1\frac{1}{2}$ per cent.? A. Yes.

Q. And you do not conduct your business so expensively as those who employ travellers? A. Yes.

Q. Then the man who is shut out of the guild and loses the discount and keeps travellers too, what are his prospects? A. Well —

Q. And a man who has conscientious objections to joining the guild? A. Well —

By the Chairman:

Q. He turns his attention to some other business? A. Yes, to some other business.

By Mr. Fisher:

Q. And yet he is doing business, is he not? A. The object of the guild is not to boycott, but the sugar business was done on a very unsound basis and we

approached the refiners and told them : "Gentlemen, we have been handling your goods at a loss, and we think if you could do something for us to the extent of $\frac{1}{4}$ of a cent per lb on 15 barrel lots, we think we might be able to handle your sugars then."

By the Chairman :

Q. Did your Dominion Guild try to induce the refiners not to sell at any price ; to refuse to sell altogether to those men who would not sign the agreement ? A. No.

Q. Are you sure ? A. We have no contract with the refiners.

Mr. W. W. LOCKERBY.—There was such a motion.

WITNESS.—I think last summer a delegation came from the West and such a proposition was made but it was not carried.

By Mr. McDougall (Cape Breton) :

Q. In regard to yellow sugars, is there no understanding among the guild as to the advance to be charged, or is it confined to white sugars ? A. Confined to white sugars.

By the Chairman :

Q. I see by the minutes that at a meeting at which Mr. Hébert was present it was moved, seconded and unanimously carried, "That the refiners be asked to refuse to sell white sugars to non-combiners to the sugar agreement." (Exhibit 24.) A. That was a delegation that came down from the west.

Q. You have stated that you did not attempt to boycott ? A. I was present at the meeting, but I was not called upon to vote. I was chairman of the meeting.

Q. It states that it was carried unanimously. Did you give your protest against it ? A. But the first proposition—

The CHAIRMAN.—A similar resolution was carried at another meeting, but the refiners refused to agree to it. (Exhibit 24.)

By Mr. Boyle :

Q. Are you a dealer in liquors ? A. Yes.

Q. Is there any arrangement for maintaining the prices between you and the wholesale agents ? A. No, sir.

Q. No liquor of any kind ? A. Yes, I think there is a combination price fixed by the agents upon De Boucher's brandy. The agent came to us and got us to sign an agreement by which we were to sell at a fixed price.

Q. And if you did not agree to that ? A. Well, we could not buy it.

Q. If you would sell it otherwise ? A. We do not expose ourselves.

Q. Any vinegar ? A. No.

Q. De Kuyper's gin ? A. There is a combination between the dealers themselves, but the agent has nothing to do with it.

Q. The difference between that and brandy is that the price of brandy is fixed by the agent for you ? A. Yes. The agent came to us and asked us to sign a selling price agreement.

Q. Is there no whiskey or any other agreement ? A. Yes ; we are selling whiskey under a combination among ourselves.

By the Chairman :

Q. Is it among the members of the association ? A. The Grocers' Association has nothing to do with it. It is a combination that we have got among ourselves and the agents selling the liquors. We got the documents signed, agreeing to sell whiskey at a fixed price.

By Mr. Landry :

Q. Is there any other article in your business on which you are parties to a combination ? A. Yes there are several little combinations, but I do not remember any others that are fixed by the grocers' ; I think the others are fixed by the manufacturers.

By the Chairman :

Q. Have you adhered to the prices of the sugar combination ? A. Yes.

By Mr. Boyle :

Q. Do you deal in pickles ? A. Yes ; we have Crosse & Blackwell's, Morton's and other kinds.

Q. Is there a fixed price? A. On Crosse & Blackwell's the price is made by the agent. On Morton's also the price is made by the agent.

Q. Any other mixed pickles? A. Not that I am aware of.

Q. What is the nature of that agreement? A. That we are to sell at a fixed price.

Q. And if you violate that agreement they will refuse to sell to you, will they?
A. The arrangement was made that we were to sell at a fixed price.

By Mr. McKay :

Q. Crosse & Blackwell's and Morton's are both foreign made pickles, are they not? A. Yes.

By Mr. Boyle :

Q. That combination then is outside of the association altogether? A. Yes.

W. W. LOCKERBY, of Kirk, Lockerby & Co., wholesale grocers, Montreal, sworn.

By the Chairman :

Q. Have you any further facts to lay before the Committee, Mr. Lockerby? A. I have no statement to make, as the statements of those who preceded me cover the ground pretty well.

By Mr. Wood (Westmoreland) :

Q. Did any member of the Montreal Retail Grocers' Association ever call on you, as secretary of the Montreal Wholesale Grocers' Association, to have his name placed on the sugar agreement? A. Yes; Mr. John Robertson, while I was acting secretary of the Montreal Wholesale Grocers' Association, called on me and asked me the question: "Mr. Lockerby, what must I do to get into this agreement—this sugar arrangement?" And I told him that I had no authority to place his name on the agreement, but if he could show me that he had been a regular customer of the refiners, I would bring his case before the meeting, and no doubt he would be entitled to the benefits of the agreement.

By Mr. Landry :

Q. That is Mr. John Robertson who has been a witness here? A. Yes.

By the Chairman :

Q. He was very anxious to get inside the ring? A. It is not a ring, but simply an agreement.

By Mr. Fisher :

Q. You laid his name before the meeting? A. No; because he gave me no evidence.

By Mr. Wood (Westmoreland) :

Q. Did any member of the firm of Messrs. J. A. Matthewson & Co., ever express to you that they desired a combination price fixed on the article of granulated sugar? A. Yes, sir. That was Mr. William Matthewson, son of the head of the firm. About two or three weeks before the sugar agreement came into operation, or before anyone knew that such an agreement could be a fixed fact, Mr. Matthews met me one morning going into the Montreal Post Office. He said: "Lockerby, when are you coming down?" I said: "As soon as I get my mail?" He then said: "I will wait until you come out and I will go down with you." When we came to the sidewalk he said to me: "Well, are you ever going to get this sugar business fixed?" I said: "We expect to get it fixed some time." He then said: "If ever you do"—I do not wish to repeat the oath which he used, but he said—"if ever you do we are going in and we are going to keep it." Then when the Dominion Guild was called a few weeks later at the Windsor Hotel, the question was discussed as to who was likely to go into this arrangement or to oppose it. Some one asked how about the firm of Messrs. J. A. Matthewson & Co. Of course I had every reason to believe when one of the firm seemed anxious to have an agreement, and I said: "That they

were going into it and would keep it." I therefore told the meeting that the firm of J. A. Matthewson & Co. were going to join.

By the Chairman :

Q. Mr. Matthewson was examined and asked some questions, which he answered, and he said he approved of going into the combination to sell not less than a certain price, but positively refused going into a combination which would prevent anybody else from selling at the same price? A. Mr. Matthewson testified that he never had expressed a desire to anyone.

By Mr. Wood (Westmoreland) :

Q. Do you know, if when Wills called upon Matthewson & Company to obtain their signature to the sugar agreement, which of the members of the firm you met on that occasion? A. We met Messrs. William Matthewson and Simon Mattbewson, members of the firm, and both seemed highly pleased that such an arrangement had been brought about. William Matthewson then said: "You will have to see the old man about getting him to sign, but if he does not sign it, I will see that it is signed."

By Mr. Bain (Wentworth) :

Q. They declined to sign without the father's consent? A. He made the statement that if the father would not consent that they would sign.

By Mr. Fisher :

Q. It was signed, was it? A. Not by them.

W. H. GILLARD (Hamilton), wholesale grocer, of the firm of W. H. Gillard & Company, President of the Hamilton, London and Brantford Wholesale Grocers' Guild, sworn:

By the Chairman :

Q. What do you know about this matter? A. Of course, I have heard statements made by gentlemen that have preceded me. After the very full way by which the foremost men of the guild as to its objects and its workings;—after you have heard the statement by Mr. Ince it is quite unnecessary for me to go over the ground again any further than to corroborate the statement that Mr. Ince, President of the Dominion Guild, has made with regard to the profits that grocers have made on sugars and the expenses necessary in order to run the business. I certainly think that he has not over-estimated the cost of selling goods. We, of course, felt that there was a necessity of some arrangement whereby there should be no loss upon the sale of sugar. We finally, after a great many meetings, decided to solicit the wholesale trade, the result of which you know. We got about 85 out of 87 of the wholesale men in this country on that list. I may say as far as jobbers go, the objection to their coming on the list came not from the wholesale trade, but it was brought about by the retailers, almost in a body, objecting to our selling men who are in the business of jobbing and retailing, inasmuch as they felt that it was unfair to them that the jobber and retailer doing the combined business should be in a position to buy sugar lower than the members; it was unfair. I find scarcely one but who approves of the principle involved in that agreement. They all knew before that we were selling goods for nothing, and our object which is not an unreasonable one, was to cover the cost of handling goods; I believe that the first to object to our selling sugars was Mr. Lightbound. This gentleman while in Toronto told me personally that unless some arrangement was entered into whereby a profit could be obtained in sugars, he would go out of the tobacco agreement and guild altogether. I may say that one of the great incentives that we had in arriving at this arrangement and the sugar agreement was fearing that he might go out of the guild which would be most undesirable. I may say to show the effect of this combination on the price of sugar, I find on looking over my books for some years back after the year 1878 that the difference in the average profit on raw and granulated sugar was for that year (1878) 1·89 a pound. The average difference between the price of raw sugar and granulated sugar was 1·89; and for the year 1887, up to about 1888 was about 1½ cent per pound,

showing that the difference between the prices of our granulated sugar was more in 1878 than it was in 1887 and this year. Then again it has been stated that the sugars were never so high or so poor as they are at present. I believe that was given in evidence here the other day. I find, gentlemen, in 1878 that the average price of granulated sugar was 9 cents, in 1883 it was 9·90 and in 1885, 8·90 and so on, showing that to-day the prices are from 20 to 35 per cent. less than these years.

By the Chairman :

Q. What did you say in 1883 and 1885 the average price was? A. 1878 to 1883, 9 cents; in 1881, 9·90; for 1883, 8·90, and at present 7½, showing that the price to-day is from 20 to 35 per cent. less than it was in those years.

Q. Give us the price for granulated again? A. In 1878, 9 cents; in 1881, 9·90; in 1883, 8·90; in 1885, it was 6·55; in 1887, it was 6·75; in 1888 it was 7·25. Then with regard to the qualities of the sugars, gentlemen, I have been in the grocery trade a long time and I say that the qualities of sugars as turned out to-day are not inferior to what they have been in these years before, in the past. There are low grades of yellow turned out to meet the pressing demand for cheap sugars made upon the wholesale trade, and a very low grade of sugar has been turned out containing possibly too much syrup, more syrup than they should, but I don't know after all that they are any worse than the sugars we formerly got. I know before the combination started at all we got the lower grades of sugars very hard and almost impossible to get out of the barrels.

By Mr. McKay :

Q. Where did you get this? A. From the same people. I know this that the present faults might be too much syrup, but they are not as gummy.

By Mr. Landry :

Q. What was the date of your first organization, about what year? A. I just forget the year.

Q. It was about 1884? A. So Mr. Wallace says.

Q. But previous to that I suppose there were understandings such as with regard to sugars and what you would call pickle men or match men. There were understandings to sell at given prices, were there not? That was the wholesale trade? A. No; there was no arrangement.

Q. Do you mean to say that these things have all developed since 1834? A. Since 1884. We formed no arrangements such as that prior to that, although merchants in different cities agreed among themselves to sell at certain prices, but that was a verbal thing.

Q. That was an understood thing for years? A. It was, but it didn't work out because the arrangement in the city of Hamilton would be found to be impracticable because the city of Toronto would not agree to the same thing. We therefore found it did not work out, and then we formed into organizations or associations and these associations were formed into a central guild by which we were able to bring our grievances together and talk it all over in the association, and therefore arrived at a satisfactory solution.

By Mr. Bain (Wentworth) :

Q. You began that organization about 1884? A. Yes.

H. W. SEWELL, of Sewell Bros., Grocers and Wine Merchants, Hamilton, sworn.

By the Chairman :

Q. Are you a wholesale dealer? A. No, retail. We do jobbing in wines and liquors that is all.

Q. Belong to the guild? A. No.

By Mr. Fisher :

Q. Do you belong to the Retailers' Association? A. No, I don't. I used to take a very active part in the Wholesale Grocers' Association at one time, but we could never keep together, so it fell through.

Q. The whole association fell through? A. At that time?

Q. Yes? A. I believe there has been one formed since, but I have not heard anything of it. I haven't heard anything about it, but I know it has been.

Q. What is the reason the association fell through? A. I don't know. We never could keep together.

Q. The grocers would not keep together? A. No.

By the Chairman:

Q. Have you any statements especially to make before the Committee, Mr. Sewell? A. Nothing particularly; only I am very much in accord with the working of the guild, our business has been carried on with less anxiety than it was before and it is probably more profit to us, we make a little more profit.

By Mr. Bain (Wentworth):

Q. In what respect is it a gain to you? A. I think it has been a regulator of retail trade. The retail trade of Hamilton has been much cut up and it is the same in other places. Prior to that agreement we were selling sugar at cost or even less than cost.

By Mr. Guillet:

Q. As a matter of fact has it not been the custom ever since you can remember that the retailers would sell sugar at cost? A. We try to make something out of it, but there is a very small profit.

By Mr. Fisher:

Q. Why do retailers sell sugar if they have to sell it below cost? I don't know, I can't explain that. They will do it.

Q. It requires explanation, because it is a most extraordinary state of affairs. I am willing to accept any explanation you will give, but gentlemen that come here from the country and tell us that they don't like doing business at a loss, I think this requires some explanation as to why they sell it below cost and at a loss? A. I cannot give any explanation for it, only it is clear that it has been sold.

Q. We want to get reasons from these gentlemen who say it has been sold at a loss? A. In many cases it is an inducement to sell below cost.

Q. The retailers then have been selling sugar at a loss for the sake of selling other goods? A. It has been done I believe in that way sometimes.

Q. Under this arrangement they can give tea with that and sell sugar at a profit too? A. Previous to this combination tea was made an article of profit.

Q. I asked you whether now they can sell sugar at a profit? A. They can.

By Mr. Bain (Wentworth):

Q. It is a part of your arrangement not to cut on these figures? A. I have no arrangement at all, being in the retail trade.

Q. The wholesale dealers do not impose any restrictions on you? None whatever.

Q. You are at liberty to sell as you please? A. Yes.

Q. How do you account for the preventing of the cutting of rates? A. I think a great many wholesale dealers before this guild would go into the retail merchant's place and find out what quantities of the goods he wanted and he might require teas, and he might make use of the cutting of the sugars in order to sell teas.

Q. The wholesaler would offer him the inducement of lower rates. Now you all buy at a uniform rate except on increased quantities? A. Yes.

By Mr. McKay:

Q. The intention I presume, Mr. Sewell, was to convince the customer that he would get his goods cheap, to convince the retailer that the rest of his goods were as cheap as his sugars? A. I presume so.

Q. Just the same as the retailer would impress a farmer that he was selling his goods cheaper by giving him a pound more sugar for the dollar.

By Mr. Bain (Wentworth):

Q. Coming back to the arrangement between the wholesaler and the retailer it has put a stop to those efforts to reduce the price of sugar, it has put a stop to the cutting of rates I understand you to say? A. Yes.

Q. And that has fixed a uniform price at which you purchase the sugar? A. Yes, absolutely.

Q. Except as to smaller or larger quantities? A. Yes.

Q. And you think that is the reason that has stopped the retailer from cutting? A. I do.

By the Chairman :

Q. You get better profits than before? A. We make now about $\frac{1}{2}$ a cent.

By Mr. Fisher :

Q. You said that formerly sugar was sold for the sake of selling other goods. Do you sell less other goods now in consequence of this agreement? A. No.

Q. Do you think that this change in the arrangements for selling sugar has not interfered with your other trade? A. I do not think so.

By the Chairman :

Q. How do you sell granulated? A. Twelve pounds for a dollar.

Q. What is the highest price you paid for granulated? A. $7\frac{3}{4}$ cents.

Q. And you sold 12 pounds for a dollar? A. Yes.

Q. Did you make a very good profit? A. I sold other goods with the sugar. I just had a look at my receipt book before I came away and I found that in 1886 the price was from $6\frac{1}{2}$ to 7 cents and in 1887 $6\frac{1}{10}$ to $7\frac{1}{2}$ cents. I think it has had a tendency to stop the cutting of prices. I know that previous to this you could hardly pick up a paper but what you would see an advertisement advertising 14 or 15 pounds for a dollar. That was the way prices were cut.

Q. How would this make much difference? A. Since then I have not noticed any cutting.

Q. But this agreement was among the wholesalers and did not bind the retailers? A. One grocer gets a little the better of another grocer in buying other goods. By getting it $\frac{1}{2}$ cent cheaper he was enabled to cut.

Q. But now if the price goes up and a man had a big stock could he not still do the cutting business? A. He has a perfect right to sell at any price he wants to.

By Mr. Bain (Wentworth) :

Q. How is it with respect to other goods, Mr. Sewell, that we have been discussing here? A. As far as tobacco is concerned we do very little business. We do a very large business in liquors.

Q. Tobacco does not affect your business personally? A. No.

Q. How is it in respect to liquors? A. We have not entered into any combination.

Q. You have never been asked? A. No.

Q. How about pickles, biscuits, &c.? A. We have imported Crosse & Blackwell's pickles and we sell them at the same price that the grocers do. Sometimes we have a little bit of jobbing trade, a little chance like that, and I have sold them less than $3\frac{1}{2}$.

Q. They expect you not to sell lower than their wholesale rates? A. No.

Q. Are you bound to that? A. I am not.

Q. It is an understanding? A. Yes.

Q. How is it in the matter of biscuits? A. There is no combination that I know of.

Q. You purchase as you please? A. Yes.

By the Chairman :

Q. But there is a uniform price list? A. They send us their price list. When flour goes down or up price of biscuits changes.

By Mr. Bain (Wentworth) :

Q. You are quoting uniform prices from the largest biscuit manufacturers for certain grades? A. There are regular prices, but I do not know whether they have entered into any combination.

Q. But their prices are uniform? A. I do not say that.

Q. But for certain quantities? A. Not that I know of.

By Mr. Guillet :

Q. Do you get the price list of any firms? A. I know that the firm we are dealing with are higher than any others.

— Q. You know that they are higher. Then you must have seen the prices of other firms? A. I have seen the quotations of other firms. I deal with them because their biscuits are of better quality.

By Mr. Bain (Wentworth) :

Q. You could afford to pay a little more for the grade of goods? A. Yes.

EDGAR A. WILLS, Secretary of the Dominion Wholesale Grocers' Guild, sworn.

By the Chairman :

Q. We would like to hear somewhat of the history of this sugar arrangement from the records which I see you have here. You have the minutes of the proceedings of the guild? A. Yes.

Q. We will take up the question of sugar first. Can you give us what minutes relate to sugar? A. Minute of the 20th November, 1885, says that at a meeting held in the city of Toronto, the question of granulated sugar came up. "The desirability of fixing a maximum profit fully discussed but no conclusion arrived at."

Q. That is with reference to granulated sugar? A. Yes. At Kingston on April 30th, 1886, "Mr. Fenwick, of Kingston, asked if any combined action had been taken with regard to sugars and the president explained the matter very fully, and after a general conversation and an explanation from Mr. Lockerby, of Montreal, as to how the combination was worked in the city of Boston and the New England States, it is agreed that the subject should be again considered at the afternoon session." At the afternoon session of the same meeting the question of granulated sugar was again considered and it was moved, seconded and carried: "That this meeting desires to affirm the principle that sugars should not be sold at or nearly cost as they are at present, and to urge that arrangements should at once be entered into by the wholesale grocers of the cities of Montreal, Kingston and the west, under which all sugars in quantities of less than 50 barrels should be sold at a uniform minimum advance, of say $\frac{3}{4}$ cent on Montreal refiners' prices per car load lots, and that a copy of this resolution be sent to each of the local guilds for an expression of opinion thereon at the earliest possible date." At a meeting held in the city of Toronto on 1st March, 1887, "after briefly referring to the preliminary document that had been forwarded to the different secretaries bearing on the sugar question and the desirability of some prompt action being taken to remedy the evils existing in the sale of sugars, declared the meeting open in due form for business."

"Secretary Lockerby, of the Montreal Guild, presented sugar documents signed by all but two of the Montreal dealers.

"Secretary Wills, of the Toronto Guild, signed by all the trade but one house.

"President Gillard, of the Hamilton, London and Brantford Guilds, explained the absence of the document and promised to have it signed and forwarded to the secretary. He stated that all in Hamilton would sign and also in Brantford.

"Mr. Cleghorn would see and get the signatures for London.

"Mr. Sutherland believed the Kingston merchants would all sign.

"Mr. Kelso believed that his firm would sign it.

"The president reported having seen the refiners. He was satisfied that they would cordially assist.

"Mr. Childs and Mr. Hébert referred to interviews they had had with Mr. Drummond.

"Mr. Hébert's was the most recent interview and he (Mr. Hébert) was perfectly satisfied that the trade could rely on the active co-operation of the refiners.

"Mr. Lockerby had interviewed Mr. Harris, of the Moncton Refinery, and they would also be in accord. He believed the same could be said of Halifax.

"Mr. Bristol, of Hamilton, called the attention of the meeting to the fact that already 87 per cent. of the trade had signed the document."

The CHAIRMAN.—The sugar agreement here is the same as the one put in in evidence.

"Adjourned meeting, Wednesday, the 2nd of March, 1887, in Toronto. What is to be asked of the refiners?"

"After discussing the many important features of the question, the following in the order named was decided upon as alike reasonable in the best interests of the trade and of the manufacturers:

"1. Would you be willing to furnish prices each Saturday, as mentioned in agreement?"

"2. If, after the trade has been canvassed, and there should be a few who will not join, will you use your influence, either by personal application or in such other way as you may deem best, to induce them to fall into line?"

"3. Should they still resist, and the number who take that course be few, would you be willing to agree not to sell your goods to them, or, if they buy from you, then, that they must pay you the prices covered by the agreement or the guild figures?"

"4. When selling to retailers, or persons who are not parties of this agreement, will you agree not to sell at less than association prices and terms?"

"It was understood, in response to a query raised by a delegate, that at any combination the trade had, or might have, applied only to the Provinces of Ontario and Quebec.

"General meeting, Montreal, 20th of April, 1887.

"Mr. Childs reported the result of several interviews the Montreal Committee had had with Messrs. Drummond & Elmenhorst. The chief difficulty seemed to be with Mr. Elmenhorst. After a lengthened discussion as to the points to be made with the refiners, Messrs. Ince and Childs were appointed speakers at the meeting to be held by the refiners at 2.30 p.m.

"Afternoon session, same date, same place.

"Present: Messrs. Drummond, Elmenhorst and Harris. The following telegram was read by the Secretary from the Nova Scotia Sugar Refinery: 'Halifax, N.S., 15th April, 1887. Are willing to join with other refiners in any scheme which may be arranged with fairness. Impossible to be in Montreal on 20th.—Refinery.'

"Mr. Ince, after thanking the refiners for giving the trade the opportunity of meeting them, discussed the various objections that had been raised by the refiners, both by letter and in conversation with members of the guild.

"After Messrs. Childs and Gillard had spoken, and Messrs. Drummond and Elmenhorst had replied, the refiners withdrew at 5.15 for consultation. At 5.45 they returned and announced to the meeting that they were prepared, should the proposed sugar document be signed by the great majority of their customers, to enforce from all non-signers of the said sugar agreement an advance of one-quarter cent per pound on all sugar specified in the aforesaid sugar agreement (now exclusive of freight) over and above the prices they may give from time to time to the authorized representatives of the Dominion Guild, the refiners to be furnished with a list of the subscribers, and also to be promptly notified from time to time if any names are added to or taken from said list of subscribers.

"Mr. Drummond said that he would personally wait on Mr. F. Smith, and Mr. Elmenhorst agreed to see Mr. Smith, and Mr. Elmenhorst agreed to see Mr. Lightbound, both gentlemen promising to endeavor to obtain their signatures to the agreement.

"Adjourned General Meeting, Montreal, 30th June, 1887.

"The chairman presented the following resolution which he stated had been carried unanimously at the morning session of the association. He said he had little to tell them, that the refiners were perfectly well acquainted with the annoyance the trade had been subjected to caused by the action of the two Montreal houses

who refuse to sign the agreement, and in his opinion there should be no hesitating on their part as to what course to adopt.

"Moved by _____, seconded by _____, that the refiners be asked to refuse to sell white sugars to non-signers of the sugar agreement.

"After the chairman and several of the delegates had spoken to the resolution, Mr. Drummond said he considered the resolution passed as specific enough, but it was a new feature to him; he had been led to understand from conversations with members of the Montreal association that the object of the meeting was to request the manufacturers to increase the advance, and he desired to be advised as to the reason for the change in front."

By Mr. Fisher :

Q. There is a resolution discussed in the forenoon of the same day which I think ought to be put in.

Witness reads:—"Messrs. Kinlock & Tees reported that they had interviewed Messrs. Lightbound, Ralston & Company and Messrs. Matthewson & Company who positively refused to join the guild. Mr. Fenwick, on behalf of the Kingston Guild, entered a strong protest against so many retailers in the district within the jurisdiction of the Kingston Guild being permitted to sign the sugar agreement. The chairman reminded the meeting that no one was allowed to sign the agreement unless the name had been first submitted by one of the refiners."

It is a very bald way of reading this without the explanations. The explanation of that is that the refiners had certain customers on their lists who were not members of the guild, customers whom they had been supplying for years, and it was thought by them that these customers should not be cut off without some explanation. When the first agreement was signed they were not cut off. Each refiner handed into the guild a list of their customers, and there was no exception taken. Witness continued to read:—"Mr. Fenwick entered very fully into the grievances of the guild which he represented.

"The concensus of opinion was that at present it would not be well for the guild to take any action in this direction. Their first duty was to decide as to the resolutions to be submitted to the refiners in the afternoon.

"The chairman had seen Mr. Drummond who seemed disposed to favorably entertain the idea of an increase in the advance.

"After allowing a great deal of discussion the chairman called for a resolution and the following was then submitted:—

"Moved by _____ and seconded by _____ that the refiners be asked to refuse to sell white sugars to non-signers of the sugar agreement. Carried unanimously."

By Mr. Landry :

Q. That means from the guild to their customers? A. No; that means from the refiners to the non-subscribers of the agreement.

The witness continued to read:—"At first the Montreal delegates were disposed to favor a resolution looking for an increase in the advance from a quarter to one-half a cent, but finally, after hearing from the western delegates, the resolution was carried unanimously."

By Mr. Fisher :

Q. That is the whole of what is put in? A. That precedes what I was reading "this was fully explained by several of the delegates" (that is this change in front).

"Mr. Drummond pointed out that asking the refiners to refuse absolutely was a very serious business. This statement was immediately met by the delegates naming several large manufacturers in other lines of business who had adopted this course (that is, refused to exercise their own free will and sell to whom they please). Mr. Elmenhorst, of the St. Lawrence, in the course of his remarks, stated that one half a cent was not sufficient advance and suggested that the resolution should be amended so that the manufacturers might agree to sell to parties at the quarter cent advance, provided those parties enter into obligations not to sell at less advance than that provided in the guild agreement."

By Mr. Fisher :

Q. That seems rather a contradiction. Mr. Elmenhorst said one-half a cent was not sufficient and then suggested to sell at a quarter. How was that? A. Provided these parties would enter into an obligation with the refiners.

Q. In the one case it was without the condition? A. Yes.

Witness continued to read:—"Immediately, several of the delegates pointed out that they did not want any such arrangement as this. All the trade asked was that the three firms named should be put on the same footing as the subscribers of the agreement. Mr. Elmenhorst further complained of the amount of raw sugars which were being imported especially by the western merchants.

"After two hours discussion Mr. Drummond stated that he would much prefer that the resolution would be put in another shape but if after further consultation the delegates felt that they could not amend this resolution, he, speaking on behalf of the Canada Sugar Refining Company, was prepared to agree to the conditions of the resolution and Mr. Drummond, in making this statement, pointed out that one of the non-subscribing firms had been a customer of the Canada Refining Company for over 30 years.

"Mr. Drummond's decision was received with marked satisfaction. The chairman thanked Mr. Drummond for the way in which he had received the request of the trade, and that gentleman withdrew.

"The chairman then called for Mr. Elmenhorst. The president of the St. Lawrence Sugar Refining Company positively refused to agree with the resolution of the guild and stated that he would not refuse to sell but that the trade might rest assured that he would use his best influence, and it was not small, to bring the non-signers into line; he further assured the trade that they could rely upon his determination to protect their interests.

"In reply to the question 'if Lightbound, Ralston & Company refused to come in after you have used your influence with them will you refuse to sell them? Mr. Elmenhorst said: 'I will not refuse to sell to any non-subscriber but I am on your side.' During the discussion Mr. Elmenhorst gave it as his opinion that an advance of one-half a cent was not sufficient protection to the trade."

By the Chairman :

Q. Why not a cent? A. Mr. President, have you any objection to these books being left in the hands of the chairman?

Mr. INCE—None at all.

The CHAIRMAN—There is another resolution on the book:—"Whereas the motion passed at this morning's meeting of the Dominion Guild, did not recommend itself to the approval of all the refiners, be it resolved that the refiners be asked to increase the advance on white sugar to non-subscribers to sugar agreement to one cent per pound." This resolution was adopted.

WITNESS—If you are picking out these resolutions it behooves me to say that the movers of those resolutions are all western men who have been suffering very severely from the action of Messrs. Lightbound, Ralston & Company, in cutting these sugars. I would like simply to show what prompted such a resolution as that and of the wholesale slaughter that had been done by Messrs. Lightbound, Ralston & Company.

By Mr. Fisher :

Q. I see it was stated in one of these extracts that other manufacturers had been doing the same thing, refusing to sell to those who are not members of the guild, as I understood, or not members of the same agreement, can you tell us what manufacturers these were? A. I cannot tell you anything beyond what is recorded on that book.

Q. I mean not from the minutes, I mean from your information and knowledge with regard to these things? A. I can give you no information.

By the Chairman :

Q. "That the minimum advance on tobacco is increased from three to four cents a pound and that a new document be at once prepared by the president and

sent to the respective secretaries for signatures, it being understood that the agreement shall not supersede the new agreement until fully executed"? A. I am not prepared to give the name of any manufacturer. I am strongly of the opinion that there is no small number of manufacturers.

Q. I don't mean the individual name of the individual manufacturer, what I mean to say is whether you know of your own knowledge that there are certain kind of manufacturers, for instance tobacco and starch men or anything else of that kind, who have an agreement amongst themselves similar to this fixed agreement? A. I don't know of any manufacturer having an agreement, but I do know there are manufacturers in Canada sufficiently independent to elect to whom they shall sell their goods. I know there are quite a number of manufacturers.

Q. Can you give us instances of them? A. I cannot give you names, that is not in my province.

Q. But I understand you to say you know there are such? A. I say I believe there are such.

Q. You say you know there are manufacturers independent enough to sell to whom they please, that is the question that we would like to know; we would like to know whether there are men who are independent enough not to enter into combination? A. I am speaking of individual manufacturers.

By Mr. Fisher:

Q. You think you know there are individual manufacturers who dictate to their customers? A. Yes, and who require that their goods shall be sold at a certain price and their goods must be served at that price.

Q. Do you know of any group of manufacturers who agree amongst themselves that they will do that? A. As to that point I think best for you to examine the manufacturers themselves.

Q. I ask you a point blank question, I ask the answer, do you know of such? A. I don't know of such; I can't answer the question in any other way.

By Mr. Landry:

Q. If they are independent enough to do what you say it must be the effect of some understanding amongst themselves. One manufacturer standing alone could not be independent enough if he hadn't the other manufacturers in combination? A. Why should he not be independent enough?

Q. If I manufactured soap you could purchase other soap in the city? A. Yes, you could purchase soap provided that you shall not sell it under a certain price.

Q. If there are other manufacturers of the same kind who make the same things their independence would be gone—

By Mr. Fisher:

Q. That is only an individual case? A. An individual case.

Q. They do it by an agreement among the individual manufacturers? A. Yes.

Q. And you know this? A. Yes; I believe it.

By Mr. Landry:

Q. Do you know it that individual independence is worked? A. I believe it has!

By Mr. Fisher:

Q. Are you officially connected with any other trade association besides this Wholesale Grocers' Association? The Canadian jobbers in watches, I am secretary of that.

Q. Any other association? A. Oh, a whole lot of them.

Q. Are you aware of any arrangement among the bankers as to the rate at which they will supply money to individuals or by corporations? A. No, no arrangement whatever.

Q. There is none? A. There is none.

Q. Do you know there is none? A. I know there is none.

By Mr. Landry:

Q. It is a matter of coincidence that they are in the habit of having the [same rates of discount? A. Yes.

Q. It is a coincidence that is pretty general, is it not? There are very few exceptions among the bankers. They generally take the same rates of discount? A. That is too deep a question for me to go into. I have never had occasion to apply to the bankers myself.

Q. You know there is no arrangement among them? You must have had some knowledge? A. As far as the bankers' section of the Board of Trade goes there is no arrangement.

By Mr. Fisher :

Q. You are secretary of the Millers' Wholesale Section, have you an arrangement as to their prices and sales? A. There is no arrangement as to their prices and sales; they desire to get as low rates for transports as they can.

Q. That is the whole object of their association? A. I don't know that it is the object of their association.

By Mr. Bain (Wentworth) :

Q. The Oatmeal Association entrust their case in your hands? A. No.

Q. That is the head centre of the organization? A. I don't know.

Q. Are they affiliated with the Toronto Board of Trade? A. No.

By Mr. Boyle :

Q. Have you any connection with the Underwriters' Association? A. No.

W. B. CLAY, retail grocer, Gault, sworn.

By the Chairman :

Q. You have heard all the evidence given to-day? A. Yes. I can reiterate what Mr. Gillard has said as far as the selling of sugars is concerned, but, living in the country, I probably get a little more. Of course the retail grocers in the cities have a better chance to keep ahead of things and find out what sugars are going at than we in the country have. However, we in the country often see travellers, and of course the first thing is "what is granulated?" That is the first question we usually ask. I have been quoted 5 or 6 cents less than I have bought sugar at. This was after I bought the sugar and it made me feel very sick. On the 10th March last year there were four grocery travellers in our town. I was quoted granulated sugars at 6½. I was afterwards quoted at 6·20 and another traveller came in after I had bought it at 6·10 and quoted it to me 20 barrels of granulated at 6. Now, that is demoralizing to the wholesaler as well as the retailer. I saved 50 cents a barrel and I could not divide into \$18 packages or 32 half dollar packages and give the people the benefit of it.

Q. You made \$9 on that transaction? A. Yes.

Q. You don't like to do so? A. I don't. It is demoralizing to the trade, it gives me a chance of under-selling my neighbor. Then there is another leading thing—we don't know whether we are paying too much or too little in the country. Now that has not been only once or twice that I have been in the same fix. Sometimes I have bought and I have been sorry for it, although I have never kicked, but as we say amongst our trade, we felt sick, so that I thoroughly endorse all that Mr. Gillard has said. We were just in the same way with tobaccos when there was no set point.

Q. You will be pleased to have the same rule fixed on every article of groceries that you purchase—the price fixed? A. Well, I don't know that I would go as far as saying that.

Q. Why not if a good thing? A. Yes, it might be a good thing. I have been in business for nearly 36 years in this country and in the old country, and this has been the trouble all through my career as a grocer.

Q. Have you made a little more profit on your sugar this year? A. I say distinctly not because 50 cents a barrel is no increase in \$18 or \$36 worth made up in quarter dollar packages.

Q. You benefited yourself? A. Decidedly, I object to having uniform price. I am not prepared to say how much the wholesaler should make out of it. I verily believe the refiners could not handle it. They would have difficulty in getting it from Montreal. The question is whether the wholesale trade should get any profit or not.

Q. You were looking out for the interest of the wholesale trade? A. I am looking at it from a business, fair and square standpoint. I believe in the system. The fact is that I bought these sugars I speak of in the morning and could have bought them at 5 cents less in the afternoon.

By Mr. Guillet :

Q. Don't you think that the competition is legitimate? A. I think it is.

Q. It wasn't dishonest? A. In this case I don't know whether it was or not.

Q. Have you succeeded pretty well in your business? A. Probaby sometimes I have and sometimes I haven't. I have been unfortunate in business I will admit, but at the present time I am doing about as well as most of the retail grocers.

By Mr. Bain (Wentworth):

Q. I don't understand where it hurts you if you bought this sugar at 6·10? A. It may leave money in my pocket but it shows a demoralizing influence.

By Mr. McKay :

Q. Some other men who accepted the first offer of 6·25 might suffer by competing with you? A. I know that sugars were sold that morning in my town at 6·25.

By Mr. Bain (Wentworth):

Q. In that case there would be one of two things: You selling at a lower rate and making the same profit or the other men had to sell at the same rate and make less profit? A. This system of getting sugars is pretty well gone.

Q. I am speaking of this specific case whether you gain? A. Yes.

By the Chairman :

Q. Where was it you bought this sugar? A. In Toronto. I had a Hamilton man and a Toronto man in my place of business that morning.

Q. Do you know of your own knowledge if the man who sold it at 6·10 wasn't making a profit? A. To the best of my knowledge it could not be laid down from the refinery.

Q. Do you know what he bought it for? A. I could not say.

Q. How can you tell? A. I have a list of purchases made by Robertson, of Montreal, on these same days.

Q. It shows that probably it could be delivered at 6·10 at a profit? A. I believe it would cost about 6·17 laid down in Toronto on these dates.

Q. Do you know the discount they get? A. I have heard.

Q. What did they get? A. 2½ per cent. I think.

Q. What did you get? A. 1½ per cent. in 15 days. I have good reason to believe that sugar cost that house on that day, from remarks that I heard afterwards, 6·17 and they positively lost 7 cents a 100 on that sugar.

By Mr. Bain (Wentworth):

Q. How did that affect your trade? A. Well, it would not affect my trade except as far as the system of having a set price on sugar. I believe in the principle of it.

Q. I understand that the evidence you are offering is as to how it affected your business. We are not asking you for information about the wholesalers' business? A. Well, the effect on the trade is this: if I buy 15 barrels of sugar and my neighbor buys 15 barrels of sugar and I know he does not get his sugar cheaper than I do and if he is selling cheaper I know there is something wrong somewhere.

By the Chairman :

Q. He may buy sugar cheaper than you or dearer than you. the only thing is they cannot buy on the same date then at the same price? A. Yes.

By Mr. Bain (Wentworth):

Q. Or he may be doing a larger business? A. Yes, of course the trade in the country, however, where there is no one who buys more than 15 barrels down. I have dealt largely in car loads of sugar some three or four years ago, but if I buy sugar at 6.20 and another man buys at 6.25 that is where the difference comes in.

By the Chairman :

Q. You are grumbling about it? A. I am not grumbling about it. I am merely speaking that I am satisfied with the system of having a line of goods like that so

that there would be only one price and there is not that feeling that every one is buying goods cheaper than you.

By Mr. Guillet :

Q. Would it not be a good thing if the retailers would combine to regulate the prices? A. Yes.

By Mr. Bain (Wentworth) :

Q. That is you would have a uniform profit and no competition if that could be guaranteed? A. If it was fixed. The retailer is suffering a very great loss selling sugar.

Q. In your experience there was always cutting? A. Yes.

By Mr. Fisher :

Q. Can you explain why it is that the dealers should continue to sell sugar at these ruinous rates? A. I cannot tell you why. I only know it is done.

Q. You don't know why you did so yourself? A. I can give you an explanation of that. For instance, if a man starts in a place and the first thing he does would be to give an extra pound of sugar, then something has got to be done.

Q. Is it a fact that you cannot carry on the grocery trade without having sugar? A. We cannot, sir, we have to have sugar.

HOUSE OF COMMONS, Wednesday, 28th March, 1888.

The Committee on alleged Trade Combinations met at 11.15.

In the absence of the Chairman, Mr. Guillet presided.

PATRICK BASKERVILLE, of the firm of Baskerville Bros., sworn.

By the Chairman :

Q. What is your occupation? A. Grocer.

Q. You are a member of the Grocers' Guild? A. We were for a while, but not at present.

Q. Your name was struck off the list? A. Yes.

Q. How were you informed of that? A. I think we had no intimation.

Q. Are you in the wholesale business? A. Yes.

Q. Are you in the retail business as well? A. No, we are giving up the retail business.

Q. Do you conduct your retail and your wholesale business altogether in one establishment? A. Yes, partly; we kept our office in the retail establishment where we keep our books for the last five or six years.

Q. Your business was chiefly wholesale? A. Yes, chiefly wholesale.

Q. Has it been an injury to your business to be deprived of the right to purchase sugar at the refinery? A. Yes, it has been an injury. To continue our wholesale business we could not get along without it.

Q. Did you write to the refinery for goods and endeavor to obtain goods at the refinery since? A. Yes.

Q. With what result? A. I don't know whether it was by letter or verbal conversation I had with the secretary of the refinery, they said that we could not get goods on account of the name being taken off the guild. It seems we belong to the Kingston branch of the guild. I was not in Ottawa at the time. It was one of the firm that signed that time. He believed that it was in order to carry out the uniform prices, that there would be no cutting or deception. There had been cutting in the leading articles, and this he understood would keep the price among the trade, and on that account, I believe, was going to be of service. I believed the wholesalers and retailers would be benefited and no great injustice would be done to consumers by confining themselves to a legitimate profit, but I find that there are many things coming to light now which shows that mischief can be done by the combination if they so desire to do it; if they desire to act justly I think no injury can arise from it.

By Mr. Boyle :

Q. What is the mischief you think can be done? A. Putting on too much profit; they combine together to put on too much profit on the consumer.

By the Chairman :

Q. That is that the number engaged in the business in the wholesale would largely increase owing to the business becoming profitable, and a larger number in the business the more the profit must be? A. With the aid of the refiners they could put on just what profit they thought proper, but I never thought that was the intention and I don't think so still practically.

By Mr. Fisher :

Q. You are in the wholesale grocery trade? A. Wholesale and retail. I understand that the name was taken off on account of having a retail connection.

Q. You don't know whether it was taken off or not? A. Yes, it was taken off.

By Mr. Boyle :

Q. When your name was on the refiners' list, were you subject to any conditions as to the prices at which you would sell? A. Yes, we got a list every week. There was a list going round every week to those on the list, and they had to carry out the prices fixed.

Q. You did not violate the terms when you were a member? A. No.

Q. You were struck off because you were not exclusively wholesale. A. That is what I understood.

By Mr. Fisher :

Q. Was no notice given to you about that? A. No, not at the time. It was at the refinery I found we could not buy.

Q. The first information you got was at the refinery? A. Yes.

By the Chairman :

Q. The object would be to prevent you putting in a large stock. If you got an intimation that would be done you would put in a sufficient stock? A. I think it would have been a wise course to take.

By Mr. Fisher :

Q. Then this association which struck your name off you were not a member of? A. No, not a member, we merely signed the agreement.

Q. You were not a member of the association? A. Not a member of any association.

Q. This association insisted upon your name being struck off, apparently? A. So I understand.

Q. That is what the refiners told you? A. No; the refiners didn't tell me this. I found this out afterwards from a verbal conversation with some gentleman who was in the store after they held a meeting in Kingston. There is a branch association there. They held a meeting there and they took our name off on account of our having a retail connection. I got no notice, but we afterwards wrote asking the reason and then found out the reason. They gave the reason then that neither directly nor indirectly could we have a retail branch.

By Mr. Gullett :

Q. The province is divided into several districts? A. It appears so.

Q. There is a Hamilton district and a London district? A. Yes.

By Mr. Boyle :

Q. How much more does your sugar cost you now than it did before? A. I cannot very well tell that. I suppose it costs about one-eighth.

By the Chairman :

Q. Any discount? A. It costs a quarter. I am not certain, we have bought very little since our name was taken off the list.

By Mr. Boyle :

Q. How long since your name was taken off? A. It is nearly two months.

By the Chairman :

Q. As a matter of fact you are charged one-eighth more, and you are subjected to the loss of a discount? A. I am not certain. I think we bought a few barrels since, but I don't know how much we had to pay for it.

By Mr. Fisher :

Q. That will force you to charge just so much more to consumers ? A. Either that or sell at cost or sell it under cost to keep our business going. We would have to do one or the other.

MR. BOYLE.—His evidence is much on the same lines as the other witnesses.

By Mr. Guillet :

Q. I don't see any new features ; was not the effect of the formation of this association that the price of sugar was raised to the consumer ; that the same sugar was sold at a larger profit than it was sold at before ? A. I cannot say.

Q. You say sugar was being cut and being sold too cheap, and your object was to set the price ? A. It was liable to be done, I could not say that it had been done, I know in the retail line passing along you will see sugar in the windows with the prices on it. I saw it in Montreal and in Ottawa at the actual wholesale prices, but I could not say that the wholesale merchant was selling at cost.

Q. Sugar is not being cut so low now, there is not so much cutting now ? A. There is a uniform price in this combination, any person who sells under that uniform price is cut off.

Q. The retailer is not cutting so much as he was before ? A. I would think not.

Q. Therefore the consumer is not getting his sugar as cheap ? A. The result of that as regards the retailer under the combination. I think every retailer whether he has means or whether he is without means, has a uniform price. The poor man can get his barrel of sugar at the same price as the man who buys fifty barrels. If he sells it at a moderate profit, and the refinery sells it at a moderate profit, I don't see where much injustice can be.

Q. As a matter of fact you find that sugars are not being cut by the retailers now as they were before the combination ? A. I could not say.

Q. You don't see prices quoted at these low rates ? A. No, I did not ask them what they sold at. I could not give any information about it. I might say for the information of the Committee that I think that this association did not carry matters out fairly. I understand, if I am correctly informed, that there were two persons at Kingston situated as we were. This is from heresay. I cannot prove it. If such is the case and they were not cut off the list, I think it was an injustice.

Q. The object of the association undoubtedly was to enable the wholesale men to get a fair profit on sugar ? A. I think so.

Q. That rule is applied to other articles in the trade, is it not ? A. Yes, I think it is in tobacco, that is the only article that I am aware of. I don't know what profit. I am not posted in the prices at all.

Q. Do you deal in liquors ? A. Yes, there is no combination in liquors, that I know of.

Q. You are not regulated at all or controlled in reference to prices you sell liquor at ? A. No.

Q. There is also in some shelf goods, I believe, pickles ? A. I have heard of pickles, imported pickles.

Q. Matches ? A. I don't know of matches.

Q. Are you bound to sell pickles at a certain price. You have no agreement ? A. No, there is no agreement on any goods except tobacco and sugar, there may be agreements in other places but I think there are none here that I know of.

Q. It is so in reference to tobacco ? A. Yes, I think tobacco was included, or it may be a different agreement from the sugar agreement, I am not certain, because I have not signed either myself.

The Committee adjourned.

JOSEPH KAVANAGH SWORN.

By the Chairman :

Q. What is your occupation? A. Grocer and wine merchant, Ottawa.

Q. We wanted to ask you some questions about biscuits and confectionery. You are a dealer in these articles? A. Yes.

Q. You are pretty familiar with the trade in them? A. Yes.

Q. Can you give us any information about the biscuit trade first? A. Well, I hold in my hand a copy of a circular issued by one of the biscuit manufacturers. This is dated November the 24th, 1884. I had been buying biscuit at this price since about that date.

Q. That is 3½ years ago. What about present time? A. The price is the same now as then.

Q. They haven't changed? A. No.

Q. The raw materials used in biscuits are what? A. Well, I think if anything they are cheaper now than they were then.

Q. The principal ingredient is flour? A. Yes.

Q. How does the biscuit flour price compare with what it was then? A. In 1884 for biscuit flour the wholesale price was \$5.60 per 200 lbs. This is in Ottawa, but in Toronto it would be about 30 cents less on the 200 lbs. in car lots, the freight making the difference.

By Mr. Bain (Wentworth) :

Q. Are these given you by Ottawa men here? A. Yes, that is right on the spot here.

Q. Would you just give us the differences in price? A. In January it is \$5.60, April \$5.25, June \$5.05, July \$4.80, August \$4.70, September \$4.50, October \$4.00, and then he goes on with these quotations for 1885, 1886 and 1887 and he gradually comes down at last to February, 1888, at \$3.90. These were the prices given me by a flour dealer. Since 1884.

By the Chairman :

Q. The same article sold in 1884 for \$5.60 and \$5.05? A. Yes, and it is selling in February this year at \$3.90.

By Mr. Boyle :

Q. That is for 200 lbs.? A. Yes.

By the Chairman :

Q. I suppose that means 196 lbs. the barrel will count? A. It is quoted 200 lbs.

By Mr. Bain (Wentworth) :

Q. Have you large quotations for the same time? A. No, sir, I find looking over my books that it was just about the same price, averaging probably a cent and no more either way.

By the Chairman :

Q. And for sugar? A. Sugar I think is cheaper now than what it was then about that time.

Q. The prices of the materials for biscuits in all have been reduced very considerably? A. Yes, sir.

Q. And the price list has not been changed? A. And the price list has not been changed at all. There has been no change of price since I received this.

Q. Do you know of any combination? A. I am informed by one of the biscuit manufacturers that there is a combination between them. The combination is between them but they don't compel us to sell at any certain price.

Q. A combination amongst themselves? A. Yes, to keep the prices up.

By Mr. Bain (Wentworth) :

Q. They agree not to cut the prices. A. Yes.

Q. Does that apply to all biscuits? A. Yes; I imagine so.

By Mr. Guillet :

Q. Have you the names of the men in the combination? A. I haven't, sir, but I understand from these agents who come around that the prices are all the same.

For instance there is Christie, Browne & Co., of Toronto, the Lang manufacturing Company of Montreal, The Montreal Biscuit Company, and Gibson & Son, of Ottawa, their prices are all the same.

By Mr. Boyle :

Q. Are the prices the same delivered here or from the place of shipment? **A.** The place of shipment, except Gibson's delivered here, that is the only advantage.

By Mr. Guillet :

Q. Are Gibson & Co. members of the combination? Are you aware that Gibson is a member of the combination? **A.** He told me so himself.

By Mr. Fisher :

Q. You find in buying from these men that the prices are all the same? **A.** Yes, my attention was lately drawn by the agent of a firm in Montreal who represents Vanderhover & Holmes, of New York. They make a very fine class of biscuits, a finer class of biscuits than made in Canada. These people's prices, some of them are much less than Canadian manufacturers' prices.

By Mr. Guillet :

Q. Have you got their prices? **A.** I have a few of their prices.

By Mr. Fisher :

Q. Have you bought from them? **A.** No, sir. I think it only about three months ago since their agent came round.

Q. You mean their prices delivered here? **A.** In Montreal.

Q. They have an agent in Montreal? **A.** A resident agent in Montreal.

Q. The prices you compare with the prices of these other agents are the prices in Montreal duty paid? **A.** Yes.

Q. They pay the duty? **A.** Yes, and deliver in Montreal. Now I will give you two or three prices—take arrowroot biscuits. This New York firm quoted 13½ cents in Montreal. Take the circular for Toronto and it is 15 cents for the same kind of biscuits. Take ginger snaps. The New York firm quotes 10 cents, while the Montreal and Toronto people quote 14 cents.

Q. You say Toronto people, you mean Canadian manufacturers? **A.** Yes, these people I have named.

By Mr. Boyle :

Q. Is there a fixed price upon all these different items, ginger snaps, &c.? **A.** Yes.

By Mr. Bain (Wentworth) :

Q. How do sodas compare? **A.** I have'n't their sodas on this list. When the agent was here I didn't get a copy of his price list. He promised to send it to me but he never did so. I wrote to the house in Montreal asking them to send all of their prices, but not exactly the same quality of biscuits we are in the habit of selling here. Take Christie, Browne & Co., for instance, I suppose they have 150 different kinds of biscuits.

Q. I suppose there are four or five leading kinds? **A.** Probably one dozen.

Q. I suppose there are three or four kinds really most consumed. **A.** Tea biscuits, arrowroot biscuits, ginger snaps and soda biscuits.

Q. I suppose there are really the staple biscuits are they? **A.** Yes.

Q. The others are more like fancy biscuits? **A.** Yes.

By Mr. Fisher :

Q. Then there are oatmeal biscuits and Graham biscuits? **A.** Yes, of course. Graham biscuits and oatmeal biscuits are very well known. When the agent was here I found that they were cheaper than our Canadian people after paying the duty. I think some of them might have been one quarter, one half or one cent a pound cheaper. There is a difference, however, of some of them of three cents a pound. These people pay a duty of 20 per cent. and sell them for lower prices.

By the Chairman :

Q. How do the prices of the raw material in Canada compare with the prices of the raw material in the States? **A.** I don't think the raw material is any higher here than it is in the States.

Q. Lard would be a little higher? A. Lard if anything would be a little lower in the States.

By Mr. Fisher :

Q. Flour would probably be much the same in New York? A. Yes; and sugar might be a shade less but not so much as would warrant these people keeping the prices for the last four years.

By Mr. Boyle :

Q. The expenses of making them in Canada would not be 20 per cent. more? A. No.

By Mr. Fisher :

Q. This combination of biscuit manufacturers impose no conditions on you? A. None at all.

Q. It don't interfere with your trade? A. No.

Q. They simply say here are the biscuits and these are the prices, take what you choose? A. Yes. I may say I have tried hard to get biscuits less but they are perfectly firm in the price and there is no budging them at all.

By Mr. Bain (Wentworth) :

Q. Have these New York men delivered you any biscuits? A. No.

Q. It is only recently they came round? A. Yes.

Q. Where is their factory? A. In New York. Vanderhover & Holmes. Theirs is a very large house and they make the highest class of biscuits you find now. When they can come from the States and pay a duty of 20 per cent. and undersell our people here, our people must be doing well in the biscuit trade.

By the Chairman :

Q. Who pays the freight from New York? A. These people pay the freight to Montreal.

By Mr. Fisher :

Q. Practically you of your own knowledge know nothing about this combination? A. I know only what they told me.

Q. They have told you there is a combination? A. Yes.

Q. Of course hearsay evidence does not count for anything? A. I have it from Gibson himself and he is a member of the combination.

THE CHAIRMAN.—Mr. Kavanagh has dealt with parties who formed the combination.

Mr. BAIN.—I suppose the uniform price list is the most unanswerable evidence.

By Mr. Guillet :

Q. They have an agreement? A. Yes; they tell me distinctly they won't sell goods under the price.

Q. Because of this agreement amongst themselves? A. Yes.

Q. That of course proves a combination? A. Yes. Of course this biscuit trade is quite a large business, a much larger business than people would expect.

By Mr. Boyle :

Q. I was going to ask you about what extent your trade would be. Do you consider it an important item of your business? A. I do, yes. I think probably last year we have sold 1,200 boxes of sodas.

Q. What would they be worth about? A. They would average, say, \$2.00 per box.

Q. They enter largely into family consumption? A. Yes.

By the Chairman :

Q. Can you give us any further information about biscuits? A. I think that is about all the information I can give you about biscuits.

Q. What about confectionery? A. We do not deal much in confectionery, but I know a little about the prices.

Q. Do you know if there is any combination? A. No, I cannot say that I know personally of the combination.

Q. What do you know of the matter? A. There is a firm here in the city, C. T. Bate & Co., and they have been buying candies of all kinds by the carload, and

that enables them to buy at very low rates. They bought from a firm in Montreal, and latterly they have been selling candies very much lower than the manufacturers themselves. I know that some of their agents have been around, and I find that I can buy them cheaper at the wholesale house here, and on making enquiries from one of the parties in connection with this firm, I was told that these confectionery people have formed a combination among themselves, and have raised the price $1\frac{1}{2}$ cents per lb. Take one illustration of that, Messrs. Bate & Co. sell assorted sugar sticks at 9 cents per lb. whereas the combination price is $10\frac{1}{2}$ cents per lb.

By Mr. Fisher :

Q. Did Mr. Bate himself buy from the combination? A. Yes, before the combination was formed.

Q. When was it formed? A. Inside of two months they have raised the prices fully $1\frac{1}{2}$ cent per lb.

Q. That is a combination of the manufacturers? A. Yes.

Q. Have you been buying these goods from them within the two months? A. No, not from the manufacturers.

Q. You have been buying from Mr. Bate? A. Yes, as I can get them cheaper.

Q. Before that you bought from the manufacturer? A. Yes, sometimes from the manufacturer, and sometimes from C. T. Bate & Co.

Q. And you found competition, you could get them cheaper from C. T. Bate & Co. than you could from the others? A. Yes.

By the Chairman :

Q. Does Mr. Gibson of this city make candies? A. No, the Lang Manufacturing Company in Montreal, and Foster's in Toronto make candies.

By Mr. Guillet :

Q. Are the candies of the same degree of purity, are they as good candies? A. There is sometimes a difference in the candies. Sometimes they are very good, and sometimes they are very poor.

Q. But those you have been buying from Mr. Bate lately, have they been as good? A. Yes, and sometimes better.

Q. So that it would appear that he was not palming off a poor lot, or anything of that kind? A. No.

By the Chairman :

Q. Is their business in candy a large one? A. Yes, I think pretty extensive for this part of the country.

Q. What quantities? A. I do not know, but I know that they buy them by the carload.

By Mr. Bain (Wentworth) :

Q. Do you handle whiskey or gin? A. Yes.

Q. How is it with respect to them? Is there any limitation as to price? A. Not in Ottawa. I understand there is in Montreal a combination price for DeKuyper's gin.

Q. The agents do not exact any restrictions from you? A. No, we are direct importers ourselves. There are no restrictions here at all.

Q. But there are certain other proprietary articles that there is a fixed price on as a rule, baking powders, for instance? A. Yes, I believe there is among the manufacturers. We buy where we can get them the cheapest, sometimes here, sometimes in Hamilton, sometimes in Toronto, and sometimes in Montreal, wherever we can get the best terms.

By Mr. Fisher :

Q. But you are not bound to sell them at a certain price? A. No.

Q. Where do you get your pickles? A. From Charlton & Co., of Hamilton.

By Mr. Boyle :

Q. These are Canadian pickles? A. Yes.

Q. But on imported pickles there is a combination, is there not? A. Yes, there is a combination on them.

By Mr. Fisher :

Q. But that does not affect the retail trade? A. No, but simply the jobbing trade.

By Mr. Bain (Wentworth) :

Q. You do not sell them in case lots below a certain figure? A. No.

By Mr. McDougall (Pictou) :

Q. Is there any combination in starch? A. I do not think so. I do not handle sufficient starch to enable me to give any evidence in relation to it.

By Mr. Fisher :

Q. Have you felt the effects of any combination in other articles, on tobacco, for instance? A. Yes, there is a combination in tobacco.

Q. You know that there is? A. Yes.

By the Chairman :

Q. How do you like it? A. I do not like it at all.

By Mr. Fisher :

Q. The prices are fixed? A. That is if you buy them from Mr. McDonald, but I do not buy from Mr. McDonald. I told his agent that I was not going to sell Mr. McDonald's tobacco for his benefit, but for my own.

Q. Where do you buy from at present? A. From Tuckett & Co., of Hamilton.

Q. Is he a manufacturer? A. Yes.

Q. Do they regulate the price at which you sell? A. No.

Q. They are not in any combination? A. No.

Q. But are practically in competition with the combination? A. Yes.

The Committee adjourned.

HOUSE OF COMMONS, Wednesday, the 18th April, 1888.

WALTER PAUL SWORN.

By the Chairman :

Q. State your name, address and occupation? A. Walter Paul, grocer, Montreal.

Q. I met Mr. Paul who had been here before on the sugar question and he spoke to me respecting biscuits and I invited him to appear before the committee and state what grievance he has on the biscuit question? A. As I was stating I did not come here to appear before the committee. I am here on other business, but I met your chairman as he has stated and we talked about the biscuit combine which I think is as bad as any. I do not know what the committee would like me to say.

Q. In what way do you consider it bad? A. In this way, that biscuits are an article that is sold very largely, and generally used by the whole community and the whole community is therefore affected by the price, and I consider that the consumers who comprise the general public are paying far more for biscuits than they have any right to.

Q. Of what kind? A. All kinds.

Q. Give us an example? A. The duty on biscuits is very high. The duty on sweetened biscuits is 35 per cent. and 1½ cent per pound and on unsweetened it is 20 per cent. They are a lower priced article. The prices of biscuits I contend which the retailers have to pay are about as high as they were 15 or 20 years ago of all kinds.

Q. How does the raw material compare? A. Sugar is a great deal cheaper and flour is nearly half the price it was then. Lard I think is no dearer if not cheaper; I think it is cheaper, and all these articles that go to make up a biscuit are articles that are produced in Canada. We have them here as cheap in this country—the main staples of the raw material—as any country in the world, and taking the labor I think we are at any rate when compared with the United States lower than they are. I reason that we ought to be able to produce biscuits as cheap in Canada as in any other country in the world.

Q. What is the machinery now used in their manufacture? A. That is another element which not being a mechanic I am unable to speak of; but I know that

machinery has been perfected so that they can turn out enormous proportions to what they used to, and that comes in as a saving of labor. I presume that Canadian manufacturers have as good machinery as any other.

Q. You say that notwithstanding the improved machinery, and the lower prices of the material used in manufacture, and all these advantages that the biscuits are sold at the same price to-day as 15 years ago? A. Yes, as about 15 years ago or further back when there were very few manufacturers. I am justified in this statement by the price list of the biscuit manufacturers in the States.

Q. How do the prices here compare with those in the United States? A. Prices here are from 25 to 50 per cent. higher than in the United States.

By Mr. Bain (Wentworth):

Q. Have you any price lists? A. I did not intend to be here and can not give them.

By the Chairman:

Q. Let us understand; 25 to 50 per cent. higher? A. Yes.

By Mr. Bain (Wentworth):

Q. Give us some actual figures? A. Ginger snaps cost $6\frac{1}{2}$ to 7 cents in the United States. That is a ginger biscuit, and they are costing here 11 cents and some go up to 14 cents. That is only an individual case.

Q. We must deal with each specific kind for comparison? A. You can be guided by that. You see one kind that you would be paying $6\frac{1}{2}$ to 7 cents for in New York, and you would be asked 11 cents for it here.

Q. How is it with sodas? A. They are I should say about 20 per cent. higher?

Q. Give us actual figures? A. I cannot give you actual figures because we cannot import sodas and pay 20 per cent. to compete with the Canadian goods. We might lose the freight, the difference in price would be about the amount of the duty here.

By the Chairman:

Q. That is the difference between American and Canadian sodas? A. Yes.

Q. The duty is 20 per cent? A. Yes.

Q. They take full advantage of the duty? A. Yes, but there are some kinds that we can pay the 35 cents duty on and bring them in cheaper than we can buy them here. I know they ought to be made as cheap here.

Q. A considerable part of your trade is sodas? A. Yes. We deal in some fancy biscuits but we have to import them. They are not made as well in Canada as they are in England. I import a good deal from England and from New York, but I am satisfied that the Canadian manufacturers should be able to give the public biscuits and make a profit at any rate 25 per cent. lower than now.

By Mr. Bain (Wentworth):

Q. They are in the same position as everybody else, they take just what the duty will let them and keep their margin.

The CHAIRMAN—We have evidence that other manufacturers do not do that.

Q. I will put it in this way—the price at which the Canadian plain biscuit is sold is about the same price as the American biscuit with the duty added? A. About the same.

Q. You are not able to give us any actual quotations? A. Not this forenoon.

Q. What are Canadian sodas sold to you for, 7 cents? A. About $6\frac{1}{2}$ cents.

Q. That is the net price? A. No; the discount comes off that of 5 per cent. for cash.

Q. The American biscuits are about 20 per cent. lower? A. Yes. You see we have to consider the freight as a greater element in plain biscuits than in finer biscuits, as we have a larger quantity of them. Sodas are a bulky article and the freight is proportionately higher than on fine biscuits.

Q. Fine biscuits are more expensive? A. Yes; and the percentage on a pound is higher on plain than on sweet biscuits.

By Mr. Gillmor:

Q. Sodas break in transportation? A. Not any more than from Toronto.

By Mr. Bain, (Wentworth) :

Q. What remedy would you suggest for this? A. I do not know what the remedy would be. I may say to the Committee that the better class of grocers have had a petition presented to them—I do not know who got it up although I signed it—which was forwarded to Ottawa yesterday to the Minister of Customs, asking that they change the duty or the mode of levying it from an *ad valorem* to a specific duty of 2½ cents per pound. This is not to lower the price so much as to give us less bother than we have had in importing. We have had a great deal of trouble in importing them, instigated largely by Canadian manufacturers in deciding what is a sweetened biscuit and what is not. That is what could come in under 20 per cent. duty or 35 per cent. duty. Now ginger snaps, which is an article extensively used, were for quite a length of time, in fact until very recently, admitted at the port of Montreal under the 20 per cent. list of duty, on the ground that they are not sweetened by sugar. Others are. I have not got the Act before me, but I believe it says that biscuits sweetened by sugar are liable to 35 per cent. duty. These are sweetened with molasses or syrup, but the Canadian manufacturers have been contending, being jealous of the amount brought in of this character, and they have made overtures and have had instructions sent down that all biscuits, no matter what the sweetening may be, if there is any sweetening in them, should be 35 per cent.

By Mr. Guillet :

Q. What biscuit makers have made these representations? A. I presume it is the combine. It would be the whole of them. Formerly a customs officer would choose any box out of a package and send it to the customs warehouse.

By Mr. Bain (Wentworth) :

Q. Did they levy on your invoice prices? A. As far as I am concerned they have taken the invoice prices. It was certified to and from a house far above doing anything of a questionable character.

Q. The reason I asked was that a complaint was made that parties have purchased goods at certain rates and the government have added to those rates for the purpose of levying the duty? A. That does not apply in my case. I have not had any trouble either with the English or Scotch biscuits. We have had more trouble with the American. They compete more generally with the Canadian manufacturer for ordinary biscuits. We do not import from England anything but what is decidedly superior to anything made in this country. In that case we are not troubled.

By Mr. Fisher :

Q. Do you hear of any trouble of that kind with other importers? A. I have not heard of it with biscuits. It never came to my ears.

By Mr. Bain (Wentworth) :

Q. Are your American invoices ever raised in that way? A. No, I presume they are not for the reason that the biscuit houses in New York or Albany or Boston are well known and they do not sell to one house; but five or six of the better class of grocers would import biscuits of the same character. The agent comes to Montreal and takes orders and there would be very little variation in the prices so that there would be no change in the invoices.

By Mr. Guillet :

Q. Do you think that they are made lower in price for the Canadian market? A. I do not think so.

By Mr. Bain (Wentworth) :

Q. Do they give you a special discount for Canada? A. The discount in the United States is generally very small. If they give any special prices they are not known to us. They must be net quotations.

Q. The effect of the new proposition that the dealers have made would be practically to exclude the low priced plain biscuits? A. It would. That is the effect it would have. This is not by the dealers in Montreal any more than the dealers in Ottawa and elsewhere. We did not ask a low rate because we want this to be granted. We

do not want the proposition to interfere with the manufacturers, but it is to regulate the getting in of biscuits without trouble at all. If we get this passed we will not attempt to import any ordinary biscuits at all and it would secure the entire trade for this country. I should think the general trade of the country would be in common kinds such as soda, tea and lunch biscuits. Under this duty they would not be imported at all, so that it would be in the interest of the manufacturers. It would simply apply to the better class. Any biscuits costing in the United States under 7 cents it would be folly to import.

By Mr. Fisher :

Q. Would not that raise the prices in Canada of ordinary biscuits? A. I do not think so unless the combine chose to take advantage of it.

Q. They would be able to do it? A. I think it is a very great misfortune that there is any combine. It is not a healthy state of matters.

Q. What is the present duty on ordinary soda biscuits added to the price; what does the whole duty come to? A. Supposing the biscuits cost 6 or 6½ cents, it is 20 per cent. on that.

Q. That would come to about one and a quarter cents a pound? A. Yes.

Q. You are proposing to make it two and one half? A. That, of course, is in order to get —

Q. We want to get the facts. That would probably raise the price of that biscuit about one cent a pound —

The CHAIRMAN.—It does not come quite to that.

Mr. FISHER.—I am asking questions.

The CHAIRMAN.—You said that American biscuits were about 20 per cent. cheaper there.

Mr. FISHER.—He said just now six cents.

WITNESS.—That is the Canadian price.

By Mr. Fisher :

Q. I want the price at which the duty would be reckoned? A. 5 cents.

Q. 20 per cent., that would be about a cent duty per pound? A. Then we have the freight to consider.

Q. That does not affect the duty? A. Yes.

Q. You are proposing instead of that to have a two and a half cent. duty instead of a one cent duty? A. We have considered that.

Q. Is that not what you ask? Q. Yes, that is what we ask.

Q. If you do that that would be a cent and a half of duty—won't that be a cent and a half on the price of biscuits here? A. These are biscuits which don't even enter into the competition with Canadian biscuits at all.

Q. You said a few minutes ago that Canadian biscuits were about the same price as American biscuits with the duty added? A. With the duty added, but the freight is against us, and this prevents us from importing.

Q. If the duty is increased is it not probable that the price of Canadian biscuits would be increased on that particular account? A. I don't know, I cannot answer that question. I have not entered the combine and I know nothing of the dealings of these gentlemen and the elasticities of their consciences. I could not say.

By Mr. Bain (Wentworth) :

Q. At all events it would be a remedy for the difficulty that is now existing? A. As to combine prices?

Q. Yes? A. No, we haven't aimed at it in that petition. What we have aimed at is the difficulty in the Custom house of getting our biscuits passed through.

By Mr. Fisher :

Q. Are you not aware that there are Canadian manufacturers not in the combination? A. I am not aware who they are.

Q. It is stated that there is a large number not in the combine? A. Were the names given?

Q. No? A. It may be. It is quite possible there might be. Of course there are lots of biscuit makers in Montreal, small ones, and they don't enter into com-

petition. The biscuit business is an enormous business, and the large variety and qualities and styles of biscuits is something that is almost appalling to the dealer. And some of these concerns, for instance, that you referred to, that may not be in the combination, are beneath the consideration of the combine.

Q. Every baker makes a few biscuits? A. Yes.

Q. And they are not wholesale manufacturers? A. They are not large manufacturers all the same.

By Mr. Fisher :

Q. You never bought biscuits from anyone who is not in the combination? A. Not that I know of. I did not know for a long time there was a combine at all until one of the agents of a manufacturing firm in Toronto told me a year or two ago. He said you may just as well give me the order as to anyone else because the price is all the same and they are the same. You take tea biscuits, of course, there are certain leading lines. There are tea, arrow and lunch biscuits that are made by every one of these leading manufacturers and these are all the same prices.

By the Chairman :

Q. Who is the president of this biscuit association? A. I could not tell that.

Q. Do you know the treasurer? A. No.

Q. Do you know the secretary? A. I don't know the officers at all.

By Mr. Bain (Wentworth) :

Q. When did the prices go up in biscuits last?—

By the Chairman :

Q. You said that the prices had remained about the same for some years? A. There has been nothing to warrant them going up.

By Mr. Guillet :

Q. Haven't the prices of the raw material been going down? A. That is what I said, sir, going down.

By the Chairman :

Q. How does this suit the manufacturers so far as you have heard of it? A. Which?

Q. This combination, this association? A. Suits the manufacturers?

Q. Yes? A. It suits them immensely.

Q. Do you know anything of their profits? A. I have heard. I don't know anything about it personally, but I have heard their profits are enormous. I know one concern in Toronto that made \$50,000 last year.

By Mr. Bain (Wentworth) :

Q. Which concern was that? A. Of course that is only hearsay, and I don't think it is evidence. I am not justified in saying. It is merely what we call table talk.

By Mr. Guillet :

Q. Do you deal in lard? A. Yes, in a small way.

Q. Sugar? A. Yes.

Q. Flour? A. Yes.

Q. As a matter of fact have not the prices gone down in these articles considerably during the last five years? A. Yes.

Q. And no change in the price of biscuits? A. And no change in the price of biscuits and this is what I am drawing the attention of the Committee to. I should think that owing to the perfection in the machinery that is being brought out from year to year that the manufacturer would be able to make biscuits cheaper.

By Mr. Fisher :

Q. Has there been any advance in the quality of biscuits? A. No, I think they are about the same.

By Mr. Guillet :

Q. Did you compare the prices of the people of New York and Montreal; as to the price of flour and lard, how do they compare? A. They are very much the same. There may be, I would not say there was, any great difference in the prices of sugar and flour.

Q. Do you import lard? A. We imported lard from Chicago. We got it from the agent's house in Chicago.

Q. What duty did you pay on it? A. We import through the agent. He pays the duty. We give an order to the agent of the importer in Montreal.

By Mr. Fisher :

Q. You find as a general rule that Chicago lard is poor? A. Yes, very poor.

Q. There have been assertions made that it is adulterated with cotton seed oil. You never had any reason to believe that in your trade? No, I may say our customers prefer the Chicago lard.

By Mr. Guillet :

Q. Is Canadian lard a little dearer than Chicago lard. A. No, we can buy Canadian lard just as cheap, and even cheaper, than you can buy Chicago lard.

Q. Would adulteration with cotton seed oil be apparent to the ordinary house-keeper? A. I could not say, I don't know what is the color of cotton seed oil.

Q. I think that it would be apparent in the lard in melting or something of that kind? A. It is better lard and clearer and brighter and purer than Canadian lard.

Q. You spoke about prices being the same as Canadian lard? A. Yes, I am speaking of lard in small quantities. I don't know about barrel lard, because I don't handle it.

By Mr. Bain (Wentworth) :

Q. You handle it in packages for family use? A. Yes.

By Mr. McKay :

Q. Do you know if the Americans have any ingredient which they use to make this lard whiter? A. I don't know that.

Q. You don't know that? A. I don't know that. I know that they have had the immense haul on the Canadian market for lard for many years.

By Mr. Bain (Wentworth) :

Q. I would like to ask what he would suggest as a remedy for this difficulty? A. For combines?

Q. For the prices of biscuit? A. The breaking up of the combine could be done.

Q. How? A. I could not say. You can declare a conspiracy?

Q. I was asking you how it struck you? A. Oh, I have been thinking of it myself.

By the Chairman :

Q. Do you think it is injurious to the interest of the country? A. I do, indeed, I think it is taking away the spirit of the National Policy.

By Mr. Bain (Wentworth) :

Q. I suppose as a matter of fact, as a thinking man, that when you met with this difficulty in your business that you would turn your mind in the direction as how to remedy it? A. Yes, I have been thinking over it. I confess it is a difficult question. You, gentlemen, may have been giving it more thought than I have. Whether it is in the province of Parliament to deal with it and declare it illegal, I cannot say. I am not a lawyer, but it does seem to me that it is conspiracy, both the sugar combine and this combine, and all combines. I know the manufacturers of certain articles come up here and badgering the Government to get protective duties, to a certain extent, and they get that, and when they get that they will say: We have this thing, and it is going to pay, and we might just as well make a good thing out of it, and combine, and the prices will be so and so. I imagine, as one who has given some thought to the good of Canada and the National Policy, knowing the intention of the policy to benefit the country generally, and benefitting all concerned, the labor market and everything else, and not benefiting any particular monopoly.—

By Mr. Bain (Wentworth) :

Q. I wanted to get at what you thought any thoughtful man would think would be the practical remedy? A. Of course when it goes beyond the legitimate competition and goods are sold under cost this is not a good thing, but there should not be combinations as everybody wants to get goods as cheap as he can.

By Mr. Guillet :

Q. On the other side of the line, in New York State, is there a combination in biscuits? A. I do not think so.

Q. Although they have a high protective tariff? A. From meeting with leading manufacturers I should think not. Sometimes the prices of one are not the same as the prices of another.

By Mr. McKay :

Q. Do you know of any combination in the old country? A. It is a long time since I have been there but I do not think so.

Q. I mean a grocers' guild or association? A. As far as I know it is active healthy competition.

By the Chairman :

Q. Do you not know that in the old country goods such as Crosse & Blackwell's pickles, that they have fixed the prices at which they sell them and the prices below which you shall not sell? A. I am an importer of those goods but you cannot call that a combination.

Q. It is fixing the prices? A. You see Crosse & Blackwell's list is fixed in London. Their price is not regulated by any other house and there are scores of manufacturers of pickles.

Q. But they decide not only the price at which they shall sell but also at which you shall sell? A. When the Co-operative Supply Association was in operation they happened to cut on the article of Crosse & Blackwell's pickles which has had a steady price. No matter how much you imported they undertook to sell them at less than cost, to the very great annoyance of the manufacturer and the trade. There is only one Crosse & Blackwell's pickles, and retailers and wholesalers said that there was no use in bothering with these pickles. The profit is never very large and Crosse & Blackwell arranged that these goods shall not be sold below cost. The advance is very small; for instance they cost from \$2.85 to \$1.90 depending on the rate of freight, and the price that they stipulate that you are not to sell them less than is \$3.15.

By Mr. Guillet :

Q. You can buy good Canadian pickles for less than \$2.00? A. You can buy lots of them and imported ones too.

By Mr. Bain (Wentworth) :

Q. Then there is no compulsion. You have only to quit using Crosse & Blackwell's pickles? A. It is not an analogous case at all.

By Mr. Boyle :

Q. You can take it or leave it? A. Yes.

W. C. GIBSON, sworn.

By the Chairman :

Q. State your name, occupation and address? A. The name of the firm is W. C. Gibson & Son, Ottawa.

Q. You are biscuit manufacturers? A. Yes, sir.

Q. Are you in the combination of manufacturers in connection with this business? A. Yes, sir.

Q. When was that combination formed? A. I cannot tell you when it was formed; we have belonged to it about six years.

By Mr. Guillet :

Q. When did you establish your business? A. We have been in the business for 25 years. We were in the baking business 30 years ago. We have been perhaps 20 years in the biscuit business; may be a little more.

Q. It is 6 years since you joined this arrangement? A. About 6 years.

Q. Where is the combination's headquarters? A. Toronto is where they have their meetings.

Q. Is it an incorporated company? A. I do not think that they are. We have never signed any document or deposited anything.

Q. Have you a constitution or rules of agreement? A. We have a little book of rules issued some years ago, but I never read it closely.

Q. Have you a copy here? A. No, sir.

Q. What are the objects of your association? A. I think one of the principal objects was to keep up a standard article of goods; to make a good article and keep them uniform.

Q. Is it biscuit makers or biscuit makers and confectioners? A. Biscuits alone.

Q. Do you deal in confectionery? A. Yes, we deal in them, but do not make them. There is a combination in the confectionery business also.

Q. They have a separate organization? A. Yes.

Q. Some men making both will of course be in both combinations? A. Yes.

Q. You only make biscuits? A. That is all.

Q. One of the objects is to make a better article? A. Yes; I think that is the principal object.

Q. Another object is to regulate prices? A. Yes; to regulate prices.

Q. Who does that? A. It is agreed upon at the meetings when they meet.

Q. You have an annual meeting? A. Yes, and oftener than that.

Q. Have you an executive committee to regulate these matters? A. Yes. They do not have a regular time of meeting, they call a meeting if stocks should go up or down.

Q. Where do you meet? A. Toronto every time that I have met with them.

Q. It has been stated that prices have not changed in 4 years; that the price remains about the same? A. They have been changed because I remember being at a meeting when the principal business was to see if we could lower the biscuits, and they were lowered.

Q. That is soda biscuits? A. Yes.

Q. Have you made any special changes in the whole list? A. Yes, soda biscuits seem to rule the rest, as it is the principal article.

Q. What do you sell these three pound boxes for now? A. 20 cents.

Q. 20 cents delivered? A. We deliver them round the city. We ship them for that but do not pay the freight.

Q. Is anyone permitted to pay the freight? A. No sir.

By Mr. Wood (Westmoreland):

Q. That is 20 cents for the box, not per pound? A. No; 20 cents for a three pound box. That is to storekeepers. Wholesale men get a discount off that; a small discount.

By the Chairman:

Q. How much? A. Sometimes we sell them for 19 cents. We can hardly afford it but we have to do it. We do not like to sell many of them to the wholesale dealers as there is not much in that.

Q. What is the cost of the box? A. The box and label cost nearly three cents. Very close to that.

Q. How near? A. Well it is so near that we call it three cents. I have figured it out but it is just as near three cents as we can get it; the box and band that goes round it.

Q. Who are in this agreement? A. There are a couple of Montreal firms.

Q. Do you know their names? A. The Montreal Biscuit Company and the Lang Manufacturing Company; Christie, of Toronto; Abbot, Brant and Ewell, of Brockville; Crothers, of Kingston; Gardner, of Kingston.

Q. Are these all? A. No; there are some more. There is a party up in Collingwood.

Q. Who is that? A. I forget the name.

Q. Is McLaughlin, of Owen Sound, in? A. Yes; but there is another in Collingwood. Telfer Bros., is the name.

Q. And Owen Sound? A. I think it is McLaughlin. There are a good many that are not in it.

Q. Is that the whole list of members? A. Yes; that is about all.

By Mr. McKay:

Q. Is Hessin of Toronto in? A. He used to be.

Q. Are there any from London? A. Yes; the McCormack Company and Perrin.

Q. Anybody from Brantford and Woodstock? A. There is from Brantford—Paterson. They accuse me very much of not being a regular attendant.

Q. Is Paterson, of Hamilton, in it? A. I hardly think he is. Paterson from Brantford is in.

Q. Is Chillman in? A. I have not heard the name.

Q. Do you know of any firms not in it; I mean any of the large firms? A. Yes; there is a firm in Hamilton that I have heard was not in, but there are two or three firms in Montreal and one at Dandee and another at Lancaster and several in the west, but I do not know their names.

Q. The one at Lancaster would be small? A. Not large; but they have been in business a long time.

Q. Were they asked to join? A. I do not know whether they were ever asked.

Q. Do they make as large an assortment as the others? A. I do not know whether the Lancaster man makes as large an assortment as some of the others, but I remember him in the trade 25 years ago.

Q. What is your capacity? A. We generally make soda biscuits in the afternoon. We run 10 barrels of flour in the afternoon. We could make more. We run sweet biscuits in the forenoon.

Q. You have improved machinery? A. Yes; we run sweet biscuits in the forenoon. We always set our sponges and run sodas in the afternoon.

Q. You run about 10 barrels of flour into sodas in the afternoon? A. Yes.

Q. What quality of flour do you use? A. We use the best patent flour that we can get from white fall wheat. The millers know how to make it. Sometimes they put a mixture in it.

By Mr. Bain (Wentworth):

Q. Where do you get your lard? A. We sometimes buy from Toronto and sometimes from Chicago; not much from Chicago.

By Mr. McKay:

Q. You buy quite a little from Chicago? A. A little, but the duties are against us.

Q. Do you find it pure? A. I do not think it is pure. They call it refined lard.

By Mr. Bain (Wentworth):

Q. What is the difference when it is not pure? A. I do not know how they manufacture it but they seem to take the oil out and I have heard that they put this cotton seed oil in the place of this pure lard oil.

Q. When it is not the pure quality how does it affect the biscuits? A. The biscuit does not seem to be so short and crisp.

Q. Can you notice the difference in the handling of the lard. Is it slower to dissolve or what is the peculiarity? A. I have not worked much on it in late years, but our foreman has found fault with it and said it would not keep as well if it was not used so soon. It does not make them quite so crisp.

Q. Usually it is not more stubborn in handling? A. No.

Q. How much lard do you use in the afternoon to your 10 barrels of flour? A. That belongs to the trade, but we use 25 pounds of lard to the barrel.

Q. How does the price of Canadian lard and American compare? A. There is not much difference. This 2 cents per pound duty makes a big difference.

Q. Sometimes you can buy it cheaper? A. Yes, but I think it is not as pure! When we get it here there is not much difference in the price.

Q. As a rule Canadian lard rates about as much higher as the duty? A. Yes, about that.

Q. What proportion of the cost does the lard bear, that is approximately to the cost of the rest of the material? A. We use about 25 pounds to the barrel.

Q. It would form more of the relative value? A. Yes.

By the Chairman :

Q. What weight of soda biscuit do you make out of a barrel of flour? A. Is allowed to make about the same. We never figure on more when you take out the waste.

Q. You mean the weight of the flour and the weight of the lard together? A. Yes.

Q. If you have 200 pounds of flour and 25 pounds of lard you get 225 pounds of biscuits? A. I have often weighed it and it comes out about that. There is a little loss for weight.

By Mr. Bain (Wentworth) :

Q. You have a certain amount of loss in breaking? A. Yes.

Q. But you are able to take out 225 pounds? A. I do not think it would go any more.

Q. Did you sign any agreement about prices? A. There was a matter of honor. I never signed any agreement, but my son signed this agreement when he joined the association. We agreed on prices. I never signed any but my son signed for the firm. As a matter of honor we are supposed to sell at the one price. The greatest object is to keep up the quality of biscuits.

By the Chairman :

Q. How does that regulate or prevent that? A. They are not allowed to make an inferior or poor quality of soda biscuit without having them examined.

Q. My experience is people always ask for the best soda biscuits? A. Yes, I think they sell more in having them good.

By Mr. Guillet :

Q. What is the price of the flour now that you use? A. Flour is about \$4.50 and perhaps a little more. For cash we buy pretty close.

By Mr. Fisher :

Q. What rule is there in your association that makes you keep up the quality of biscuits; is there any rule as to the details as to how much you put in, and the quality of the flour you use? A. Well, no; I never hear of any question as to that.

Q. How does your association keep up the quality of biscuits? A. They are judges of biscuits, and we sometimes take biscuits and compare them.

Q. Is there any regular comparison of that kind? A. That is the judgment of the committee. They pronounce if it is up to the standard or not.

Q. Is there any complaint made against your biscuits or the biscuits of any other members of the association; have you ever known in the association of any complaint being made as to the quality of biscuits? A. There was a time that Christie had to sell $\frac{1}{2}$ a cent higher than some of the rest.

Q. Why? A. Because we were not making as good biscuits as he was.

By the Chairman :

Q. He had the reputation of making better biscuits? A. Yes, I thought he did.

By Mr. Fisher :

Q. Had you ever in your association any complaints made against any of the manufacturers for not making biscuits up to the quality? A. No, I don't think so.

Q. You think they all did make exactly the same quality? A. I think they make as good as they can.

By the Chairman :

Q. They are not trying to make a cheap biscuit but a good biscuit? A. Yes.

Q. Did you ever hear of complaints being made that a manufacturer was making too good a biscuit? A. Yes. At one time we were anxious to have the privilege of selling a half cent lower than Christie, and he would not stand it and I think he made the complaint for the benefit of himself that we were making as good biscuits as his, and he would not agree to sell at 5 cents higher than us.

Q. That was the only instance where the complaint was made of too good biscuits being sold? A. I don't remember of any other complaint being made. I know the committee has met together and examined the biscuits, and they got samples from us and pronounced them good and thought we must sell them at the same price that Christie did.

By Mr. Bain (Wentworth) :

Q. Did you ever suspend or put out any members of the association in the matter of the quality of biscuits? A. No.

Q. Or for any causes? A. No, sir. I look upon it as only a matter of honor. There is nothing else about it. We agree to sell at such a price and get up as good a biscuit as we can.

Q. They all hold up prices pretty well? A. Yes.

By Mr. Gillmor :

Q. How then do you change the price? A. If stock goes down we generally call a meeting and biscuit has been put down, and if stock raises in price we would have to raise the price of biscuit.

Q. There is no need of calling a meeting to do that if you had a combination to keep the prices up? A. The president has to call a meeting and I know of my own knowledge that when we joined them we were selling biscuit at 7 cents a pound and I think $7\frac{1}{2}$ and they put them down to this and I remember at two meetings myself that the question was brought up if we could lower biscuits and they were lowered.

Q. Were they ever lower than this at wholesale prices? A. They are at 6 now.

Q. You haven't changed the prices for some time? A. Not for some time.

Q. For how long? A. For a couple of years.

By Mr. Fisher :

Q. I thought you sold a box for 20 cents? A. Oh, yes; that is counting for the box.

By the Chairman :

Q. There is a pretty fair profit at 6 cents a pound or 20 cents a box? A. The profit is not large on that. I would not want to sell them any less if there was no combination. If we sold them less we would have to make a poorer article.

Q. I have here your estimate made of the cost of the raw material which would be about three cents per pound or a small fraction over three cents? A. There is a great cost besides that. There is the cost of coal, labor, machinery and the cost of manufacture.

Q. A three pound box would be 9 cents. There would be the cost of manufacture after that so that you would have pretty fair profits? A. And the cost of travellers. There are a great many things which would take a long time to take into account. For instance there is the freight on empty boxes back.

Q. You get paid for that box? A. Sometimes they have to burn them.

By Mr. Guillet :

Q. Are you aware of any biscuits being brought from New York or from the other side? A. I have heard of it and I saw them in one store in Ottawa here. They were pretty badly broken up.

Q. Were they good biscuits? A. I think the biscuits were very good when they were made.

Q. Are you aware of any adulteration being used in making biscuits? A. By us?

Q. Anywhere? A. No. We are using the best stock we can get.

Q. How does shipping affect your trade. Is there any limit; do you ship for indefinite distances. A. I ship for all distances.

By the Chairman :

Q. Is your trade principally in the Ottawa Valley? A. Principally. We have sent some to Manitoba and Brandon and some to British Columbia. Not many, but we have sent some.

By Mr. Wood (Westmoreland) :

Q. Do you send any to the Maritime Provinces? A. No, we do not.

By Mr. Bain (Wentworth) :

Q. You said just now New Year biscuits were considerably broken up; was that due to packing or handling? A. I could not say whether they were that way when these parties bought them or not. They were fine biscuits, still I think if a biscuit is properly made it is not so easily broken.

By Mr. McKay :

Q. Do you pay \$4.50 for flour from white wheat? A. We pay different prices according to the quality of it. We have paid \$4.25 and \$4.50, and it is a little higher than \$4.50; but I think the average price would be that.

Q. White Ontario wheat or Canada wheat? A. They tell us it is made from white wheat; we buy it for \$4.50.

Q. Any manufacturers from Quebec in the combination? A. No, sir. I think there are two from Montreal.

By Mr. Wood (Westmoreland) :

Q. There are none of your biscuits reaching the Maritime Provinces? A. No. I think there are as many outside of the combination, if not more, than in the combination.

By Mr. Fisher :

Q. Do you find that those not in the combination undersell you? A. Some of them do; some of them a little. There are some French houses in Montreal, I could not say, I have seen their invoices. I suppose they would, but I don't think they are making as good a biscuit.

Q. You think they cannot make as good a biscuit and undersell you? A. I don't think they can. I would not want to do it.

By the Chairman :

Q. Do you find that this association that you have formed works pretty satisfactorily? A. Well, I haven't heard much complaint about it.

Q. Do you approve of its continuance? A. I think I would. I haven't any objection, but I don't care very much.

Q. It gives you some advantage in the trade? A. Well, I don't know.

Q. Are Toronto men permitted to pay freight to Ottawa? A. No, sir, they are not.

Q. Are you sure? A. They are not allowed to pay the freight to Ottawa.

Q. Are members of the association permitted to pay freight any place? A. I think they are allowed to pay the freight on one road where there are two roads.

Q. You don't know of any other arrangement? A. No.

Q. You cannot be very well posted then? A. I suppose I don't give it regular attention.

By Mr. Guillet :

Q. Who is the president? A. Christie.

Q. Are you at liberty to make special rates to Manitoba? Are you permitted to make special prices? A. Manitoba? I don't think this association has anything to do with it at all.

By the Chairman :

Q. You make your own bargain there? A. Yes.

Q. Who is the secretary and treasurer of the association? A. I think the secretary and treasurer is in London, I forget his name just now.

Q. Is he the secretary and treasurer both? A. I could not say that. I think McCormack is the Secretary and the other man's name I forget, I think it is Port.

Q. Is Port secretary or treasurer? A. I would not be sure. I think he acts sometimes when Christie is away, I think. He is president.

By Mr. Bain (Wentworth) :

Q. What are the facts in connection with the distribution arrangement? I don't know them exactly? A. Distribution of what?

Q. Biscuit in paying freights and distributing? A. We sell them at a certain price on board the cars here. When we deliver them in our waggons, we sell at a half cent higher.

Q. Then you are all required to sell at uniform rates on board the cars? A. Yes.

Q. At the place of manufacture? A. Yes.

Q. You are not allowed a discount or in anyway cover the cost of freight from there to where the customer lives? A. No, we are not allowed to pay the freight.

We pay the freight on board the cars coming back on empty boxes. A customer pays his own freight.

Q. Do you allow any discount? A. Yes; at 60 days.

By the Chairman :

Q. What do you estimate the cost of manufacture outside the cost of materials put in per pound? A. I could not answer that without figuring.

Q. You have been in business a long time. You have a fair idea? A. I could not give that correctly without figuring it up.

Q. Would it be a cent per pound? A. I think it would be more than that. There are expenses for men's wages and the foreman, and there is a great deal of work connected with it.

Q. Do you mean to tell us that the 2,200 pounds you make every afternoon, that it cost more than \$22.00 to manufacture.

By Mr. Boyle :

Q. In calculating the value you calculate the rent, wages, wear and tear of machinery and other incidental expenses that goes on in the manufacture? A. I haven't figured it over, but there is a great deal of waste about it and a great deal of labor about it. We had to pay a foreman high wages, and we had from 20 to 22 hands.

Q. Would it all reach \$20.00 per day? A. I think it would.

Q. How many hands have you making biscuits? A. We have from 20 to 22 hands.

Q. Taking your biscuit batch how many hands would be working on that? A. They are all engaged on it and then there is a traveller and a book-keeper.

By Mr. Boyle :

Q. You said \$20.00 a day would be about the amount? A. It might be more than that.

Q. Would \$25.00 do it? A. I could not say without figuring it up. I suppose it would be somewhere about that.

Q. For making 2,200 pounds? A. There would be a good deal of the forenoon preparing for that afternoon.

Q. We want you to tell what it is? If you think \$25.00 covers that, that is what we want to know? A. I think it would perhaps cover it or somewhere there.

By the Chairman :

Q. How does your profit on finer biscuits compare with your profit on soda biscuits? A. They are about equal. Some of them are a little more, but we don't sell so much of them.

Q. How does the profit on a pound of finer biscuit compared with the profit on a pound of soda biscuit? Take lemon biscuits or Abernethy? A. Well, they compare pretty nearly. We have to have a little more because we don't sell so many of them.

By Mr. Fisher :

Q. How many hands do you employ in your factory, laborers, &c.? A. Well, we don't always have quite the same. About 18 to 20 hands.

Q. In the factory? A. Yes.

Q. How many travellers do you employ? A. We have sometimes two and sometimes one.

Q. How many men in the office? A. A book-keeper and a boy.

Q. That is your whole staff besides the head of the firm? A. Yes.

Q. You say you make this kind of soda biscuits in an afternoon? A. We run them through the machine in the afternoon and bake them.

Q. It does not take the whole staff to prepare for them in the morning? A. No; we make some sweet biscuits in the morning.

Q. How much sweet biscuits do you make up besides six tons of soda biscuits in a week? Sometimes we make three or four barrels, sometimes five barrels, sometimes six barrels of sweet biscuits in the forenoon.

Q. Probably about half as much as sugar as you do soda biscuits? A. Not always half, sir.

Q. One-third as much? A. Yes.

Q. If you put through six tons of soda biscuits in a week you would put through two tons of sweet biscuits? A. Well, I suppose somewhere about that, but we don't run steady, we don't run full time.

Q. To do that you employ from 18 to 20 hands? A. Yes.

Q. Do your hands average you somewhere about \$1.00 a day? A. Somewhere there. Some we don't pay that, some we pay a good deal more.

By Mr. Boyle:

Q. That would harmonize with the statement that a ton of soda biscuits cost about \$25.00?

By Mr. Wallace:

Q. Of these 18 or 20 hands you have a good many of them boys or girls? A. Several girls. Young men and married men who earn sometimes as high as \$20.00 a week. Some get \$1.50 a day, and some of the boys and girls pack.

Q. How much a day? A. We pay some of them \$3 a week and some \$4.

By Mr. McKay:

Q. Do you make anything else in your factory but biscuits? A. No, sir.

By Mr. McDougall:

Q. Does your business extend beyond Ontario and Quebec? A. No; we don't ship east. It is confined to Ontario.

By Mr. Boyle:

Q. You made the expenses of material about 3 cents per pound? A. Wholesale, about this.

By Mr. Bain (Wentworth):

Q. This association exercises no pressure to bring parties into it? A. No, never did.

Q. Do other parties keep pretty well to the association prices? A. I don't think there is much difference.

By Mr. Boyle:

Q. In the event of the violation of the rules of the association, what then? A. Well, if a person does it he must break his word, because he said he would not do it.

By Mr. Guillet:

Q. No fines? A. No fines.

By Mr. Boyle:

Q. Is he dropped or expelled? A. I never knew one to be brought up?

By the Chairman:

Q. Reprimanded? A. Yes, I have known persons to cut prices to get an order sometimes; whether he was reprimanded or not I could not say.

By Mr. Bain (Wentworth):

Q. Do you have any facilities for buying in consequence of being a member of the association, or does each one buy as he can? A. We buy as we can.

Q. You don't gain any benefits by being a member of the association in buying? A. No; we just buy where we can buy cheapest.

Q. You have no organized connection in respect to purchasing? A. No. As far as I am personally concerned I don't care much whether there is an association or not.

SECTION II.—NATURAL PRODUCTS.

HOUSE OF COMMONS, OTTAWA, 17th March, 1888.

The Committee on alleged Trade Combinations met this afternoon, Mr. Wallace in the Chair.

ELIAS ROGERS, coal merchant, of Toronto, sworn.

By the Chairman :

Q. Mr. Rogers, would you please tell the Committee whether you are a member of the coal section of the Board of Trade? A. Yes, I am.

Q. Have you the constitution and by-laws that govern them? A. Yes.

Q. I see here (Exhibit 34b.) that "the association shall be known as the Coal Trade Branch of the Toronto Board of Trade, and shall be composed of such coal dealers as are members of the said board who are duly elected members of the branch by a majority of the members present, at a properly constituted meeting thereof and who shall have paid their initiation fee to the said branch. The amount to be paid as an initiation fees shall not exceed the sum of \$100, and a register shall be kept of the names of the members enrolled from time to time." Now I see by this that all members of the Board of Trade who are coal dealers are not members of this Coal Trade Branch? A. I think that about all of them are.

Q. It requires, besides, that they should have to be duly elected members, does it not? A. Yes.

Q. After being members on the Board of Trade and coal dealers, that they have to be duly elected members of the branch by a majority of the members present, &c. Well, who became the first members of this branch? Who constituted the branch when it was first formed? A. I think there was a general meeting of the dealers when the branch was first organized. I think there was a meeting of the dealers at which it was agreed that they should join the Board of Trade and form a branch organization of that board.

Q. Then the Coal Dealers' Association was formed before they became part of the Board of Trade? A. No, not this association.

Q. There was an association was there not? A. Oh, yes. I do not know whether you would call it an association or not. There have always been meetings from time to time of the coal dealers.

Q. Would you permit every dealer in coal to take part in these meetings and to be represented at the meeting, or was it confined to certain ones? A. You have reference to meetings of this organization?

Q. I refer to the meetings of this branch section of the Board of Trade? A. I do not know that all the dealers would be called to these meetings, there would only be a number of importers sometimes. Some question would come up and a number of importers would meet together to consider it, but there was nothing special to exclude the others.

Q. How many classes of coal dealers have you in the city? A. Importers and those who do not import.

Q. Where do they get their supplies? A. Those who do not import get their supplies from the importers.

By Mr. Fisher :

Q. All the coal passing through the Toronto market is imported? A. Certainly, we have nothing except imported coal from the United States.

By the Chairman :

Q. Then is this the whole constitution and rules of this association? A. Yes; I think so. There may be some addition to it or amendment, but that is a copy that I happened to have with me.

Q. When was this first coal association formed? A. About two years ago, not quite two years, I think.

Q. Is that the date when they amalgamated with the Board of Trade? A. This is the new organization. There is no date on this constitution. I think it was about the first of May, 1886.

Q. About the first of May, 1886. What is the initiation fee for membership? A. \$20, I think. It is either \$10 or \$20. I forget just now.

Q. Who are the members now? A. All the dealers, as far as I know.

Q. All of the dealers are members of this coal trade branch? A. Yes.

Q. Those who are not importers as well as those who are? A. Yes.

Q. Everyone? A. Yes.

Q. Have you any other organization besides this coal branch of the Board of Trade? A. No. You mean the coal trade organization?

Q. Yes? A. Not in Toronto.

Q. I mean in Canada that are connected with it? A. No.

Q. Have you any committee or parties who regulate matters besides the officers of this board whose names are here? I see here the names of T. R. Whiteside, chairman; James Cowan, deputy chairman; R. E. Gibson, treasurer; G. W. Wood, secretary; and Messrs. J. R. Bailey, T. Coulter, Elias Rogers, F. H. Thompson, James Cowan, S. Crane, C. J. Smith and T. R. Whiteside, executive committee of the coal section. That is the only organization that you know of? A. That is the only one I am connected with.

Q. Where do you buy your coal? A. In various places. Of course there are a great many different kinds of coal. I want you to understand what we are talking about before we get very far.

Q. Where do you buy the ordinary kind of coal for household purposes. I mean stove coal, chesnut coal, soft coal and egg coal? A. You mean the points or the company.

Q. The person from who you buy? A. You mean my firm.

Q. Yes? A. This last year we purchased from the Deleware, Lackawanna and Western Company.

Q. Is that a coal or a railroad company? A. It is both a railroad and coal company. We also bought from the Pennsylvania, from the Reading and from the Delaware and Hudson Companies.

Q. Are these all rival companies? A. They are rival companies. They sell at substantially the same prices. Sometimes they may vary a little.

Q. But on the same day the price is pretty nearly the same? A. Yes, but sometimes we can make a better bargain with one company than with the other. The prices, however, are substantially the same.

Q. Would you give us the names again? A. Yes. The Delaware, Lackawanna and Western, the Pennsylvania, the Reading and the Delaware and Hudson.

Q. In what quantities did you buy from these companies in the last 12 months? A. Then there is the Butler Colliery Company as well as the Pittston Coal Company.

Q. These are the mines? A. Yes.

Q. And by what railroad do you get the coal from them taken out? A. Principally over the Lehigh Valley and Erie Railway.

Q. To Buffalo? A. Principally over the Lehigh Valley to Fairhaven.

Q. Does any come by Buffalo or Oswego? A. That depends on circumstances. It sometimes comes by water. We have facilities for bringing it both ways.

Q. When it comes by water it comes by way of Oswego, does it not? A. By water—Oswego, Fairhaven, Charlotte and Sodus Point.

Q. What proportion? A. We take from the Delaware, Lackawanna or Western, and are taking this year about 60,000 tons.

By Mr. Fisher :

Q. That is your own firm? A. Yes, we take more from them than from any other company. I could not tell you exactly how much we take from the others. We took this year 7,000 tons from the Reading Company; 3,000 or 4,000 tons from the Delaware and Hudson; perhaps 20,000 tons from the Butler Colliery Company, and 5,000 or 6,000 tons from the Pennsylvania Company.

Q. What proportion of the coal do you get by water and what proportion by rail? A. That depends altogether upon circumstances.

Q. Say for the last twelve months? A. This last year we have taken probably half by water of anthracite coal.

Q. Half by water and half by rail? A. Yes.

Q. Well, those coal companies you say are railroad and coal companies combined? A. The Delaware, Lackawanna and Western is both a railroad and coal company; the Delaware and Hudson is both a railroad and coal company; the Reading Company is both a railroad and coal company; the Pennsylvania Coal Company is a coal company exclusively. They operate over the Lehigh Valley and Erie Railways principally.

Q. Where do you purchase this coal? Do you purchase it in Toronto or at points at which it is delivered? A. Either at the Bridge or at the Lake Ontario shipping port?

Q. On the American side? A. Yes; these are the points at which purchases are made.

By Mr. McKay:

Q. Does that mean loaded on the vessel? A. Yes; free on board vessel. All anthracite coal for the northern or Canadian market, the prices are made at these points, either at the bridge or Lake Ontario shipping points.

Q. Who are the agents from whom you buy? For instance the Delaware, Lackawanna and Western. Where is the agency through which you purchase? A. We purchase direct from the company. We send our orders direct. If for vessel, the Delaware, Lackawanna and Western ship it at Oswego, and we order it from the shipper at Oswego.

Q. In purchasing coal from the various companies, does not the larger dealers get a less price than the smaller ones? A. That may be the case to some extent, but there is very little difference. The price of anthracite coal is made from month to month by a committee known as the Western Anthracite Joint Committee.

By Mr. Fisher:

Q. In Ontario? A. No; in the United States.

By the Chairman:

Q. And they send you the prices? A. Yes, they send us the prices.

By Mr. Fisher:

Q. It does not make much difference whether you buy from one company or from the other. You get about the same price? A. The price of one company may be sometimes a little more than the other companies.

Q. You are not aware that in the States there is a combination at which coal companies are bound to sell at one price? A. There is a combination (Exhibit 25 a & b) They are supposed to sell at one price, but it is not always adhered to.

Q. The prices still vary? A. Yes. It depends altogether on the condition of the market. It is a question of supply and demand.

By the Chairman:

Q. Can anyone purchase from these companies at these figures they have fixed upon. Is there a minimum quantity? A. No.

Q. No quantity is fixed then? A. No.

Q. Will they sell to anyone who furnishes cash down? A. Well, I think some of them would.

Q. Are they bound with your Canadian associations, say with your Toronto branch, not to sell to everyone who comes from Toronto? A. Well, there is a combine arrangement. I think it is better now that I have got to that point that I should explain the constitution in regard to that. The whole anthracite trade is controlled by five leading carrying companies in the States. These are the Delaware, Lackawanna and Western Company, the Pennsylvania Railroad Company, the Lehigh Valley Railroad Company (they are coal companies as well, you understand) the Erie and the Reading Company. They control the whole business and there has

always been more or less pressure brought to bear by these companies or their representatives to force organization or uniformity of prices in the various markets.

Q. Do these companies then fix on the uniform price at which they will sell? Do they interfere with the price that the men who buy from them sell at? A. They do if they see fit to do so.

By Mr. Fisher :

Q. Do they limit the person to whom they shall sell? The Chairman asked a few minutes ago if anybody could go and buy coal from these companies. I did not get a clear answer to that. You as coal dealers in Toronto can do this either as a private individual or private manufacturer, you can go and get coal as you like?

The CHAIRMAN—Or as a coal dealer?

WITNESS—I do not think as a matter of fact that they can. I have some newspaper clippings here in reference to a meeting which was called in Toronto on 26th October, 1880. Here I read: "The Chairman here went on to state that American coal dealers would not deal with any body of citizens binding themselves together, and to prove this he read the following from H. C. Roberts & Company, Rochester."

Q. Who were they? A. A large coal concern at that time. Messrs. H. C. Roberts & Co. wrote: "We would want to be assured in case we furnish you that you would have a yard, &c., and maintain prices with other dealers. We cannot name price or furnish you if coal is intended for parties that have clubbed together to reduce the retail price."

By the Chairman :

Q. Who is that from? A. H. C. Roberts & Co., of Rochester.

By Mr. Fisher :

Q. Was Mr. Roberts at that time a dealer or agent from whom parties in Toronto were in the habit of selling? A. Yes, he was a shipper.

By the Chairman :

Q. He was simply a dealer? A. He was a private shipper.

Q. Are you controlled in your prices by the men that you buy from in the State of Pennsylvania? A. I think there would be very great difficulty in anyone obtaining any very great quantity of anthracite coal who was not a member of the organization there.

By Mr. Fisher :

Q. Has your organization made any bargain with these companies in the States? A. I had better explain how that organization was formed. As I have said, there has always been more or less pressure brought to bear from these companies to enforce organization or uniformity of price. Sometimes they have gone so far as to fix the price themselves.

Q. At which you shall sell? A. At which we shall sell. I find from a clipping here from the Toronto *Mail* of 5th January, 1883—

By the Chairman :

Q. I think these statements of business transactions of five and eight years ago are hardly— A. But it leads up to a point. I want simply to show how this business has been controlled in the past and come to the point where this organization was formed.

Q. These conditions which you read about in 1880 and these which you now propose to read about in 1883, these conditions do not exist now? A. I am simply going to read a report of what actually occurred in New York, when the prices on the Toronto market were fixed.

Q. Is that in 1883? A. Yes. It is a "report of meeting held at the general offices of the New York, Lake Erie and Western Coal and Iron Exchange building, New York, on the 28th December, 1883. It is resolved that the price of coal in Toronto shall be as follows: \$6.75 per ton delivered; \$6.25 per ton in yard; \$6.00 per ton by car load for all sizes of anthracite coal."

By Mr. Fisher :

Q. That means the prices at which who shall sell the coal? A. That was to be the retail price.

By the Chairman :

Q. Would you read those figures again? A. Certainly. \$6.75 per ton delivered, \$6.25 per ton in yard and \$6.00 per ton by the car load. That was something new at that time, as far as the Toronto market was concerned. It was not new as regarded other markets at points in the United States, but it was as far as Toronto was concerned. Previous to that they had always insisted on the dealers coming together and fixing the price. Well, they did not continue to fix the price at all times after that, but they continued to insist on dealers in Toronto having a uniform price and maintaining them. At a meeting held at the Fifth Avenue Hotel, New York, on the 14th and 15th days of April, 1886 (Exhibit 25a) there was a committee appointed to come to Toronto "for the purpose of endeavoring to harmonize the local interests and establish a trade upon the basis of the wholesale prices fixed by this Board;" that means the wholesale price upon the basis of the price at Lake Ontario ports and the Bridge "endeavoring to harmonize the local interests and establish a trade upon the basis of those prices." That committee came to Toronto and the principal dealers were called together.

By the Chairman :

Q. That was in 1886? A. Yes, just prior to the organization of this association. There was a representative of each of these companies present at the meeting that I have referred to. These were controlling interests, and we were given to understand that we must organize and that any dealer who would stand up unwilling to come into the organization would not be able to obtain supplies.

By Mr. Fisher :

Q. When was that? A. In April, 1886, the committee, at least, was appointed.

By the Chairman :

Q. Do you know that these men were sent for by persons in Toronto? A. I do not think they were.

Q. Did they come of their own accord? A. I have explained that it was a common thing for one dealer to complain of another that this other dealer was cutting rates. They would go to the companies from whom they were purchasing and want rebates on their accounts, saying that they could not afford to meet the prices at which their competitor was selling and I think probably that this committee coming from Toronto at that time was the outcome of some complaint or one or more complaints that had been made.

By Mr. Gilmor :

Q. There was a combination existing amongst themselves? A. This was to regulate Toronto market.

By the Chairman :

Q. It is to regulate the prices among your Toronto dealers? A. Yes. They were worried and annoyed by these constant complaints.

Q. What was the agreement arrived at? A. These gentlemen made a statement. I was at that time very much opposed to attempting any further organization. We had previous to that had several agreements or understandings which had not been kept. Some dealers would be anxious to have prices put up higher than the market warranted and they would immediately take advantage of it to cut rates. My experience had been very unsatisfactory. I was told distinctly by the representative of the company over whose road our supplies were coming, that we would be obliged to go into the arrangement if we were to obtain our supplies.

By Mr. Fisher :

Q. You were forced into the arrangement by the American companies? A. Yes.

By the Chairman :

Q. As I understand it, the American companies had no cause to interfere. It was a misunderstanding among the Toronto dealers? A. This came back and affected them. There were demands for rebates and this annoyed the companies and they came over to Toronto.

Q. Was there any agreement made for them to come over? A. Yes, I think I proposed that at that time that an organization must be formed in conjunction with the Board of Trade. At all events I did what I could to bring that about.

Q. An arrangement was formed? A. Yes.

Q. What arrangement did you come to with these American companies? A. Of course that was all they asked. They insisted on our organizing and fixing prices.

Q. They insisted on your organizing and you organized in connection with the Board of Trade? A. Yes.

By Mr Bain (Wentworth):

Q. What was your adjustment with the Board of Trade? A. We came into the Board of Trade simply as any other member, each of us individually.

Q. And you organized the coal section? A. Yes, which we had a right to do under the provisions of their charter.

Q. What control have they over you? A. I will read you one of the rules. They have some control and that was one of my reasons for urging this connection with the Board of Trade. As I said, the gentlemen representing the companies from the other side insisted on an organization being formed and prices being fixed, and I think probably the question of prices was discussed while they were present, and an agreement arrived at as to the prices to be charged at that time.

By the Chairman:

Q. They were not specially interested in the prices? A. Yes, that the prices should be on the basis of their wholesale prices.

Q. What do you call their wholesale prices? A. The prices they fix from month to month at the bridge and other ports for the Toronto and other Ontario markets. Rule V of this constitution reads: "It shall be the duty of the executive Committee further to fix the prices of coal and change the same from time to time as in their judgment the necessities of trade demand, and to instruct the secretary to notify all members of the branch of such action and the prices so fixed shall be the prices at which coal shall be sold by this branch and the Executive Committee comes under an obligation, at any time to submit to the Council of the Board of Trade a statement showing the percentage of profit being made by this Branch and the Council may make a deliverance thereon." It was thought that the Council of the Board of Trade were large buyers of coal themselves and it would be perfectly safe in leaving it in that way.

By Mr. Fisher:

Q. Is that the only control the Board of Trade Council have over your section? A. I suppose it is not. The provisions of their charter give them further control, but I have not read it. It was intended by that, that at any time we could present our books and show them the exact position of matters.

Q. This agreement was made in 1886? A. Yes.

By the Chairman:

Q. The Council had no power to interfere with the prices you thought proper to charge? A. That was the intention.

By Mr. Fisher:

Q. Has there been any change in the agreement since 1886? A. There has been some additions. I do not know what. Perhaps some slight alteration, but I do not know of any special alteration.

Q. The agreement is in force to-day pretty much on the same lines? A. Yes.

Q. Your Committee decide what the prices shall be? A. Yes.

Q. Are these prices then submitted to these American companies for their approval? A. No.

Q. You dictate these prices virtually without any reference to them? A. Any dealer would be at liberty, if he felt so disposed, to complain to the companies over there.

Q. If they were selling coal under cost? A. Yes.

Q. As I understand it, no dealer can sell coal at prices under cost. You are organized to fix prices? A. Yes.

Q. The prices are no way under the control of the men from whom you buy?

A. I suppose if they chose to do it they could interfere at any point.

Q. They are practically the only people from whom you can get coal? A. They control the situation entirely.

Q. Do you submit to them the prices for approval at which you sell? A. I do not think there has been any practice of that kind.

Q. Will you state what the advance is between your buying price and selling price? A. Of course we buy free on board vessel, and there are costs and charges.

Q. You buy coal free on board at different ports which you deliver retail in Toronto? A. Yes.

Q. You buy wholesale and deliver it retail? A. The cost of transportation and handling varies from time to time.

Q. What is the difference between the cost of your coal delivered in your yard in Toronto, and the cost you sell at retail? A. I think I can give you a short answer to that. I have never known at any time I have been in the business in Toronto the average profits on a year's transactions to exceed 25 cents per ton.

Q. That brings up another point. You have not got an arrangement for a fixed advance? A. No; as long as we agree among ourselves they will not interfere.

THE CHAIRMAN.—“It shall be the duty of the executive committee to fix the prices at which coal shall be sold.” I think that settles that.

By Mr. McKay :

Q. Do they fix the minimum price? A. They would not allow us to sell coal below the wholesale prices, with the charges added; that is less than cost.

By the Chairman :

Q. What prices did you give for your coal at Oswego? A. The prices varied. I cannot tell you from memory.

Q. Have you any statement? A. From memory, I have made up a memo. of the cost of the season's vessel coal at Toronto.

Q. Could you give us the price at Oswego? A. I haven't it here.

Q. What is this from, is this just from your memory? A. It is from my memory. The opening price at Oswego was \$3 79 per ton.

Q. What date was that? A. That was in May.

Q. The prices were fixed about the first of the month? A. Yes, about the 28th of each month. for the coming month's coal.

Q. What was the price in April? A. In April the price was about the same, I think.

Q. This is the price, delivered in Toronto, I think? A. I have made up a memorandum of the cost, delivered in Toronto. The opening price was \$3 79 per ton, at Oswego, for the month of May.

By Mr. McKay :

Q. What is that? A. Net ton.

Q. Is that 2,000 lbs.? A. Yes, 2,000 lbs.; it is the short ton.

By Mr. Guillet :

Q. I understand coal is sold entirely at 2,240 lbs. per ton? A. Anthracite coal is sold by the gross or long ton.

Q. That is 2,240 lbs? A. Yes.

By Mr. McKay :

Q. That is what the \$3.79 is for, is it? A. I will give you the gross price. \$4.25 was the opening price. I am giving it to you net tons; we are reckoning it altogether from net tons.

By the Chairman :

Q. That was the price in May in Oswego? A. That was the May price in Oswego.

By Mr. Fisher :

Q. What coal did you take as a standard soft or egg coal? A. That is stove and nut coal I am speaking of. It is very important that we should understand that there are a great many different kinds of coal; the average prices varying from \$1.50 to \$6.50 per ton.

By Mr. McKay :

Q. This is the coal for household use? A. It is stove and nut coal.

By Mr. Bain (Wentworth) :

Q. These are the highest prices of domestic coal then for household use? A. Not necessarily; there is soft coal for grate purposes.

By Mr. Boyle :

Q. How can a new dealer become a member of your association?

By the Chairman :

Q. Let us get through with the question of prices; we were starting with the prices in May? A. At that time it was \$4.19 per ton on the vessel at Toronto, the lake freights was 30 cents per ton; these are the prices for May, June and July. There is an advance on egg and grate coal, but no² advance I think on soft and nut coal, for these months, and there were 3,500 tons of coal imported by vessel, at that price. There is an advance in August in the lake freight, which would bring the cost on the vessel at Toronto up to about \$4.40 per ton. There were 20,000 tons imported that month.

MR. BOYLE.—What is all this leading to? The witness has already stated that the profits were not more than 25 cents per ton. What is the use of making a calculation like this?

THE CHAIRMAN.—I haven't asked him about the question of profits that he would make or that any dealer would make. That is not the question.

MR. BOYLE.—It is immaterial to the question—all these figures.

MR. MCKAY.—I think it is well that we should get all this information.

WITNESS.—The vessel freights were 30 cents per ton in May, 25 cents in June, and 30 cents in July. There was an advance of 10 cents on some sizes of coal. Speaking from memory, I don't think there was any advance on soft or nut coal.

Q. You think during these three months it remained the same price? A. I think so, as near as I can remember, but it was impossible for the dealer to take advantage of it. I should explain that the vessel transportation was so limited that we could not get in any considerable quantity at all, especially in July. At the end of July we were over 50,000 tons behind our year's coal which we should have, owing to the lack of vessel transportation.

Q. Could not get the vessels? A. Could not get the vessels.

By Mr. Gullett :

Q. I suppose you could purchase for future delivery? A. No, we could not. That wants to be thoroughly understood. In some years we have been able to do that, but last year I do not think any dealer was able to purchase for future delivery. Here is a copy of the minutes of the association that I refer to—Western Anthracite Joint Committee, held in the Fifth Avenue Hotel, New York, 26th May, at which they say: "That the present prices be continued for the month of June, except the prices of grate size to be advanced to the same as charged for egg size; and they further recommend, that all sales should be made on the definite understanding that delivery should be made during the month of June (Exhibit 25b). That rule prevailed throughout the year, and I don't think any sales were made.

By the Chairman :

Q. What was the price in August? A. The price in August advanced 25 cents, and freights advanced. The price of coal on vessel at Toronto would be about \$4.46.

Q. It had advanced 10 cents? A. It had advanced 25 cents.

Q. Then it would be at Oswego about \$4.04? A. The price was \$4.50 gross. That would be \$4.00 per net ton.

Q. The remainder of the advance was an advance in the freight—the freight would be advanced to 38 cents? A. Yes, the freight was about 38 cents. There were about 20,000 tons imported that month. In September it was about the same. There were about 20,000 tons imported at 10 cents advance in the cost. That would be \$4.50 on board the vessel at Toronto.

Q. When was it \$4.50 on the vessel in Toronto? A. September. October there was about 25,000 tons imported, at a cost of about \$4.75 on board the vessel at Toronto. In November there were about 35,000 tons imported at a cost of about \$5.25.

Q. Which is it the total imports in Toronto or your imports? A. This is the total imports taken from the harbor returns as to quantities.

Q. At what cost? A. \$5.25.

Q. What was the price given you at Oswego? A. The price at Oswego at that month was \$5.00 per gross ton which is \$4.46 net.

By Mr. McKay:

Q. Freights went up to 79 cents per ton? A. Freights varied from 75 to 79 cents per ton.

By the Chairman:

Q. Went up from 25 to 79 cents per ton? A. I think there were only two or three vessels coming in at 25 cents rate.

Q. What was the Oswego price in October? A. I think it was \$4.75, if I remember right.

Q. \$4.75 per gross ton? A. Yes.

Q. How much is that? A. \$4.75 gross is \$4.24 net.

Q. And the September price? A. You mean at Oswego?

Q. Yes? A. I gave you that already.

Q. You gave us \$4.50 as the cost price in Toronto? A. That would be \$4.02 the net ton at Oswego. This 35,000 tons in November, I have figured out here on that basis and the average would be \$4.65 per ton for the whole of the imports in Toronto last season.

Q. The average would be how much? A. \$4.65 taking the average quantity imported each month at these various prices.

Q. That is delivered in Toronto? A. That is on the vessel in Toronto harbor. Then the harbor dues are 5 cents. The coal heavers get 20 cents. The cartage to the yard was 10 cents and screening was 15 cents.

Q. I see some have put it down at 5 cents—why do you put it at 15 cents? I saw the statement in the New York *Herald*, it was 5 cents per ton for screening? A. It depends altogether on what they mean by that. If they are screening car coal which has not been handled it might not exceed that, but when coal handled two or three times as is vessel coal, it could not possibly be done for less than 15 cents. 15 cents is the very least estimate. The average cartage to consumers is 40 cents and then there is 40 cents for general expenses.

Q. Have you got all the items of the expenses? A. Yes.

Q. Is this an abstract from your books or what is it? A. This is from memory. Still it is approximately correct and it is the cost of the coal merchants of Toronto.

Q. Of course you are giving us your own experience. You are giving it as your own experience. We only want your own statement. How many tons of coal did you handle last year—during the 12 months? A. Of this kind of coal—anthracite coal.

Q. Yes? A. We handled perhaps 100,000.

By Mr. McKay:

Q. Do you deliver with your own teams or do you hire? A. We deliver with our own teams and we hire when we require extra cartage.

Q. How many tons of other kinds? A. About 500,000 tons.

By Mr. McKay:

Q. What do you pay when you hire your cartage? A. \$2.50 per day.

By the Chairman:

Q. Would the general expenses of the 500,000 tons be as much as the other? A. It just depends. There are some kinds of coal on which there is a very close competition and the general expenses are not always figured.

Q. You think it would average that for the whole thing? A. 40 cents a ton. I think 40 cents a ton would be the average for general expenses.

Q. That is cartage would be \$60,000, and general expenses would be \$60,000 more in your business. You gave the cartage as 40 cents per ton? A. Yes.

Q. And the general expenses at 40 cents per ton? A. Yes.

Q. That would mean \$60,000 for cartage and \$60,000 more for general expenses?
 A. Yes, I think it would amount to fully that. We occupy yards owned and leased representing \$125,000 in value. I suppose it would sell for that and then we own the plant.

Q. What proportion of this do you own? A. We own two thirds of that I suppose. That is we own or hold in perpetual lease from the city and we own a plant worth about \$25,000 or \$150,000 in all, which at 6 per cent. would be \$9,000 per annum.

Q. What is your plant? A. Horses and carts.

Q. You do your own cartage? A. We do largely.

Q. Would you not charge that cartage again? A. Well perhaps I should leave that item out.

Q. We will not go into that just now? A. Do you want to know how that general expense is made up. I would like you to sufficiently understand that because that is an important item.

Q. Well give it to us? A. I have offices which outside of the yards rent at about \$1,750 and carry a stock—an average stock of \$100,000, sometimes it exceeds that and sometimes it is not so large. I suppose we have now on our books about \$100,000 of accounts on the average. On these two items at 6 per cent. interest it would mean about \$12,000. Then insurance amounts to about \$2,000, and then office salaries, such as the salaries of the salesmen, collectors and others amount to about \$18,000. Contingencies say about \$5,000 and yardman outside and carters about \$15,000. That includes all the yardmen.

Q. Is that not in the cartage account too? A. No. I suppose part of that might be charged against labor and screening. It might not reach 40 cents but it is not far from 40 cents for general expenses.

Q. Now, we might go a little further—about the coal you get in by rail, the prices are fixed at Buffalo or at the Suspension Bridge (Exhibit 25e)? A. Yes.

Q. What do you pay freight on that to Toronto? A. The freight from Buffalo to Toronto is arranged at three rates. I think the rates are made for 10,000 tons, or over, and I think there is a rate made for 10,000 tons, and a rate made between 5 and 10,000 tons. The rate for 10,000 or over has been this year from Suspension Bridge 60 cents from the 1st of September.

Q. And since that? A. 65 cents from the 1st of September to the 1st of November.

Q. And since that? A. 70 cents from that time up to the present time.

By Mr. McDougall :

Q. That is the net ton, is it? A. That is the net ton, yes.

By the Chairman :

Q. Net ton from the Bridge to Toronto? A. Yes.

Q. That is for the 10,000 tons and over—was there a better one than that?
 A. I think there are no better rates than these I have given you. It might be that these rates apply to 20,000 or over, and that for 10,000 tons it is 5 cents higher than these rates.

Q. That is the best rate? A. I think this is the best rate, yes. We have an allowance of 5 cents per ton on account of our sidings. We have our own sidings, that is a separate thing. We supply the sidings for the unloading of all cars at our own yards. That is of course altogether from the fact that we supply them with additional terminal facilities in connection with the Grand Trunk.

By Mr. McKay :

Q. What value do you put on these sidings? Did you value them in the other valuation of the yards? A. I cannot say we put any special value on them. We paid for them what they cost, about \$2,000 each.

By the Chairman :

Q. How many have you? A. We have two yards with sidings. One yard has two sidings.

Q. About how much do you get in by water—about 30,000 tons or 35,000? A. About that.

Q. And 65,000 by rail? A. Yes. We may have got in more than that by water. Our tonnage this year will be something over 95,000.

Q. Now, your committee fixes the price. These prices are fixed by the Executive Committee? A. They may as occasion requires.

Q. As a matter of fact how often have you met during the last season? A. Well, I haven't been at more than two or three meetings, I think, during last year.

Q. Well they have been called then? A. Oh, yes.

Q. The Executive Committee fixes the prices then? A. Yes.

Q. What penalties are there for those who break the prices? A. A penalty fixed by the association—by fining.

Q. What is your fine? A. It is varied in proportion to the offence.

Q. Is it given in this Constitution and By-Laws? A. I don't think there is anything special in regard to it. It is usually in proportion to the offence.

By the Chairman :

Q. As a matter of fact what is the largest fine that you know of being imposed in Toronto? A. \$1,000.

Q. \$1,000? A. Yes.

Q. Was that \$1,000 collected? A. Yes.

Q. Who was fined? A. Patrick Burns.

Q. What was his offence? A. It was immediately after this organization was formed. The offence was cutting prices for the waterworks contract.

Q. But by the rules and by-laws he could not be fined \$1,000. There is no regulation here to that effect. There must be some rules independent of these? A. I think there are. I told you before that I thought there was something else.

Q. This occurred before you were amalgamated with the Board of Trade did it not? A. No.

Q. It was since then? A. Yes.

Q. Since this constitution was adopted then? A. Yes. I think that it was not under this rule that that action was taken. It was an understood thing, though, at the time that this organization was formed. This committee who came to Toronto at that time explained about their organization in Buffalo and said that they imposed fines for violation of the rules and that when a fine was imposed the member was suspended until the fine was paid.

Q. But rule 13 only provides that "a member for breach of the rule shall be deemed, in default, liable to suspension or expulsion" but there is nothing about fining. The clause continues:—"Any member so suspended or expelled deeming himself aggrieved shall have the right of appeal first to the Branch or subsequently to the Council of the Board of Trade; such appeal must be made in writing addressed to the secretary and the decision of the Council shall be final." Did Patrick Burns appeal from the decision? A. No.

By Mr. McKay :

Q. Did he pay this willingly or did he object? A. I could not say. I did not have anything to do with it.

By the Chairman :

Q. What was done with the money? A. He got the most of it back afterwards.

Q. He paid the money for the fine in to the association? A. Yes.

Q. What was the offence? A. Cutting prices.

Q. In violation of the rule of the association? A. Yes.

Q. What was the particular offence that was proved against him? A. It was cutting the prices for the waterworks contract.

Q. By which he got the contract? A. Yes.

Q. What were the circumstances. I suppose your committee had agreed upon a certain price? A. Yes, the price had been fixed for the contract.

Q. By whom? A. If I mistake not that price was fixed at the time this committee was there, I mean the committee appointed to come to Toronto and insist on organization. I remember that they were there at the time.

Q. Who was to get the contract for supplying the waterworks? A. I think that Mr. Keith was to have that contract.

Q. The coal dealer in Toronto? A. Yes.

Q. And he was to have the contract for supplying the waterworks. How was it decided who was to have the contract? A. I should explain that at the time this committee came to Toronto that was one of the questions that had to be settled.

By Mr. Bain (Wentworth):

Q. The Committee from the United States? A. Yes; the Committee from the United States. The contracts for previous years had been nearly always given to wholesalers in the market. They had frequently been taken at less than cost, that is, in making the price there was nothing allowed for general expenses in the business and the question was how these contracts could be made to pay their proper share of the general expenses of the business. It was suggested that a pooling arrangement should be adopted, under which each importer would get a share of the profits from these contracts to assist in paying their general expenses.

Q. That is that the whole of the profits were not to go to one dealer? A. Yes.

Q. But were to be divided up among all the dealers? A. It was a pooling arrangement on the basis of tonnage.

Q. That is the amount of business that each one did? A. On the basis of tonnage as shown by the custom house return for the previous year.

By Mr. Fisher:

Q. How did you expect to collect the fine you imposed. A. This part of the arrangement was fairly understood. The intention of the arrangement was to make the contracts pay their proper share of the general expenses of the business.

By Mr. McKay:

Q. What do you mean by general expenses? A. I mean this 40 cents that I spoke of. It was the intention at the time that this organization was formed that the contract and the summer trade should pay their share of the general expenses of the business instead of doing as they had done in previous years selling down to cost or about that without anything for these general expenses and then putting the whole of these general expenses on the winter trade.

Q. And these profits were to be divided among all the dealers? A. Yes as far as the contracts were concerned. There were three or four large contracts in Toronto that tenders were advertised for and they were specially mentioned.

Q. How was the contract for the coal for the city schools arranged for? A. There was no arrangement with regard to that. It was allowed to take the retail price so far as the coal was concerned. Wood was of course to be an open question.

Q. Who tendered for the coal for the city school? A. They all tendered.

Q. Who got it? A. We got it. The prices were all the same for the coal but we tendered lower for the wood.

Q. You had to pool the profits with the other dealers? A. No, there was no pooling about that.

Q. Then was it agreed you should have the contract? A. No.

Q. Then how did you get it? A. We made a lower price for the wood.

Q. But you fixed the coal at a certain price? A. Yes,

Q. And then you were to tender for the wood at what you pleased? A. Yes.

Q. And yours was the lowest for the wood? A. Yes. This was in 1886. We have not the school contract this year. Mr. McGill has the contract this year.

Q. Do you know of any arrangement with your coal section by which the city contract was let by auction? A. That is what I speak of, the pooling arrangement. I may say that the price was fixed and whoever made the highest bid received the contract. This money went to the exchange, that is one-sixth of the amount, and the balance was divided among the importers at that time as shown by the custom house return.

Q. How many importers are there? A. About seven or eight, I think.

Q. And this was divided up, of course, amongst these seven or eight? A. Yes.

Q. How much was the amount that the successful tenderer gave? A. Well, there were different contracts.

Q. There were a number of contracts of that kind? A. Yes, four or five.

Q. What were these contracts? A. The Government's—

Q. How many tons was that? A. I do not remember the tonnage, perhaps 2,000 tons.

Q. Then there was the school board? A. That was not fixed that way.

Q. The wood was left open? A. Yes.

Q. What else was there, was the waterworks contract included in that arrangement too? A. Yes.

By Mr. McKay :

Q. In the auction arrangement? A. It was intended that Mr. Keith should have it.

By the Chairman :

Q. Who has the contract now for the waterworks? A. Mr. Bailey.

Q. How did he obtain it? A. In the same way.

Q. By making the highest bid for it? A. Yes. I am speaking not from what I know personally, but from what I believe to be the case. I had nothing to do so far as the present contract is concerned.

Q. He made the highest bid and he got the contract. What was paid for the waterworks contract? A. Do you mean this last year?

Q. Yes? A. I think it was \$600. I do not know personally, but from what I have heard and believe to be the case. I had nothing to do with it.

Q. You were a member of the council then and you could not take part in it? A. Yes.

Q. There were arrangements made with the other coal dealers? A. I had this to do, that I induced the other dealers to make a lower price.

Q. You say that all the members of the coal trade in Toronto are members of this coal branch of the Board of Trade. I think you said they were all members or about all? A. I think so.

Q. Did they all participate in this arrangement that was made, or was it confined to the importer? A. The importers were the only ones who could undertake these contracts.

Q. But this division of the profits? A. These profits were divided amongst the importers?

Q. They did not include all the dealers, but only the importers? A. Yes, the importers are the only men of course that can undertake these contracts. No one else has the facilities.

Q. They would have to buy from the importers? A. Yes, they have the room and the facilities for handling.

Q. Then you have a separate organization of those importers? No, it is all the one organization. The Executive Committee, you understand, make the prices.

Q. So that with reference to this arrangement whereby this \$600 was to be divided among the coal importers, when you made that arrangement you did not give these other men a vote naturally, or perhaps they would have voted part of it to themselves? A. That was the original arrangement.

Q. And that still remains? A. Yes. Of course these gentlemen were quite agreeable to that. They considered it only a fair arrangement. It was a matter of no interest to them although they were members of the executive committee. There were three men who were not importers, but who were members of the executive committee, the chairman and two others.

Q. Do you administer an oath in your organization? A. Yes.

Q. An oath of membership? A. Yes, it is a qualification that every member is required to take in order to become a member.

Q. What is it? A. It is to the effect that they have carefully read the constitution and by-laws, and that they will maintain them as long as they continue in membership, and that they will not allow others in their employ to violate them.

Q. Is anyone required to take the oath except the members, that is the dealers themselves. Are their employés required to take the oath in any instance? A. I think the salesmen have.

Q. What are they required to take the oath for? They are not members of the organization? A. I think it is as employés of the members of the organization that they are required to take the oath. The object was of course that they should be bound to maintain the prices.

Q. Then you swear then to keep them fastened down to the prices? A. Yes; that is the intention.

By Mr. Fisher :

Q. Is there an oath of secrecy? A. No.

By Mr. Guillet :

Q. In a case of parties who have conscientious objection to taking an oath, what do you do with them? A. Well, I have conscientious objections to taking the oath.

Q. I suppose in that case you would affirm? A. Yes.

Mr. GUILLET—But there are parties who object to join an oath-bound association.

By the Chairman :

Q. There are two classes of oaths, the oath of the member who having read over the constitution and by-laws promises that he will submit to them and keep them, and then there is the oath of the non-member or employé? A. I think there is only a very slight variation. This constitution and by-laws is placed in the hands of the salesman, and I think the only variation is just sufficient to cover their case, simply, that they have read the constitution and by-laws and will maintain the rules of the association.

Mr. BAIN (Wentworth)—If you are going to summon the secretary of the association, Mr. Chairman, he was the man who should have custody of all these papers.

WITNESS—Everyone has them.

By Mr. Guillet :

Q. I suppose there is a minute book? A. I suppose there is.

Q. You said in reference to orders for coal in the month of June, that orders would not be taken owing to your inability to deliver coal during that month? A. That is by the shippers.

Q. Did that extend to the remaining months of the year? A. Yes.

By Mr. McKay :

Q. Is there much difference between the price of coal at Oswego in 1887 than what it was there in 1886? A. Oh, the price was very much advanced, very much advanced.

Q. How much? A. Well, there was hardly any advance in 1886 from the opening price. Still there was a slight advance as near as I remember now, and in 1887 there was a very large advance.

Q. What was the average price, as near as you can give it, in 1886? A. I don't know that I remember it sufficiently to state, but I think about \$4.25 per gross ton.

Q. That was the average price at Oswego per gross ton in 1886? A. That is per gross ton. I don't think it would exceed that, speaking from memory. That would be about \$3.75 per net ton.

Q. It did not rise during the season as it did in 1887? A. No, nothing like as much. There wasn't the same difficulty in transportation. The coal was imported to Toronto at lower rates of freight.

Q. About what rates in that year? A. Well, I think the rate wasn't over twenty-five cents per ton before September or October.

Q. Then freights went up very much in the season of 1887—vessel freights? A. Yes.

By Mr. Fisher :

Q. As I understand it, then, this combination was entered into for the purpose of regulating trade in Toronto and sustaining the prices. What was the result of this combination? A. Well, I believe the effect of this organization has been to increase

the price of the large contracts in summer, which we call the rich man's trade and decrease very materially the price of winter trade or the poor man's trade.

Q. In what way is that brought about, will you explain a little? A. The price this last spring is placed at \$6 per ton. That was supposed to be a fair price for coal on the basis of what the wholesale price is fixed by the association on the other side.

By Mr. Guillet :

Q. Was that delivered? A. Yes; delivered.

By Mr. McKay :

Q. At what season? A. That price was fixed in May immediately after the prices was fixed on the other side.

By Mr. Fisher :

Q. That was the summer price? A. Yes. For these large contracts 25 cents was taken off.

Q. That was a discount? A. That was a discount for large contracts. That was simply these large contracts which have been referred to.

Q. Any private individuals? A. Not the householders, everyone paid the same price.

Q. Well the effect of your association rather raised that price then. I would like to get Mr. Rogers to state what the price would likely have been if it hadn't been for the association that year? A. In my opinion the price at which these contracts and this class of trade I speak of (the rich man's trade) that would have been probably \$5.25 or \$5.50 per ton. Probably not more than \$5.25 per ton. That trade was probably taken at about 75 cents a ton less. The result of competition in coal in summer is generally to cut prices to the bare cost of the coal, freight and handling, without leaving anything for general expenses.

Q. Will you explain why it is that in the winter trade the same effect would not crop out? A. Because the dealer has more than he can do. He has to pay his general expenses out of it, and he has no margin if he cuts in prices.

Q. You can fix your prices if you choose considerably higher and still get it? A. Oh, yes. What I was going to explain was that the effect of this organization has been as the prices are fixed in that way early in the season, and instead of competition and breaking down prices, they took orders throughout the summer for delivery throughout the year without any payment being required at all until delivery.

Q. When you did that did you base your price above the summer rate? A. The dealers took the chances of the price.

By Mr. McKay :

Q. What was your winter price? A. Four-fifths of the whole trade of the year taken at this summer price. Everyone who chose to do it, came in and ordered their coal to be used for the winter as they required it. They simply entered their names, and I say four-fifths of the trade was taken at that price.

Q. The poor man could order the same as the rich man? A. Yes.

Q. He had the same chance that the rich man had, hadn't he? A. Yes.

Q. When was this? A. Last season. The dealer took the chances of the advance in the wholesale prices. Of course he was the sufferer, because the wholesale went up very materially, and he was really obliged to supply the coal at a loss.

By Mr. Bain (Wentworth) :

Q. They will not be likely to repeat that arrangement again? A. No; I don't think they will.

Q. What did you fix your winter price at? A. The price was advanced 25 cents in November, and I think 35 cents in October, and 25 cents in December, there was an advance of 75 cents altogether.

By Mr. McKay :

Q. That is generally the time the poor man pays is it not? A. He would not have been able to buy in ordinary years until then, but this year he was canvassed for his trade by the dealers, they were anxious to get the trade and everyone had the opportunity of placing their orders if they wanted to do so.

Q. You said you raised the price of summer coal and you gave them a chance to buy it at \$5.75 in former years, but this year you put up the price? A. The price was fixed early in the season.

Q. In former years it was lower, \$5.50 and \$5.25? A. Of course that would depend upon the market. If it depended upon the open market there is no doubt it would have been lower last year.

By the Chairman:

Q. What was the price in 1886—Oswego prices for the season of 1886 did not vary very much? A. I don't remember the exact price.

Q. What was the price in 1886, do you remember? A. I gave it a little while ago, I don't remember exactly. I don't think it would average over \$4.25 per gross ton, that would be \$3.79 per net ton.

Q. That is virtually the same figure that it started at the year before? A. Started at this last year.

Q. It was virtually the same price. Then there were 50 cents duty in 1886 and no duty in 1887 and the price one year was as much as the other notwithstanding the fact that the 50 cent duty was taken off? A. The price was advanced on the other side.

Q. But you say it was \$3 79 in 1886, and, you understood, in May, June and July? A. The average price in 1886 was about the same as the opening price in 1887.

Q. But you said in August it was \$4.02 and in October \$4.24, so it would average \$4.21? A. You must not get the two prices confused, the gross ton and the net ton.

Q. \$3.79 was the average? A. For the net ton.

Q. That would not average \$4.00, that would not be an increase of 21 cents, but there is a saving of 50 cents in the duty, but still coal went up? A. You must bear in mind that in 1887 there was very little coal imported until late in the season when the prices were higher and the freights were higher.

Q. You said you imported 35,000 tons of stove and nut coal alone at these rates? A. Don't make a mistake. I didn't say we imported that amount. That was the whole trade of Toronto. There were 35,000 tons of coal imported at the opening rates.

Q. At an average price of \$4.10 per ton? A. Yes, it was \$3.79 at Oswego. The average price advanced from that time on and the freight advanced and there were 100,000 tons imported at that price. I remember the prices had been fixed at \$6.50 for the local trade in Toronto before the duty was taken off and the duty wasn't taken off until about the 16th of May, and as soon as the duty was taken off the price was reduced 50 cents a ton.

By Mr. McKay:

Q. I can see one dollar a ton difference between the price of 1887 and the price of 1886; you sold in 1886 summer coal for \$5.25 and \$5.50, when you paid 50 cents a ton duty on that—didn't you—you say we sold in 1886 from \$5.25 to \$5.50? A. I think you are mistaken, I said the price in 1887 would have been about \$5.25 or \$5.50 if there had been no organization.

Q. I understood you to say that in 1886 that the price was \$5.25 and \$5.50? A. The price in 1886 at retail in Toronto was \$6.00 for stove coal and nut coal, and in October it was \$6.50.

By Mr. Guillet:

Q. Did you say in the spring? A. I think there were only two prices in 1886, \$6.00 from June till October, and \$6.50 from that till the 1st of May. Considering the increased cost in freights, we get coal nearly as low as it has been in Toronto during the last 10 years.

By Mr. McKay:

Q. Would the freights from Oswego to Toronto be about the same as they would be from Oswego to Hamilton, would there be much difference? A. No, about the same. There is this difference between Hamilton and Toronto. Hamilton does not take anything like the quantity of coal that Toronto takes and they are able to import there a very much larger proportion during the season of navigation than

Toronto. This last year for instance Hamilton got a very much larger proportion of their coal in in June, July and August than Toronto, because they have their own vessels.

Q. Some of them have? A. Yes, and they were able to import very much more.

By Mr. Guillet :

Q. Do these restrictions that you imposed upon the dealer in coal, did they extend the sales paid along the lines of the railways running north of Toronto? A. No, there is no price fixed for the country trade.

By the Chairman :

Q. You said there was a fine of \$1,000 imposed on Patrick Burns—what other fines do you know of? A. There have been a number of fines at various times.

Q. Large amounts. Is that the only \$1,000 fine that you know of? A. I don't know of any other.

Q. Not as much as \$500? A. I don't know what. McConnell was fined pretty heavily. I don't know what the amount was.

Q. What for? A. Violation of the rules.

Q. In what way did he violate the rules? A. He broke the prices and broke the rule.

Q. When did that occur? A. He was continually doing it.

Q. He was continually being fined was he? A. I think he was fined once and they expelled him the second time.

Q. What does expulsion mean? A. It simply means what expulsion means to anyone else.

Q. Does it deprive him of buying from the American dealers—does it deprive him from being an importer? A. Not if they like to sell him. He was expelled about a year and half ago.

Q. Has he been reinstated? A. I think he was expelled twice. He was expelled once, I think, and reinstated, and then he was finally expelled about a year ago.

A. What disabilities does expulsion carry with it? A. Well, I don't know that it carries any if he can buy his coal from the other side?

Q. If he can? A. Yes.

Q. It must have carried some disabilities or else Patrick Burns would not have paid the \$1,000 fine?—

By Mr. Guillet :

Q. You could not legally collect that fine? A. He was fined and he was in default until he paid the fine. The rules don't say anything about the fine.

Q. It says something about being suspended or expelled? A. Yes; he would have been expelled if he didn't make satisfaction in this case.

Q. The rules do not say there is any power to fine? A. There is a resolution or something that gave them authority to fine.

By Mr. McKay :

Q. I never heard of this fining business until to-day; you say McConnell was expelled twice? A. Yes.

Q. What result did that have on his business—did he continue in the coal business? A. Yes.

Q. In competition with you? A. Yes.

Q. An importer? A. Yes.

Q. Where did he get his coal. A. He got it from a jobber in Buffalo.

By the Chairman :

Q. Did the society send word to these firms asking them not to supply McConnell? A. Not since this last year. I think when he was first violating the rules they were notified of the fact.

Q. With what result, that he could get coal? A. Yes; he did get coal.

Q. As a matter of fact he did? A. Yes.

Q. The association of course in duty to their members tried to prevent him from getting it? A. The association felt aggrieved that these gentlemen should

COAL.

161

come over from the other side and insist upon our organizing and maintaining the prices and saying that they would not supply us with coal if we didn't do it and that notwithstanding what this man did nothing was done.

Q. And nothing was done to him? A. I think pressure was brought to bear on the party supplying him on the other side.

Q. Unsuccessfully? A. I suppose it must have been successfully as far as the first time is concerned as he paid the fine.

Q. What was the fine? A. I could not tell you.

Q. What other persons were fined? A. I think they have nearly all been fined.

Q. All paid their fines? A. Yes. Of course sometimes there might be an ordinary fine for the violation of the rules.

Q. How much money has there been divided up as the result of the contracts? A. I could not say.

Q. How much do you think? A. I don't remember. I suppose there has been several thousand dollars.

Q. Several thousand dollars divided up? A. Yes.

Q. A contract was auctioned among the members and the amount divided among the importers? A. Yes.

Q. How many thousand dollars do you think? A. That is apart from fines altogether. In the case of Burns that fine was made a premium; afterwards it was not treated as a fine.

Q. In what way do you mean? A. It was treated as a premium for that contract and he got his proper proportion back.

Q. Burns paid so much for getting the contract? A. Yes, his fine was treated as a premium and he was allowed to fulfil his contract and of course he got his share

Q. Who was to get the contract that year? A. Keith.

Q. Did he give the highest bid? A. Yes.

Q. What was his bid? A. I don't remember, \$200 and something over.

Q. For the waterworks contract? A. Yes.

Q. His bid was two hundred and some odd dollars to be allowed to get the contract? A. Yes.

Q. How much was his price underneath? A. His price, that is, Burns' price, was \$4.21 and I think the price fixed was \$4.55.

Q. He came 34 cents under the price? A. Yes.

Q. And got the contract and was fined \$1,000 besides? A. Yes, and he paid us for a very large amount of that coal \$5.25 a ton in our yard and carted the coal to the waterworks wharf.

Q. For how much of it? A. I don't remember how much. I know that a considerable amount of that coal was bought from us and he paid us \$5.25 per ton in the yard and carted it himself, which is a loss of \$1.50 per ton.

By Mr. Bain (Wentworth):

Q. Had he no margin at all on that contract price? A. I do not think there was any margin on that \$4.21 on the basis of the then price of coal and cost of freight and so on, and he also took the chances of an advance in the wholesale price and he took the chance of the lowering of the wholesale price.

By Mr. McKay:

Q. You have described the coal organization in Toronto, do you know if that organization exists in other places, say Hamilton? A. I do not know whether they are exactly the same. I do not think there is a town or city on this continent where anthracite is sold but what there is some kind of an organization or understanding among the dealers as to the price. I do not think you can find any town in Canada where there is more than one dealer without there is some, without some understanding about the price of coal.

By Mr. Bain (Wentworth):

Q. But these organizations are not affiliated with each other? A. No.

Q. There is no arrangement between your organization and the Hamilton and Kingston one? A. No, and this organization did not attempt to control any of

them yet in Toronto; it fixed the price of soft and grate coal but did not attempt to control Lehigh coal or steam coal.

Q. Each dealer is free to do as he pleases with all these prices? A. They simply control the price of coal. As far as I am concerned I would be much better pleased if all organizations were wiped out of existence. While that anthracite organization exists or unless there is some change it cannot be avoided as far as I can see.

Q. You got a share of all these premiums? A. No; I didn't get a share of the waterworks premiums.

Q. You were in the council at that time? A. Yes; I didn't get any share.

Q. Did you get your share of the school board premium? A. There is no premium on that.

Q. You got the contract last year? A. Yes.

Q. How did you get the contract? A. The wood was open, with a uniform price for coal.

Q. Was there any understanding with any of the members that you should get that when you were debarred from tendering for the waterworks coal? A. I wasn't in the council that year, I was only in the council one year.

By Mr. Guillet :

Q. Were you at liberty to sell as an importer at a lower rate than the price set by the combination? A. That was the yard price, that \$5.25. I don't think that there was restriction between dealers.

Q. He was out of the combination? A. No, he had paid his fine and was reinstated.

By Mr. Bain (Wentworth) :

Q. I suppose you sell at the yard to any person at those prices? A. I made as low in this case as I could, I remember, because I knew he was losing money.

Q. I don't exactly clearly understand the relative positions of the American organization, that is the position in which they stand to each other and how it is that McConnell, when he ceased to be a member of your organization, could still purchase his coal on the American side, notwithstanding your protest?

By Mr. McKay :

Q. I understood you to say he bought from a jobber in Buffalo? A. He bought from the same party he bought from while he was a member, that was with reference to 1886, altogether there was no pressure brought to bear on anyone during 1887. In November, 1887, the price at the bridge was \$5.30 per gross ton as fixed by the association there. It was sold as high as \$6.00 a ton going to Chicago, and on April the 27th, 1887, the association passed this resolution (Exhibit 25b.): "That it is to be understood that the action of this committee of conference is purely recommendatory, and while urging upon one and all the desirability of conforming thereto, the committee assumes no authority in the premises, and does not seek to limit the freedom of action of any individual member of the committee or of those to whom these recommendations may come," and they go on fixing the prices.

By the Chairman :

Q. You paid \$3.79 per ton at Oswego? A. Yes.

Q. What amount of profit have the combine in the States on that? A. I could not say, the profit must have been comparatively small.

Q. Your partner is the owner of a coal mine you said? A. Yes.

Q. You would not give us the cost of reduction and the cost of freight? A. I do not remember what the freight was at that time from the mines to Oswego, but the profits were very small.

Q. Do you get most of the coal from your own mine? A. Sometimes. This last year we got a large proportion of it outside. I would like to ask if it is clearly understood what the effect of this organization has been during the last two years. It is clearly understood that the effect has been that it has increased the price of the rich man's trade and reduced the price of the poor man's trade, that is, it has

equalized the summer and winter trade. If there is anything in the evidence that conflicts with that, I wish to fix it right.

The Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 23rd March, 1888.

The Committee on alleged Trade Combinations met this morning; Mr. Wallace in the Chair.

G. W. Wood, of Toronto, Secretary to the Coal Trade Branch of the Toronto Board of Trade, sworn.

By the Chairman :

Q. You are the secretary of the coal section of the Board of Trade? A. Yes.

Q. Have you a copy of your books? A. Yes these are the rules and constitution (Exhibit 34b). Article 6 of the constitution provides: "It shall be the duty of the executive committee further to fix prices for coal, and change the same from time to time as in their judgment the best interests of the trade demand, and to instruct the secretary to notify all the members of the branch promptly of such action, and the prices so fixed shall be the prices at which coal shall be sold by all members of this branch, and not otherwise, and the executive committee comes under an obligation to submit at any time, at the request of the council of the Board of Trade, for its consideration, a statement showing the percentage of profit being made by members of the branch, and the council may make a deliverance thereon." Now I know the council have made a kind of informal enquiry from time to time as to the comparative prices that were being charged and the cost.

Q. Did you furnish the information? A. No; the importers.

Q. But they could only apply through the secretary? A. Yes. They were informal enquiries.

Q. Verbal? A. Yes; verbal.

By Mr. Bain (Wentworth) :

Q. There has never been any official demand in writing? A. No.

Q. Did they ever order the prices current? A. I only give it to you as I know it. With regard to the gentlemen who originated this branch, between four and five years ago, a committee came over from Buffalo, the committee of the Western Anthracite Joint Association; the coal trade had been in a very ruinous state for four or five years.

Q. Were you in the business then? A. I was the secretary then.

Q. Elias Rogers said that this organization was only in existence two years, but you say you were the secretary four or five years ago? A. He meant in connection with the Board of Trade.

Q. He says that they formed a new organization and he did his best to get it amalgamated with the Board of Trade and succeeded? A. Yes.

Q. And now you are speaking of an organization that was in existence four or five years ago? A. It was a private organization at that time and not connected with the Board of Trade.

Q. And were you secretary then? A. Yes.

Q. And have been all along? A. Yes.

Q. When was this private organization formed? A. Four or five years ago.

Q. Have you the minutes? A. I have, but not with me.

Q. Who were the originators of the association? A. The importers.

Q. Can you name any special individuals? A. J. R. Bailey & Company, P. D. Conder and Elias Rogers.

Q. Elias Rogers said that he was not in favor of this construction. Did he assist the organization then? A. You don't understand.

Q. But I do understand? A. You don't understand me, perhaps.

Q. I understand perfectly. He said he was not in favor of this combination. Did he assist in the organization then? A. Yes.

- Q. When was that? A. Four or five years ago.
- Q. Not longer? A. No.
- Q. What year was that? A. I think it was in 1883. In July, 1883, if I remember right.
- Q. When you organized? A. Yes.
- Q. And what was the object of the organization? Can you give us a complete list of the originators? A. Besides these I have mentioned, Messrs. Keith and Burns.
- Q. These were all importers? A. Yes.
- Q. Was this an organization of importers? A. Yes.
- Q. Importers only? A. Yes. The importers were the ones who were representing the parties on the other side.
- Q. Were you present at this organization meeting? A. No, I was not present. I was only called in afterwards.
- Q. You were not there? A. No.
- Q. Have you any record of that first meeting? A. No.
- Q. Do you know if anyone else was present besides these five? A. No.
- Q. Or whether all these five were there? A. I do not know that these five were there.
- Q. They were the originators? A. Yes.
- Q. Well this organization continued for how long? A. It has continued up to the present time.
- Q. It was the same organization? A. It is the same organization; only two years ago it came in with the Board of Trade.
- Q. But it is the same organization? A. Yes.
- Q. Then it is not true as we were told that a new organization was formed two years ago? A. It fell through once or twice, once in particular.
- Q. The members were underselling? A. They could not keep them in line.
- By Mr. Bain (Wentworth):*
- Q. Were those the days when Mr. Burns was fined \$500? A. Yes.
- By the Chairman:*
- Q. Mr. Burns was fined \$1,000, was he not? A. Yes; \$1,000.
- Q. Can you give us all the fines that have been imposed; by what rule do you fine men in this constitution; you fined Mr. Burns \$1,000; would you show me in your constitution where you were authorized to impose that fine? A. This is the constitution under the Board of Trade. (Exhibit 34b.)
- Q. You have another constitution? A. Well of course there was a copy of rules that was drawn up by the association previous to that. This is the constitution under the Board of Trade.
- By Mr. Bain (Wentworth):*
- Q. Have they had any fines imposed since they were amalgamated with the Board of Trade? A. Two were fined, this year, \$10 each.
- By the Chairman:*
- Q. When did you fine Mr. Burns? A. It was before the amalgamation with the Board of Trade. These are the minutes just after the association was joined to the Board of Trade.
- By Mr. Casgrain:*
- Q. Was that fine paid? A. Yes, but he got part of it back again.
- By the Chairman:*
- Q. We did not ask you that. What was done with the money? A. It went into what we call the pool.
- Q. And what was done with it? A. It was divided up amongst the importers according to the tonnage.
- Q. Giving how much to each? It was sworn here that he got the most of it back again? Did he get the most of it back again? A. That year I think he got between \$700 and \$800, his share of the pool.
- Q. How much did he get of that \$1,000. It was sworn here that he got the most of it back. Did he get the most of it back? A. He got his share of the pool.

The whole pool was about \$2,400 or \$3,000, and his share was one-third of the whole tonnage.

Q. How much of that \$1,000 did he get back. It was sworn here that he got the most of it back. That is not true? A. I said that he got about \$800 back.

Q. I am speaking of the \$1,000. It is not true that he got the most of it back? A. I would like to put it in a new form. You can tell yourself—

Q. Answer my question. He got back one-third of the fine? A. Yes.

Q. And one-third of the result of the auction sale. He had to pay \$1,000, and he got about one-third back? A. Yes.

Q. You say the pool amounted to about \$3,000? A. Yes.

Q. And this was divided among the importers alone? A. Yes.

Q. And Mr. Burns got one-third, \$800? A. Yes.

Q. There were \$3,000, but the expenses of the organization were taken out? A. Yes. One-sixth was taken out for the expenses.

Q. That would leave about \$2,400 and that divided up? A. Yes, amongst the importers.

Q. You cannot tell by what rule of the association you were authorized to impose this fine of \$1,000? A. Well, it was a private association before. There was no charter. It was previous to joining the Board of Trade. Since they have joined the Board however these rules were made out and printed.

Q. Had you any rules before? A. Yes.

Q. Have you got those rules? A. No.

Q. You were secretary during all that time, the custodian? A. Yes.

Q. Why did you not bring a copy with you? A. I thought this was all you wanted.

Q. Under these rules, say last year, what was the amount of fines received? A. Take from May to May I think the fines amounted to \$20.

Q. What was that for? A. Taking over orders at less than the current prices. There was a party by the name of Thomas McConnell who had booked a number of orders and had not been able to fill them. I suppose owing to circumstances not under his control. These orders were taken over by two of the members and they were fined \$10 each. One was J. R. Bailey & Company, and the other was C. C. Ray & Company.

Q. That was all the fines last year? A. That was all that appears.

Q. What amount was realized in putting contracts for local government, public schools, waterworks, &c., up at auction among the combiners? A. I think the city contract realized about \$1,200. It was hard and soft coal, and wood, I think. The whole amount realized this year I think was about \$2,800. That was altogether, and one-sixth was taken out for expenses.

Q. What were the amounts realized from auctioning off these contracts? A. About \$800.

Q. What were the items? A. The waterworks was about \$600.

Q. Who received the contract? A. I think it was Mr. Bailey.

Q. For how much? A. \$600.

Q. How much per ton? A. There were 12,000 tons.

Q. But how much per ton? A. 5 cents per ton.

Q. How much per ton was his contract? How much did you fix the prices that the city was to get coal for? A. At a meeting on the 21st May, it appears, "Received from J. R. Bailey & Company his cheque for \$600."

Q. What was the amount your association fixed as the price the city should pay? A. \$4.55 in the shed and \$4.70 in the boiler house.

Q. What do you mean by the shed, the waterworks shed? A. Yes, I suppose so.

Q. \$4.55 in the waterworks shed, and \$4.70 in the boiler house? A. Yes.

By Mr. Landry:

Q. That was the price at which it was to be delivered to the city? A. Yes.

By Mr. Guillet:

Q. That was the contract price? A. Yes.

By Mr. Landry :

Q. Was that for anthracite coal? A. Yes, anthracite coal. It is brought by water.

Q. Anthracite coal \$4.55 per ton, and out of that he had to pay \$600 to the other importers? A. Yes.

Q. For the benefit of the contract he had to pay \$600? A. Yes.

By the Chairman :

Q. And paid a cheque for that amount? A. Yes.

By Mr. Gillmor :

Q. The city wanted 12,000 tons of coal? A. Yes.

Q. They asked for tenders? A. Yes.

Q. And the coal combination tendered? A. Yes. They tendered individually and not as a whole.

Q. The combination then tendered. There was more than one tender? A. Only one tender.

Q. At that price, but others could tender for what they liked. The combination could tender individually? A. Yes.

Q. No matter who got it, they tendered for the whole? A. Yes.

By the Chairman :

Q. But all who tendered had to tender at more than the \$4.55, fixed for the lowest man? A. Yes.

Q. They having decided that he shall get that contract, the coal combination meet and they decide that \$4.55 shall be their tender price to the city, and \$4.70 for it delivered at the boiler house. Then they decided as to who shall have the contract on that, and it is put up at auction, and Mr. Bailey says: "I will give \$600," and gets it. Then he hands the cheque to be divided amongst the others, less one-sixth, which leaves \$500 to be divided amongst the others. When the city asked for tenders Mr. Bailey is to have the contract. Does the city know that? A. No.

Q. That is all done in secret? A. Yes.

Q. And the city supposes that they are getting competition? A. I do not know anything about that. I know that that price is fixed, and they tender for what they like.

Q. You are there at the meetings of the committee and you know what passes. There is more passes than is published in the minutes? A. As I told you they do not tender at less than that.

By Mr. Guillet :

Q. Only one tender at the price fixed by the committee? A. They do not tender at all very frequently.

Q. But members of this association do tender? A. Yes.

By Mr. Gillmor :

Q. Others outside of the combination stand alone? A. Yes.

Mr. GILLMOR—I think the man who stands against that combination should be brought here at once.

By the Chairman :

Q. The minutes (Exhibit 34) say, here, "John Keith—It having been reported to the committee that Mr. Keith had been supplying the waterworks with coal at \$5 (Mr. Burns having refused to supply them at that price after the expiry of the contract), a discussion took place relative to the matter. Mr. Keith made his explanation and the matter was allowed to drop. The secretary was instructed to notify Mr. Keith to cease delivering any more coal to the waterworks, except at full prices." That was the waterworks contract for 1887-88. What time does it come? A. In May.

Q. "The secretary read the advertisement calling for tenders, and it was moved, seconded and resolved that the proceedings of this and other meetings both as regards prices and other matters be considered strictly confidential" (Exhibit 34). They had an oath then? A. Yes.

Q. A statutory declaration? A. Yes.

COAL.

Q. Were these deposited with you? A. Yes.

Q. And no one could be permitted to be a member unless he made that statutory declaration? A. Yes.

Q. What is meant by being strictly confidential, that they came under the obligation of the oath? A. Yes.

Q. That is they were sworn to secrecy? A. That is as regards the general meetings. It means the general conduct of the meetings, that their proceedings shall be held strictly confidential.

Q. "It was resolved that all proceedings at this and all other meetings, both as regards prices and other matters, be strictly confidential" (Exhibit 34a). Do you understand that it was to put them under the obligation of the oath? A. I do not think it refers to that altogether, because it is in general terms.

Q. The declaration reads: "I have carefully read the constitution and by-laws and special rules of the association, known as the Coal Trade Branch of the Toronto Board of Trade, and that I will so long as I continue a member of the said association truly, faithfully and honestly observe, perform and keep the provisions thereof, and shall not commit or attempt to commit or allow others on my behalf to commit or attempt to commit any secret or other evasion or violation thereof" (Exhibit 34b, p. 10)? A. Yes.

By Mr. Guillet :

Q. You have an oath also for the employés? A. Yes.

Q. The employés of members of the branch? A. Yes.

Q. The proceedings of these meetings were considered confidential? A. Yes.

Q. And they were under the obligation of this oath to keep them confidential?

A. I don't think the oath applies to that at all.

Q. What was the obligation? A. It was merely with regard to the proceedings in committee that they were to be held confidential.

Q. The waterworks contract was under consideration and it was resolved that the proceedings should be strictly confidential and so on? A. Yes.

Q. In reference to this oath who is the declaration made before? A. Before a commissioner.

By the Chairman :

Q. I want to ask you a question with reference to this contract. The city asked for tenders for the supply of coal for the waterworks and the first thing your committee did was what? A. They consulted together about what they would do?

Q. And decided what? A. To fix the prices.

Q. Look at your minutes? (Exhibit 34 a.) A. Well, that refers to the general business, not that in particular.

Q. It does? Well it happens to come there. "The Secretary read the advertisement calling for tenders and it was resolved that the proceedings at this and other meetings as regards prices and other matters be considered strictly confidential?" (Exhibit 34 a., p. 1970.) A. It happened to be in the minutes on that date and it was put down.

Q. Here you have an important matter to decide and it was necessary to keep it secret and you renew your obligation. Do you give the public to understand that you have the price fixed so that any alderman in the city of Toronto would know what it was? A. No.

Q. That was on the 21st March, 1887. Was Elias Rogers a member of this coal section then? A. Yes.

Q. Was he present at this meeting? A. He was when the meeting commenced. He said that being a member of the council, he could not be present when that was discussed. He had no interest in it.

Q. Is that in the minutes? A. No.

Q. Have you a record of that? A. No, but that I can say.

Q. He was present at the beginning and when this thing came up? A. He left.

Q. Was this the regular meeting of the association? A. Committee meeting.

Q. A meeting of the executive? A. Yes.

Q. A regular meeting of the executive committee? A. I do not know whether it was a special or regular meeting.

Q. Just answer my question, was it a regular or a special meeting? A. It says special meeting, "This being a special meeting the minutes of previous meeting were not read." (Exhibit 34.)

Q. It was a special meeting then? A. Yes.

Q. Called for what purpose? A. I suppose to discuss the waterworks contract for one thing, and anything else there might have been at the time.

Q. You could tell from the minutes? A. I do not make a note of what is on the notice paper.

Q. A special meeting called for what? A. Anything that might come up.

Q. The waterworks contract? A. Yes, I suppose the waterworks contract was one thing.

Q. Just read the minutes and then just say what the important business at that meeting was; what the special and particular business was? A. I do not know exactly what you mean. Here are the minutes of the meeting. (Exhibit 34.)

Q. I want you to read them for us. I want you to look at them for your own information. That was a special meeting? A. Yes.

Q. There was special business to be done. Now I ask you what this special and important business was and you said you could not tell? A. There was a notice of motion to fix the price. That was one thing.

Q. What was done with that? A. "The notice of motion to fix the price was brought before the meeting and it was moved, seconded and resolved that the price of stove and nut coal be \$6.00 per ton, and \$5.75 per ton delivered until the first of July, and that no contract be taken for delivery after that date at this price. No change in soft or Blosburgh. Half tons to be charged 15 cents extra." (Exhibit 34.) Then there comes Mr. Keith's case, and then comes the waterworks contract.

Q. There were three matters brought up at this meeting. The first was fixing the price of coal. At what did you fix the price of anthracite coal to the consumers in Toronto? A. \$6.00, and egg and grate \$5.75.

Q. At the same meeting you fixed the price at which you were to supply the city for the year. What was that price? A. \$4.55 in the shed, and \$4.70 in the boiler house.

Q. Less what? A. Less 5 cents paid to the other dealers.

Q. Which left it how much? A. \$4.50 net.

Q. So that you were supplying the city for \$4.50 at the same time that you were supplying the consumer at \$6 and \$5.75? A. That is egg coal brought in by water. But I would like you to ask some one in the trade about these prices. My opinion is *ex parte*. You are pressing me upon points now that I really have no practical information or knowledge about. Men in the trade can give it better than I can.

Q. We are not holding you responsible for any of this. You are the secretary and have the official record, and we are asking you from the official records which you hold. You are a coal dealer? A. I have no interest.

Q. Therefore there is no further responsibility to you, and we want it from those records? A. If I make a statement here upon the bare fact, without all the circumstances being known, it has a very different appearance. Take this one point: Here is coal, and there is apparently a difference of \$1 per ton.

Q. \$1.25 per ton. You are a witness here, and if you will answer the questions we will not hold you responsible. We have your minutes here, which are the official record? A. Well, you put me in a corner by asking me questions about prices, and there are circumstances in connection with that which would qualify it and put a very different appearance upon it.

Q. At that meeting of the 21st of May you fixed the price for city delivery at how much? A. \$6 and \$5.75.

Q. At the same meeting you fixed the price of the waterworks contract at how much? A. \$4.55 and \$4.70.

Q. For delivery in the shed? A. \$4.55.

By Mr. Landry:

Q. Would that be the same quality of coal? A. Yes, it would be the same as the \$5.75 delivered in the city.

Q. The quality you delivered in the city at \$4.55 in the shed is the same as you delivered to the consumer at \$5.75? A. Yes.

By the Chairman:

Q. From that price to the city, how much was taken off? A. Five cents per ton.

Q. Leaving it how much less from the city contract? A. \$4.50.

Q. How much to the consumer of the same quality? A. \$5.75. The coal that is delivered to the waterworks, I understand, comes in by water which makes a material difference.

Q. Does not the coal supplied to the consumer in June and July come in by water? A. Yes; but as far as I understand it they have to carry it and screen it. However, this is a question which I do not profess to understand. As a matter of justice, I would like it to go in as *ex parte* as far as possible. Things look so different in an *ex parte* statement without taking in the surroundings.

Q. They both come in by water; but there is an advantage if they can deliver at the waterworks wharf. But this coal is delivered, as I understand it, delivered all the year round from May to June, from 1887 to the same period in 1888. So that it is not only for this coal that comes by water, but for the whole year round? A. Yes, for the whole year round.

By Mr. Landry:

Q. Is it more expensive to deliver the one or the other? A. Yes.

Q. That is to deliver what you call to the waterworks and to the consumer?

A. They calculate it costs 40 cents per ton to deliver to the consumer.

Q. I can understand it would be a little more difficult but not to that extent.

By the Chairman:

Q. The waterworks contract was to be \$4.55, and the next resolution was that all the proceedings of this meeting were to be considered strictly confidential. Did that mean that nobody was to let out what the price was that was agreed on? A. Yes.

Q. It was to be kept secret? A. Yes.

Q. By all the members? A. Yes.

Q. Then the city asking for tenders was simply a farce, because there was only to be one real tender? A. Yes; practically that is what it amounted to.

Q. The whole proceedings of the city council asking for tenders was a farce because these men had fixed who was to get the contract and the price he had to pay for it? A. That is what it practically amounted to.

Q. It was *bona fide* on the part of the city council? A. Yes.

Q. As far as the result is concerned it was all cut and dried and arranged beforehand; were there not other tenders to be put besides Mr. Bailey's? A. I cannot tell you. I do not know.

Q. Do you know that Mr. Bailey got the contract at the figures stated here?

A. Yes; of course they have the power to tender even less if they like.

By Mr. Bain (Wentworth):

Q. Do you know what figures he contracted at? A. No, I do not know.

Q. It would not be less than that? A. He would be at liberty to make it less.

The CHAIRMAN.—I notice the following resolution in the minutes: "The waterworks contract having been offered for, it was awarded to J. R. Bailey & Company for \$600, who handed a cheque to the treasurer for that amount." (Exhibit 34.)

By the Chairman:

Q. And Bailey, did he get the contract? A. Yes, and lost some \$5,000 to \$7,000

Q. Did you fix the price of anything else but coal? A. Yes, they fixed the price of wood. Where a tender is for coal and wood they fix the price of wood also.

Q. Who got the contract for the public school supply? A. No price was fixed.

Q. Who got the contract? A. I do not know.

Q. "At a special meeting called to fix prices for public school tender, moved by _____, seconded by _____, that the coal be at present prices and wood prices be left open." (Exhibit 34.) We were speaking of the \$600 city contract. What was the next one that was divided among the combine? A. The hospital for \$255.

Q. Who got that contract? A. Mr. Elias Rogers.

Q. Was it put up at auction in the same way? A. Yes.

Q. How many tons were supposed to be required? A. I have not the particulars here with me.

Q. What were the prices? A. \$5.50 and \$5.75.

Q. What date was this? A. 18th of June, 1887.

Q. What is the difference between the two prices? A. The stove and nut coal.

Q. You cannot tell how many tons were required? A. No.

Q. What was the next contract? A. The Ontario Government.

Q. What did you do with that? A. The Conger Company got it for \$610.

Q. What were the prices? A. \$5.50 and \$5.75.

Q. What date was that? A. 2nd of July.

Q. What quality of coal? A. Hard coal.

Q. This was stove and nut also? A. Yes and there was soft coal as well at \$5.25, and hardwood \$5.50 and pine \$4.

Q. What is the quantity for the Ontario Government? A. I cannot give it.

Q. What was the next contract? A. The House of Industry.

Q. What was the price paid for that? A. \$160.

Q. What were the prices paid there? A. \$5.50 and \$5.75.

Q. Who got the contract? A. Mr. Keith.

Q. What was the quantity? A. I do not know.

Q. What was the next? A. I think that was all.

Q. These were all contracts for a year? A. Yes; they were to be delivered within a certain time. They were for a year's supply. Some were to be delivered so much a month, and others within the year.

Q. What was that \$1,200, item? A. One was for hard coal and another for soft coal. I think it must have been a city contract. I do not seem able to find it in the book.

Q. You know as a matter of fact that there was \$2,800, in the pool? A. Yes; there was about that. It was in the city. On the 5th of September, 1887, there was a special meeting called for the fixing of city tenders. \$5.75 for stove and chestnut, and \$5.50 for egg and grate.

Q. How much for soft? A. Briar Hill \$5.50 and Straitsville \$5.

Q. Give us the prices for anthracite? A. Stove and chestnut \$5.75, egg and grate \$5.50.

Q. That was 40 cents below current prices? A. Yes.

Q. What were the quantities? A. 500 tons of the two kinds of coal.

Q. Who got the contract? A. All tendered alike.

Q. Who as a matter of fact did get the contract? A. Mr. McConnell; but he has not been able to supply it. He has not been in the association. He was declared in default 18 months ago.

By Mr. Bain (Wentworth):

Q. His tender was in September, 1887? A. He was out then.

Q. He tendered outside of the combine then? A. Yes; there was no premium paid in this case.

Q. Do you know what Mr. McConnell's figures were? A. No; but he was unable to fill it and they had to come back to the association.

Q. How are they being supplied now? A. That was the thing these gentlemen were fined for, one of these men who took over these orders was in the case of the city.

Q. Did they violate their oath in doing that? A. The excuse they made was that they thought they were doing nothing wrong.

By the Chairman:

Q. Did the association decide that they had violated their oath? A. Yes; you know about that as well as I do.

Q. Now about this declaration or oath. You have an oath in the constitution for the members of the coal combination. Who else do you swear besides members of the board? A. Those who are salesmen.

Q. In each firm? A. Yes; and to those who have charge of the agencies.

Q. Do you take charge of the salesman declaration? A. Yes; they are filed with me.

Q. Have you a list of all those who have taken the statutory declaration? A. Yes; but I haven't it with me.

Q. How many are there? A. Four or five. Each of the leading firms have one. Rogers has one.

Q. Has Rogers taken this declaration himself? A. He has taken the one which is the book.

Q. And he has one employé who has taken this one? A. Yes.

Q. There is about one officer in each of these firms who has taken this declaration? A. Yes; men go round and take orders and they put these men under obligation not to take orders at any less than a fixed price.

Q. Are these oaths and system of fines pretty effective in keeping members in line? A. There have only been two fines this year.

Q. You have got it pretty fine? A. It is in pretty good working order. I think prices going up has done a good deal towards this.

Q. Are there any coal dealers outside of this combination? A. McConnell was, but he is out of the business now.

Q. Had he been in financial difficulty before you bounced him? A. I do not know. If he had been considered in financial trouble the city would not have given him the contract.

Q. We have a list here of importers. There are a large number of others who are not importers? A. Yes.

Q. What prices are fixed to them? A. They get 75 cents off the retail prices and cart it from the yard.

Q. Who does the carrying? A. They do.

Q. Cart it from Bailey's, say, to their own yard? A. Yes.

Q. And then they deliver it and get 75 cents per ton? A. Yes, that is the arrangement. It was reduced to 50 cents by Mr. Rogers I think, in December, in consequence of prices going up, but afterwards he gave way and made it 75 cents.

Q. Is that one of your resolutions? A. I do not think so.

By Mr. Guillet :

Q. What was the object of this association? A. The origin of it was to steady the trade. Those who had been in the trade had failed and run out the good men. The Western Anthracite Association on the other side have lost hundreds of thousands of dollars, and they sent over some leading men with a view to forming an association to steady the market, and they took the ground that they would sell only to those who are willing to keep prices at what they considered fair paying prices.

By Mr. Landry :

Q. Did they control on the other side? A. Yes, they controlled the prices at which they shall sell and they also control the market here.

Q. Who fixed the price at which Toronto coal dealers shall sell? A. The Executive Committee of the Toronto dealers.

By Mr. Guillet :

Q. Were there any representations made to these coal miners and transportation companies that the sales were being made below paying prices? A. They came over.

Q. In response to representations made? Were there not complaints made to them, from parties in Toronto? A. I think they knew it as a matter of fact from their losses. The demoralized state of the trade caused it.

Q. You as Secretary, did you ask them to come over and assist in regulating matters? A. They came over on purpose. I was not present then; it was a private meeting.

Q. Have you any correspondence bearing on this matter? A. No.

Q. Did the importers hold meetings to regulate matters outside or inside of this Board of Trade Section? Did the importers hold meetings of their own independent of this organization? A. I was not present at the meeting where the Committee came over.

Q. I do not mean that. Do the importers hold meetings independent of this association? A. No, not since this association was formed. Not that I know of.

Q. For instance, this fixing of the prices at which retailers should be supplied. You say that is fixed by the Executive Committee? A. Yes.

By the Chairman :

Q. But suppose most of them were second hand dealers, they could fix the price at \$1 if they chose? A. But the by-law prevents that. It provides that the Committee is elected annually, that five of the Committee are importers and four small dealers.

Q. Leaving a majority of importers? A. Yes.

Q. They really rule? A. Yes.

By Mr. Boyle :

Q. In these contracts you speak of do the large institutions give the retailers the privilege of tendering? A. They never do. They have the privilege, but they never do, because they are in such a small way that they are not able to handle it.

Q. Do you ever participate in the bonuses paid by successful tenderers? A. Only so far as that portion of it goes into the association.

Q. But the premium is divided among the importers? A. Yes; less one-sixth, which goes into the general fund.

Q. That is intended as expenses for running the organization? A. Yes; so that it really does not cost them anything.

Q. \$100 goes into the general fund and \$500 into the pockets of the importers? A. Yes.

By Mr. Guillet :

Q. Then there is an understanding with the dealers that they will not sell to any one outside of the ring in Toronto? A. Yes.

Q. Do you have any understanding or agreement with them that they will not sell to any one outside of your association. A. Yes.

By the Chairman :

Q. As a matter of fact, have those dealers tried to be importers? A. I believe that two or three of them organized to import.

Q. Who are these men? A. Mr. Bell and Mr. Coulter, and these are the only two new ones.

Q. Mr. Bell was chairman last year, was he not? A. Yes.

Q. But he was not allowed to import? A. Oh, yes.

Q. They are all allowed to import? A. Oh, yes.

Q. Do they import? A. There is a case in point.

Q. You say they organized to import, but I did not understand that they had succeeded? A. Yes.

Q. But they took no steps? A. No restriction whatever about it.

By Mr. Boyle :

Q. If it suits them they import? A. Yes.

Q. As a general rule it does not suit them? A. They can buy cheaper from the other dealers.

Q. Do you know what the sum total of these bonuses were last year? A. \$2,800.

By Mr. Guillet :

Q. I see that you have passed a resolution amending the by-laws that the words "except at regular fare rates be struck out." What did that apply to? A. Car rates.

By Mr. Landry :

Q. If one outside of your association altogether was to endeavor to import large quantities of coal, could he get it at the same price as you do? A. There would be no law against any one importing.

Q. But outside of your association? A. I do not think there would.

- Q. You know that there would not? A. No.
- Q. They get a list of your members? A. Yes.
- Q. You have the names of the large dealers? A. I have to furnish the secretary of the anthracite committee in Rochester so that they know.
- Q. Would they give a higher rate? A. The first question they ask is, are you a member of the Toronto Board?
- Q. And then they refuse to sell? A. Yes.
- By the Chairman :*
- Q. And they cannot be members of the Toronto Board unless they take the oath? A. They cannot.
- By Mr. Boyle :*
- Q. What are the qualifications for becoming a member? A. They have to be a member of the Board of Trade.
- Q. Is it very difficult to get in? A. No.
- By Mr. Gullet :*
- Q. Does your association regulate the prices of wood? A. Only where it could be sold in connection with coal.
- Q. Then you do by tendering for coal, tender for wood at association rates? A. Yes.
- Q. For wood as well as coal? A. In the case of tenders so as not to cut out the wood.
- Q. So that it will not out out the coal rates. A. Yes.

THE HOUSE OF COMMONS, 22nd March, 1888.

The Select Committee on alleged Trade Combinations met at 10 a.m., with Mr. Wallace in the chair.

PETER LARMONTH, sworn.

By the Chairman :

- Q. What is your occupation? A. Accountant.
- Q. Where is your residence? A. Ottawa.
- Q. Are you the secretary of the Coal Cartage Company? A. Yes, sir.
- Q. What is the nature of that organization? How is it incorporated? A. It is incorporated by a charter from the Ontario Government.
- Q. Who are the principal incorporators? Who are the members? A. C. C. Ray holding 25 shares, James Cowan holding 25 shares, and G. W. McCullough—
- Q. What is the amount of the shares? A. \$100.
- Q. How many shares for McCullough? A. 48 shares, H. H. Cameron 2 shares, J. G. Butterworth 48 shares and W. B. Ross 2 shares.
- Q. Making a total of how much stock? A. \$15,000.
- Q. That is 150 shares at \$100 each? A. Yes, sir.
- Q. How much of that is paid up? A. It is all paid up.
- Q. Cash? A. Yes.
- Q. Is it in cash or plant or material? A. Partly plant, yes.
- Q. And partly cash? A. Yes, partly cash.
- Q. How much plant and how much cash? A. If I remember rightly the plant brought in was \$5,000.
- Q. What is that? A. Carts, horses and harness.
- By Mr. Landry :*
- Q. How long has it been in existence? A. One year last May; the first July was the beginning of the company.
- By the Chairman :*
- Q. That is you have had two full seasons' business? A. Not yet; it will be two years next July.

Q. That will be two years, that is, the best business part of two years. What is the nature of your coal cartage business? A. These coal merchants bring in coal and give it to the Coal Cartage Company at cost price. Then the coal carters sell to them by order.

Q. They give it to the Coal Cartage Company at cost price? A. Yes.

Q. At whose premises or property is it delivered? A. At the sheds of these coal merchants.

Q. It does not go out of their own possession then? A. No. It is in the possession of the Coal Cartage Company after it is purchased by the Coal Cartage Company.

Q. It is in the yards and sheds of these private individuals? A. Yes.

Q. They have leased their sheds and ground to the Coal Cartage Company? A. Some of them are leased.

Q. Leased to this Coal Cartage Company? A. Yes, leased to this Coal Cartage Company.

Q. The Coal Cartage Company buys all these supplies of coal at cost price? A. At cost price, and the Coal Cartage Company deliver it to customers.

Q. Who sells the coal? A. The Coal Cartage Company sell it. That is the dealer gives his orders to the Coal Cartage Company to deliver the coal.

Q. Who sells the coal? A. The Coal Cartage Company sells the coal.

By Mr. Guillet :

Q. Who takes the order? A. The different dealers take the orders. A. All the coal bought by these dealers, is bought through the Coal Cartage Company.

Q. About the quantities of coal, which each dealer supplies, how is that regulated? A. There is no regulation.

By the Chairman :

Q. Everyone buys as much coal as the other? A. Yes, and in the best markets and hands it over to the Coal Cartage Company at cost price.

Q. The Coal Cartage Company sell it? A. Yes.

Q. Who fixes that price? A. It is fixed by the directors.

Q. Who are the directors? A. They are all directors, the six of them.

Q. The six men whose names you have read out. A. Yes.

Q. They are the directors? A. Yes.

Q. They are the Coal Cartage Company? A. Yes.

Q. These men buy the coal and sell it to themselves, and then buy it back again, at an increased price? A. Yes.

By Mr. Landry :

Q. How is that—

By the Chairman :

Q. They get it at cost price, Mr. McCullough takes an order for coal from a citizen what becomes of that order? A. It is handed to the Coal Cartage Company and the Coal Cartage Company deliver it.

Q. Who collects? A. Mr. McCullough collects from his customers, and the Coal Cartage Company collects from Mr. McCullough.

By Mr. Guillet :

Q. At what advance? A. At the regular retail price.

Q. What do you charge McCullough for it in turn? A. Just exactly what he sells it for.

By Mr. Landry :

Q. Do you say that these people act for nothing? A. No, certainly not.

By the Chairman :

Q. Then the coal is delivered by the Cartage Company not by the private individual, but each private individual takes an order and that order is sent to the Coal Cartage Company, and the private individual collects the amount of that? A. From his customer.

Q. How much does he pay over to the Coal Cartage Company? A. He pays the full price for which the Coal Cartage Company sells to him.

Q. He does all this work and hands the full amount over to the Coal Cartage Company? A. Yes.

By Mr. Landry :

Q. He gets his profit by getting a dividend at the end of the year? A. Yes.

Q. According to the capital or on sales? A. No. According to the capital.

Q. These merchants were all members of the company? A. Yes. There are other dealers in the city who get the company to deliver their coal for them, because they suppose they can deliver it cheaper than if they had their own horses.

Q. Who are they? A. Thompson, Clemow and Brown. These all deal with the Coal Cartage Company.

By Mr. Guillet :

Q. They are not stockholders? A. No.

By the Chairman :

Q. Have they no connection with the company? A. No.

By Mr. Wood :

Q. They make nothing at all? A. We simply have the coal delivered.

By the Chairman :

Q. How much coal did the Cartage Company handle last year? A. 31,900 tons.

By Mr. Boyle :

Q. Do the merchants who sell the most of the coal, those who sell the largest quantity, derive any extra benefit from that large sale. If one member of the Coal Cartage Company sells 5,000 tons, while another member takes orders for only 1,000 tons, is there no distinction? A. They simply pay a dividend on the stock as far as the Coal Cartage Company are concerned.

By the Chairman :

Q. For instance you read out two men who had two shares each of stock? A. Yes, that is one-twenty-fifth of the whole stock. Do they only get one-twenty-fifth of the profits? A. That is all.

Q. These four men, the remaining directors, what did they get as profits, or what did they get last year? Can you give us the sales for each individual member of the firm, that is the sales made by each, individual member? A. I can do that with some trouble.

By Mr. Landry :

Q. Take the two share men and the 48 share men? A. The men who have only two shares are not dealers in coal.

By Mr. Boyle :

Q. I understand you to say that they derive the benefit of the other men's industry? A. Certainly, they have that stock paid up. If every cent is paid up they get their dividend.

Q. And these different gentlemen of the Coal Cartage Company are paid nothing else for selling the coal? A. No, sir, not a cent.

Q. How do you pay Senator Clemow? A. He derives the profit on the amount of his tonnage.

Q. He is not a member of the company? A. No.

Q. What is he? A. He participates in the profits of the company.

Q. And he is not a member of the company in any way? A. No.

Q. The members of the association account for the whole amount afterwards?
A. Suppose they arrange with Clemow, and say, if you sell 3,000 or 4,000 tons of coal, we will give you one-eighth of the profits, provided you sell at our prices.

By Mr. Guillet :

Q. He gets his own profits besides? A. He sells at the prices.

Q. He hands over the coal to you then, practically, that is the coal he sells?
A. He sells the coal and he pays us every month.

Mr. BOYLE.—He simply acts as an agent.

The CHAIRMAN.—He is practically in the same position as the others.

Mr. LANDRY.—He gets a fixed amount as profits.

By the Chairman :

Q. What did he get? A. I think it is one-eighth.

Q. What did he get last year, what amount did he receive from the company last year? A. He got \$3,510.

Q. From your company? A. Yes.

By Mr. Wood (Westmoreland) :

Q. Of profits? A. Yes.

By Mr. Landry :

Q. How much coal did he sell? A. Something over 4,000 tons.

By Mr. Guillet :

Q. What was the profit—one-eighth? A. It was that last year. I forget what it was this year.

By the Chairman :

Q. What service did he render for that \$3,510? A. He sold 4,000 tons of coal; he has not got his money yet I presume.

Q. He didn't handle the coal? A. He simply gave us the orders.

Q. Then the Coal Company forwards it from the other side; your Cartage Company takes charge of it at the cars? A. Yes. When it arrives here, and they deliver it for all these dealers to their customers.

Q. And on the amount that he sold the profits handed over to him will be \$3,510? A. Yes.

Q. Were there no other persons paid in that same way? A. No.

Q. Thompson must have been? A. No, sir, not last year; this year. This year there is Clemow, Thompson and Brown.

Q. Three? A. Yes.

Q. How does their account stand so far? A. I don't close the books until the end of April.

Q. The year's work is pretty well over? A. There is a good deal of coal to deliver yet.

Q. How does this account stand? How much did you pay over to Mr. Clemow? A. The amount he has received?

Q. Yes. A. He has received \$1,800 on account of this year's profits so far.

Q. How much does Mr. Thompson receive? A. \$2,500 on account of this year's profits, and Mr. Brown had received \$1,700.

Q. That is \$6,000 between these three? A. Yes.

Q. What have the members of the firm received? A. The firm have received \$1,800 each.

By Mr. Guillet :

Q. The large dealers? A. Yes.

By the Chairman :

Q. How many of them are there? A. Three.

Q. Have they received that much already? A. Yes.

By Mr. Boyle :

Q. That is each one? A. Yes, each one of these three large dealers.

By Mr. Landry :

Q. They have an equal amount of stock in the company? A. Yes.

Q. That is \$100 for each of their share? A. That is only two of them.

Q. Who are the other ones? A. Cowan and Ray, representing 25 shares each.

By the Chairman :

Q. Two men have 25 shares, 2 men 48 shares, and 2 men having 2 shares? A. Yes. They don't deal in coal they simply get a dividend on their stock.

Q. Who are they? A. W. D. Ross and H. H. Cameron.

Q. What is their business? A. One is a gentleman at large, and the other is a book-keeper.

Q. How much have they received? A. \$446.

Q. Is that for each, on an investment of \$200.

By Mr. Boyle :

Q. They have'nt received benefit? A. No, sir, we haven't declared any dividend.

Q. These other men have already received on account of dividend—Clemow has received \$1,800 on account, and some one else \$2,500? A. Yes.

Q. And three members of the company \$4,800 each on account of this year's profits? A. Yes.

Q. \$446 received by two members? A. It was their earnings of last year on \$200 stock.

By Mr. McDougall :

Q. From whom do you import? A. The Delaware and Lackawanna Company, and the Delaware and Hudson and Ogdensburgh. The Cartage Company import practically nothing, they buy through the dealers here.

Q. Who are the dealers? A. C. C. Ray and Company, McCullough and Butterworth.

By Mr. Landry :

Q. What is the total number of tons sold last year? A. 31,000 tons.

Q. What was the profit? A. The gross profit on that was \$33,483.

By Mr. Casgrain :

Q. In what space of time? A. The season of last year.

By Mr. Guillet :

Q. Ending with? A. The 1st of May.

By Mr. Landry :

Q. What was the average price per ton it was sold at during the season? A. It commenced at \$6.50 in the spring, and it went up to \$7.50 last winter.

Q. This is fixed and regulated by the directors, you say? A. It went up \$1 a ton.

Q. That going up was fixed by the directors? A. Yes.

Q. Tell me what profits the other people dealing in coal had. Is there any other person who deals in coal outside of yourselves? A. Certainly.

Q. There are others? A. Yes.

Q. Who have nothing to do with this company? A. Yes.

Q. Who are they? A. Easton was one, and I think Harris deals in coal. That is all I know of just now.

Q. They deal directly and have their own customers? A. Yes.

Q. Do they sell or do they undersell your price? A. Yes. Now and then I hear of a cutting of 25 cents per ton. I think generally they sell at the same price.

Q. With no understanding? A. No understanding whatever.

By Mr. Guillet :

Q. Why don't they come into this association? A. I don't know.

Q. Were they notified? A. I could not say.

Q. Do they buy from the same parties? A. Yes.

Q. Your arrangement is simply within yourself? A. Yes.

Q. Have the American companies that you buy from put any pressure on you to make an exclusive arrangement? A. No, sir.

By Mr. Landry :

Q. And you have no arrangement with them that they must sell to nobody else? A. Certainly not.

By Mr. Wood (Westmoreland) :

Q. Do you by your arrangement, or have this company organized, effect a saving in any way in the delivery of coal? A. There is a great saving in the delivery.

Q. How much? A. I suppose at least 10 cents per ton.

Q. You think you can deliver 10 cents cheaper than the other two men? A. Yes, I think so.

By Mr. Landry :

Q. On account of your organization? A. Yes.

By Mr. Wood (Westmoreland) :

Q. As to the saving? A. I think there is a saving. One man attends to 35 or 40 horses instead of attending to only 4 or 5 horses, and there is a saving of a weigh master.

By the Chairman :

Q. That would enable you to sell coal cheaper? A. Yes.

Q. Do you sell it cheaper? A. I think the amount of this thing was, that coal was cheaper last year than it ever was before by \$1 a ton.

By Mr. McDougall :

Q. Is this anthracite you refer to as \$6.50? A. Yes.

By Mr. Guillet :

Q. What was it this current year? A. I think it was 50 cents a ton more than it was last year.

Q. That would be from \$6.75 to \$8? A. Yes.

Q. That is now? A. Yes.

By the Chairman :

Q. Can you account for that? A. Coal is dearer.

By Mr. Landry :

Q. You buy it dearer? A. Yes.

By the Chairman :

Q. As a matter of fact, it was sworn to here, that for the three months of May, June and July, the price was the same in Oswego, in 1886 as in 1887? A. Yes, but we purchased afterwards.

Q. For these three months, it was sworn to here, that coal was the same in 1886 as in 1887? A. I don't remember it now.

Q. Give us the price that this coal was delivered to your merchants? A. I haven't the prices. I simply credit it from the invoices at the end of the month.

Q. We want the prices that this coal was delivered to the Cartage Company for, and the prices it was delivered for each month? A. I cannot tell you.

Q. You must give us the information? A. I simply credit the invoices for the month.

Q. No price mentioned per ton? A. No, simply the quantity.

Q. Have you the invoices? A. They are in the possession of the Coal Cartage Company.

Q. You are the secretary of the company? A. Yes.

Q. We want that. We require you to bring that, if this book does not give it? A. It does not give the quantity or the price.

By Mr. McDougall :

Q. Do you sell by the long ton or short? A. Short.

Q. Buy the same way? A. No, long ton.

By Mr. Guillet :

Q. You say yourself never approached these outside men, do you know of any others who done so? A. I could not say.

Q. Were there any resolutions passed? A. No.

Q. You have a minute book? A. Yes.

Q. Did you bring that? A. No, there was no minute.

By Mr. Boyle :

Q. Have your different members for taking orders, separate offices? A. Yes.

Q. Do they employ any clerks? A. Yes, every one of them.

Q. As to the rental of these places, do you charge as part of the expenses? A. Not of this company. The profit I mentioned to you is the gross. They have all their office expenses apart from this.

Q. Do we understand you to say that the members of the company individually, will go to the personal expense of securing orders, and that the benefit of these orders goes to the company? A. Yes, sir.

Q. As a matter of fact, does it not seem strange that they would do that? A. I think not. They are satisfied with the profits they receive from the Coal Cartage Company, and they pay their office expenses out of it.

Q. The profits are determined by the amount of stock that each member sells?
A. The amount of profits.

Q. The amount of stock? A. The profits are based on the amount of stock. The share of profit is based on the amount of stock, but certainly the profits of the business are simply on the sales the same as any other business.

Q. Have these different members any other profits out of the transactions, other than the gross profits of the company? A. No, sir; none.

Q. One member may go to the expense of \$3,000 or \$4,000, while another goes to the expense of only \$1,000, in taking orders? A. Exactly.

By Mr. Casgrain :

Q. They are satisfied with the result, at any rate? A. They are satisfied with the result.

By Mr. Landry :

Q. If I understand you those who deal in coal directly as individuals and belong to the company, they are not paid for any expenses they may be put to beyond that? A. No, sir.

Q. You take those who have stock in horses and carts, and such like, are they not paid for these services outside of the profits? A. Certainly not.

Q. They are not? A. No.

Q. These horses and carts and men hired, by whom are they paid? A. The men are employed by the Coal Cartage Company and are paid by the Coal Cartage Company.

Q. Out of these gross profits? A. Yes.

Q. These profits are net as far as the company is concerned? A. Yes.

By Mr. Guillet :

Q. This \$33,000 is net? A. Yes.

Q. You are speaking of that gross? A. It is gross in a way, the dealers have to pay their rents out of it.

Q. What were the gross profits of the company? A. I will tell you, sir ; \$4,639.

By Mr. Lanary :

Q. What is the total amount of their receipts, can you tell me? A. The total amount of receipts?

Q. Yes? A. The amount of coal sold?

Q. Yes? A. \$24,730.

By the Chairman :

Q. What is the expense account now? A. Well, I will give you that. The gross profit was \$4,639. The cartage on coal, \$11,902, and the expense account was \$1,539.

Q. That is the expenses outside of the cartage? A. Yes. Then there is an industry account which is \$2,291.

Q. How had the cartage company interest? A. They have. It costs \$62,000 above their capital to run their business.

Q. These individuals don't pay for any coal? A. They have paid for their coal.

Q. The coal that you take possession of at the railway station, who pays for that coal? A. The Cartage Company pays at once for it. The company pays these individuals every month.

Q. Then the individuals haven't any capital at all in it? A. Well, yes. These names I mentioned have \$15,000 in it.

Q. Outside of their stock they have no money in the coal business outside of \$15,000 stock, and you paid for the coal as it came every month, and the private individual then don't pay any money for the coal? A. He had to pay for the coal. We paid him and he paid the party from whom he purchased every month.

Q. The money was simply handed over? A. Exactly.

Q. You handed it to him and he handed it to the man from whom he purchased?
A. I think so.

Q. So he had nothing except his capital in this at all? A. Except what capital they employ in their different offices. They have sometimes from \$15,000 to \$20,000 worth of coal out, not paid for.

Q. What was the interest account? A. \$2,291 for the year.

Q. What was the total amount of coal sales? A. The sales were \$24,730, and the gross profits were \$4,639, then less the cartage and expense account \$3,850.

By Mr Landry:

Q. There must be some mistake there, \$11,000 from \$40,000 would leave less than \$33,000? A. Yes.

Q. What was the net profit? A. \$33,000.

Mr. BOYLE—\$40,000 is after deducting the cartage?

Mr. LANDRY—Oh, yes.

By the Chairman:

Q. What reduces it? A. There is the expense account and interest to come off that \$3,850 and \$3,510 paid to Mr. Clemow.

By Mr. Casgrain:

Q. Can you sum up the net profits at so much per cent. so that the Committee can see the result of the operations? A. That is the net profit on the whole business for the year.

Q. What would it amount to, at so much per cent—

By THE CHAIRMAN—The capital was \$15,000 and the net profit \$33,000. The result would be about 222 per cent.

By Mr. Casgrain:

Q. Is that your conclusion? A. That is about it.

By Mr. Boyle:

Q. Have you any idea of the expenses of conducting these different offices? A. It was estimated that it cost them about 48 cents a ton—that is, these different offices—which would leave them a profit of a little over 50 cents per ton.

Q. Has no return been made to the company by these members of their expenses? A. No.

Q. Do they never express any dissatisfaction at the apparently unequal way of doing things? A. No.

Q. Do these members who have just two shares each who received \$446 each, last year, contribute in any way to the success of the company? A. No, sir, they are merely stock holders and directors.

By Mr. Wood (Westmoreland):

Q. They didn't sell coal? A. They did not sell any coal.

By Mr. Boyle:

Q. Yet they participate equally in the benefit they receive with those who do? A. Yes.

The CHAIRMAN—This question of profit; you said the net profits after all expenses were \$33,483 on 31,000 tons of coal. That is \$1.08 per ton?

Q. And the office expenses are how much? A. 48 cents per ton.

Q. That would leave 60 cents per ton net profit? A. Yes.

Q. What is it that cost 48 cents? A. Office expenses. Between \$500 and \$600 for rental, and the clerks cost from \$1,200 to \$1,500 a year.

Mr. BOYLE—It is an extraordinary thing to me that that should come out of the private resources of the different members.

The CHAIRMAN—What we haven't had explained yet, is what object a man would have in selling 1000 tons if he could make the same money by selling only 10 tons and no further expenses.

Mr. LANDRY—The 9,000 would have to be sold by some one else for him to make the same profit.

By Mr. Bain (Wentworth).

Q. That arrangement could not last very long? A. No.

By the Chairman:

Q. The witness says it cost 48 cents per ton for office expenses? A. That is merely an estimate. I don't know it as a fact. That is simply an estimate given me by one of the directors.

By Mr. Bain (Wentworth);

Q. Of course the witness cannot give that from his own personal knowledge?
A. No.

By Mr. Landry :

Q. There are very large profits made. Now the question comes how has it affected trade. Can you tell us how it has affected the trade from your own knowledge? A. From my own knowledge I believe it has been a benefit to the poor man's trade in Ottawa.

Q. Has it been a benefit to the consumers? A. I think it has been a benefit, as the poor man buys more coal in winter than the rich man.

By the Chairman :

Q. Is coal dearer this year than it was last year? A. Yes, 50 cents per ton.

Q. There was 50 cents duty taken off that makes it \$1? A. Yes.

Q. Do you know that at the first of this year it was at the same price as the first of last year? A. I know it was.

Q. Later on how much dearer was it? A. I could not tell you.

Q. How can you make the assertion that it is a benefit comparing it with the time that there was no combination? A. Because I know it is so, because at that time coal went up to \$8 a ton.

Q. That is to the consumer, you do not know what the price of coal was at Oswego or where it was bought? A. No.

Q. Well, how can you tell whether this combination is a benefit to the poor man. You say you cannot tell the cost price then, how can you tell that the dealers are making less profits than they did before? A. That I cannot say.

Q. How can you say? A. It is a known fact.

Q. How can you prove it? A. It is simply that coal is cheaper last year than it was the year before, most of the winter it was \$7.50 and the year before it was \$8, and the year before \$8.50. Coal was cheaper last winter than any winter since I have been in Ottawa.

Q. About these two men who had these two shares I want to understand what their profit was, how much did each man invest? A. \$200. They are simply brought in to make up the requisite number of directors.

Q. The 2 share men got \$446 for themselves? A. Yes; they are stockholders holding an annual amount. They are required to hold two shares.

By Mr. Guillet :

Q. Without doing anything at all they make this \$446? A. Yes.

By Mr. Casgrain :

Q. As a matter of fact before the closing of navigation, when the stock of coal is in the city for the winter, do the company you speak of command the market alone? A. No, sir; there are other dealers in the city.

Q. To a large extent? A. Not very large.

Q. That is exactly the point I was coming to, whether their stock can influence yours? A. I could not give any evidence with regard to that.

By the Chairman :

Q. What has been your prices on the sale of coal during the fall and winter?
A. It went up to \$8 per ton.

Q. Give me the prices right along for each month? A. That I can't do.

Q. Do they change every month? A. Not every month.

Q. Are you the secretary of the company? A. I don't know. I simply post the invoices; I don't look after the prices. I look after the details of the office, but I don't look at the prices.

Q. You have the minutes of the proceedings of the company? A. Yes.

Q. You have the invoices? A. Yes.

Q. I think it is necessary to have the invoices here and also the minute book?
A. All right.

By Mr. Landry :

Q. Do you keep the minutes of the directors' meetings? A. There is nothing in them.

Q. Would there not be their resolutions fixing the prices? A. No; I think they have minutes of their own.

Q. Who was their secretary? A. One of the committee.

The chairman asked if it was the pleasure of the Committee to ask the witness to produce the invoices and minute book, and the Committee assented.

By Mr. Boyle:

Q. We have got the gross result of this business and also the net result; we have got the organization of the company and the purposes for which it was organized. Will there be any new light on the subject by getting these minutes and papers?

The CHAIRMAN—I think so, we want to see the whole of the operations of this arrangement. It seems to be the most scientific organization that we have met with.

Mr. BAIN (Wentworth)—And the best paying one.

By Mr. McKay:

Q. Have you asked the witness yet how much it costs to deliver a ton of coal to a customer? A. About 46 cents, that is the average.

By Mr. Boyle:

Q. Have you a statement of the individual orders of these large dealers. A. I have separate accounts in this book.

Q. Can you give me the quantities of each important one? A. I can give the amount, but not the quantity.

Q. Are they nearly equal? A. Yes, they are nearly equal.

Q. What are the figures? A. There is a good deal of addition in that.

Q. You can figure that up and present them before the examination closes.

(The witness afterwards gave the figures as follows: Mr. Butterworth, sales \$61,511; Mr. McCullough, sales \$53,588; Mr. Ray, sales \$52,227)

By Mr. McKay:

Q. Did you hire teams outside of your own teams? A. Yes, sometimes.

Q. What did you pay them? A. I don't know, in the fall months of September and October, I think that they got extra horses.

Q. What is the sum you paid fall or winter? A. I could not say.

Q. What did you pay your hired teams generally? A. I could not say.

By Mr. Landry:

Q. Who attends to that? A. We have a man attending to all that.

Q. He is paid through the year? A. Yes.

By Mr. Bain (Wentworth):

Q. You are simply the book-keeper? A. That is all I do.

Q. Where do the yards come in? Do they belong to the company or private individuals? A. They belong to private individuals.

Q. Each one has his own yard? A. Yes.

Q. Part of the expenses then are for rent of the yard, or are they not allowed for yards? A. No, they have the yards individually, and we pay the men and horses and all expenses connected with delivery of coal.

Q. Does each man have a yard of his own? A. Yes.

Q. Are these yards about the same size? A. I think the sheds are about the same size.

Q. I understood you, that the expenses of the individual coal dealers have been estimated at 48 cents per ton? A. Yes.

Q. Is the use of these yards included in that 48 cents? A. Yes.

By the Chairman:

Q. It does not cost 48 cents to deliver a ton of coal? A. That means the cartage and putting it in the shed and delivering it to a customer.

By Mr. Wood (Westmoreland):

Q. Where is this coal purchased? A. From different companies. From the Delaware and Lackawanna and from the Delaware and Hudson.

Q. Does that company purchase as a company? A. They purchase from these dealers here.

Q. Each individual dealer orders coal, the same as at his own yard? A. And sells it to the company.

Q. He orders it from any company he chooses? A. Yes.

By Mr. Bain (Wentworth):

Q. This is all anthracite coal we are discussing?

By Mr. Wood (Westmoreland):

Q. So I understand it. Each dealer buys without consulting the others? A. Certainly.

Q. There is no joint action? A. There is no joint action.

Q. The invoices of each dealer are charged to the company? A. Yes.

By Mr. Guillet:

Q. How do you contract for coal for any organization? A. It is generally by tender.

By the Chairman:

Q. You have a company and this company regulated the price at which coal shall be sold? A. Yes.

Q. Is there any penalty for anyone selling under that price? A. Not that I know of.

Q. There is no object in selling it under? A. No.

By Mr. Guillet:

Q. Do you tender as a company when supplying coal? A. No, sir: We never tender as a company.

Q. Each individual tenders? A. Yes. They may arrange among themselves, I could not say.

By Mr. Wood (Westmoreland):

Q. How do they regulate the quantity of their orders if each buys what he chooses without consulting the others, they might get an overstock? A. They must consult with regard to the amount purchased. Oh yes, I think so.

W. H. EASTON, SWORN.

By the Chairman:

Q. What is your occupation? A. Coal dealer.

Q. What is your address? A. Canal Basin, Ottawa.

Q. You are a dealer in coal? A. Yes.

Q. Are you in this combine or corporation which has been formed for the regulation of matters of coal? A. No, sir.

Q. Have they asked you at any time to become a member or join in with them? A. Yes.

Q. But you have refused? A. Yes.

Q. It has been stated by the last witness, as his opinion, that the result of the formation of this company to regulate coal matters, gave the citizens of Ottawa cheaper coal. You have knowledge of the fact. What is your knowledge? A. It gives them dearer coal, certainly.

Q. In what way? A. For the simple reason that the combination control the market. They make these prices of coal just as they wish. If coal was worth \$8 per ton last year and the duties taken off from last year, coal should be selling now \$7.50. They have raised the price to \$8, and of course being in the ring, they have the whole thing within themselves. They can regulate the price.

Q. A coal dealer in Toronto said the net profits were not more than 25 cents per ton; what do you think of that statement? A. I think if he added \$1 to it, he would get nearer right.

Q. Is that 25 cents correct? A. I don't think it. I don't know any man who would go into business to the extent of \$24,000 or \$25,000 and only get a profit of 25 cents per ton on it.

Q. Has this coal combination interfered with other persons dealing in coal? A. Yes.

Q. Have they interfered with you? A. Yes.

Q. In what way? A. They make me pay about \$1.75 per ton extra for coal.

By the Chairman:

Q. These invoices read the 25th August—Messrs. Easton and Company 31 tons gross, 35 tons net, egg coal \$5.10—that is for the net ton—\$178.78. When was that? A. The 25th August, 1887.

Q. The 25th August, 1887, nut coal \$5.25, 93 tons of nut coal at \$5.25? A. That is delivered in Ottawa on cars.

Q. August the 18th, 1887, 58 tons of nut coal at \$5.25, \$305.

By Mr. Boyle:

Q. What kind of coal is that? A. Stove coal.

Q. That is dearer than egg? A. Stove coal is dearer. Chestnut is the same price. Egg is 20 cents a ton less.

By the Chairman:

Q. Have you any other invoice prices? A. Yes. (Hands invoices to Chairman.)

Q. November the 10th, 1887, Messrs. Easton & Company bought of James Swift 22 tons stove coal at \$7.05 delivered in Ottawa—How do you account for the advance from \$5.25 to \$7.05—that is \$1.80 per ton?

Q. Here is November the 11th, 17 tons of nut coal at \$7.05. Here is the same price as that stove. Why is this difference of \$1.80? A. We were getting our coal through Swift directly from the Delaware and Lackawanna Coal Company and we got the coal. This is the wholesale price, \$5.25 is the wholesale price, but Mr. Swift had the difference between the gross and the net ton and we were working on Mr. Swift's capital in paying him the difference between the gross and the net, 240 pounds on the ton.

By Mr. Wood (Westmoreland):

Q. Are all these prices for the gross tons?

The CHAIRMAN—I have quoted all the net prices.

By Mr. Wood (Westmoreland):

Q. There is \$1.80 difference between the two net. Go on now? A. We could not get any more coal. Swift was shut off from getting coal from the Delaware and Lackawanna Coal Company, by the action of the coal ring in Ottawa.

Q. Who is Swift? A. A dealer in Kingston.

By Mr. Fisher:

Q. You say he was shut off by the action of the ring in Ottawa? A. He could not get his coal from the Delaware and Lackawanna Company, because we were selling against the coal ring in Ottawa, but he could get the coal he required for himself on the understanding that he was not getting it for us in Ottawa on his order.

Q. The Delaware and Lackawanna people told him that? A. Yes, sir.

By Mr. Bain (Wentworth):

Q. They refused to deliver it? A. They refused to sell him any coal that would come into Ottawa, that is in this district, against the interests of the coal business here.

By the Chairman:

Q. You paid \$1.80 more, how does that affect your business? A. All the money I made last fall and summer I lost through this. During the summer I delivered 5 or 6 tons on fair sized orders to keep them going, and of course they would not pay me for this coal unless I finished the orders. I had taken these orders at \$6.50 and had to pay \$7.05 for the coal; the cartage was 30 cents and the weighing 5 cents, which brought the price of my coal to me up to \$7.40 per ton, and I delivered that coal at \$5.50. I had to do it to get back my money for the coal which I had been delivering through the city.

Q. What was this ring—I suppose we may call it a ring? What were they selling coal for when you were selling it at \$6.50? A. They were selling it at \$7.50.

Q. You were selling it at \$6.50? A. Yes.

Q. Did you make the contracts for the season \$6.50? A. I made contracts with different parties for the delivery of 40, 50 or 60 tons at \$6.50, and when I was shut off from getting this coal direct from the mines I could get no coal, and Swift sent over to Oswego and brought over a schooner load of 500 tons of egg, and 300 or 400 tons of stove and chesnut which was landed at the Kingston dock, and it cost \$2.00 per ton to carry that coal from Kingston to Ottawa by rail over the Kingston and Pembroke Railway and the Canadian Pacific Railway.

By Mr. Bain (Wentworth):

Q. You are in the habit of contracting during the summer for autumn deliveries in that way? A. Yes.

Q. As matter of fact that is usually the case is it not? A. Yes.

Q. How do you save yourself. Are you able to get deliveries in advance sufficient to enable you to deliver all the coal during the summer, that is your summer orders? A. If they hadn't shut off the supply I could have filled these orders at \$6.50 per ton.

Q. Swift would have delivered to you through November notwithstanding the rise of price at the mines? A. It was simply this. If Swift could get the coal from the mines of course I could have delivered it.

Q. I am only asking as to the economy of the business. I understood from the other coal dealers that it was usual for the companies on the American side to put up the coal about the 1st November, and refuse to contract except from month to month, for each month's delivery? A. They generally raise the price from 10 cents to 25 cents per ton, and if you contract for 300 or 400 tons of coal to be delivered at once you can get it.

Q. If they do advance 25 cents you can still stand it? A. Yes; the different dealers try to get all the orders they can during the summer; if I could get an order and make 25 cents per ton we would take the orders.

By the Chairman:

Q. You heard Larmonth's statement, that coal was sold cheaper in Ottawa because of this combination, what do you think of that statement? A. I cannot see it.

Q. The combination prevented you from selling and being able to sell at \$6.50 per ton? A. Yes.

Q. They sold at \$7.50, advancing the price \$1.00 is it? A. Yes.

By the Chairman:

Q. I have a statement here: Columbus and Hocking Coal and Iron Company, Miners of Straitsville, Monday Creek and Hocking Coal;

COLUMBA, OHIO, 1st January, 1888.

W. H. EASTON, Ottawa Ont.

DEAR SIR,—For the present the following will be our price for coal per ton of 2,000 pounds delivered on cars at mines \$4.50. Freight from mines payable by consignee \$1.50. Total \$5.50.

By Mr. Guillet:

Q. What year was that?

The CHAIRMAN.—1st of January, 1888.

By the Chairman:

Q. This is soft coal, is it? A. American soft coal for open grates.

Q. What was the price in Ottawa on that date? A. \$8.50 per ton.

Q. And the price delivered here was \$5.50? A. And 60 cents added to that for duties.

Q. That would make it \$6.40, and there would still be \$2.10 per ton profit.

Mr. FISHER.—That would still be a gross profit of \$2.10.

The CHAIRMAN.—There is also 46 cents expenses for cartage which would leave \$1.64.

WITNESS.—Our cartage is 30 cents.

By Mr. Fisher :

Q. Is that the cartage from the yard and to the consumer? A. Where we can we deliver all the coal from the cars to the consumer, and get it delivered at 30 cents per ton.

Q. If you put it into the yard and then deliver it? A. It would cost 60 cents, 30 cents putting it into the yard and 30 for taking it out.

Q. Do you deliver most of it from the cars? A. We generally deliver right from the cars to the consumer.

By Mr. Gillmor :

Q. Do the company do the same, do they deliver from the cars to the consumer? A. Yes as much as they can, of course; if there is a big rush in, they generally dump their coal to keep the cars clear. Of course, along the summer, when orders are not rushing, they put the coal in sheds where they hold it over for the winter.

Q. They estimate their cost of carting at 46 cents, you say it is 30 cents? A. We put in, nearly, 1,500 or 2,000 tons.

By Mr. Wood (Westmoreland) :

Q. 30 cents if you deliver it direct from the cars? A. Yes.

Q. If you put it in the yard and deliver it to consumers it is about 60 cents? A. Yes.

Q. What would you consider an average? A. Well, you pay 30 cents carting it to the yard and 30 cents out again, that is 60 cents.

Q. I mean taking the whole delivery of the coal for the year, some from the cars and some from the yard. What would the whole delivery average per ton? Mr. Larmonth said it cost them about 46 cents all the year round, per ton, on the average, taking what was delivered direct and what was yarded. Would that be a fair average between 30 cents and 60 cents? A. Yes. When you come to figure it up—putting it into the sheds. Of course there is a great deal of this coal comes in during the summer by navigation, and it costs 10 cents per ton to take it off the barges and put it into the sheds, that is just carrying it off and dumping it.

By Mr. McKay :

Q. You lost some money by filling the orders you took at \$6.50 per ton? A. Yes.

Q. You took these orders before the coal had advanced in price? A. We took the orders along from August to September.

Q. You took them at \$6.50 per ton? A. Yes.

Q. Did the other dealers charge the same price? A. Yes, the same price. They were selling at \$6.50 at the time I took these orders.

By Mr. Bain (Wentworth) :

Q. Last summer? A. Yes.

By Mr. McKay :

Q. How much did coal advance after that? A. It advanced in the fall.

Q. That is the time you filled your orders? A. I was filling orders in August and September.

Q. Several other dealers were in the same position? A. Just in the same position.

The CHAIRMAN.—That is not the statement Mr. Easton made. He said that they got the price advanced on him. Mr. Swift of Kingston was supplying him at \$5.10 and \$5.25 per ton, at that time, when these men interfered and prevented Mr. Swift from supplying him at the price he might have supplied him and the price was advanced \$1.80 per ton.

By Mr. McKay (Hamilton) :

Q. Yes; but would not the prices have advanced to Mr. Swift later on? A. Only 20 cents, but he was shut out from giving it to me.

By Mr. Boyle :

Q. 20 cents only was the advance? A. Yes.

By the Chairman :

Q. 20 cents on Swift and \$1.80 on Easton? A. Yes.

By Mr. Lanary :

Q. To whom had it only advanced 20 cents? A. Mr. Swift. Mr. Swift told me personally he could not get the coal.

Q. That may be proper evidence to come before the Committee, but I think we ought to have Mr. Swift here to know the reasons. Have you any evidence that this company, here in Ottawa, have manipulated this matter in order to get the price raised to you? A. They have told me themselves distinctly.

Q. Who was it told you this? A. Mr. Ray.

Q. That is one belonging to the company? A. Yes.

Q. That they had an arrangement. What did he tell you? A. Mr. Ray and Mr. Butterworth both told me distinctly, that they were perfectly justified in having me shut out of bringing coal into Ottawa against them, when they were getting their coal from the Delaware and Lackawanna Company, and that I was getting coal in when they could not get coal. Of course they use ten times the amount of coal I handle, but I had coal under contract herew hen they would be out of coal; they object to this, and, of course, used all the influence they had.

Q. What did they tell you? A. They told me just what I am saying, that they were perfectly justified in shutting us out from getting coal from the Delaware and Lackawanna Coal Company to work against them.

Q. Did they tell you how they managed? A. I know they managed through the Delaware and Lackawanna Coal Company.

Q. How do you know that? A. Swift gave me to understand so.

By Mr. Gillmor :

Q. You could not get your coal? A. No. He sent over and brought over coal by schooner.

By Mr. Landry :

Q. Do you know that this company here in Ottawa were getting their coal at \$1.80 less than they were willing to give it to you? A. Yes, I know that they can deliver coal here just as cheap as in Kingston.

Q. Do you know that they were, as a matter of fact, delivering this coal here at \$1.80 less than they offered to deliver it to Swift? A. Yes. I am certain that that coal was delivered by the Delaware and Lackawanna Company at that time, and it would not stand over \$5.05 net, delivered here.

Q. You are aware that they delivered it at Kingston for that amount, but have you any knowledge that they delivered it here for that amount? A. No, sir, I cannot tell that.

Q. You surmised they did? A. Yes.

Q. You surmised if it cost you that in Kingston, you surmised that they paid that there? A. He got his coal from Oswego. Swift got his coal from Oswego and brought it by cargoes to Kingston.

By Mr. Bain (Wentworth) :

Q. How much advance did that cost you to bring it here by rail? A. \$2.00 per ton.

By Mr. Landry :

Q. That wasn't from the same company that you were in the habit of getting it from? A. It was the Cook Company of Oswego. I know that he is the agent for the Delaware and Lackawanna Company.

Q. He could not get it from that company only at the advanced rate? A. Swift is a heavy dealer. He can get it at the same rate as they can get it here. When he could not get this coal for me he brought this from Oswego to help me up.

Q. That made it more expensive to you on account of freights? A. The freight from Kingston here was extra. He told me he could deliver it just as cheap at Ottawa as he could to parties at Kingston.

By Mr. Guillet :

Q. Because the transporting from the mines to Kingston would be no more than from the mines to Ottawa? A. Yes.

By Mr. Landry :

Q. Did you hear the evidence given to the effect that they were selling to other people at not less than they sold to themselves. Here we have one witness who says they have no arrangement. I understood him to say that they had no arrangements to prevent people from selling at what price they liked to anybody else?—

The CHAIRMAN.—This meant the people that this ring, here, sold to.

Mr. LANDRY.—The people from whom they buy had no arrangements that they should not sell to anybody else.

The CHAIRMAN.—He is positive in his evidence that he received coal at these prices until they raised it.

By Mr. Landry :

Q. Have you any positive evidence that it was not raised on these people here beyond 20 cents per ton? A. I don't know.

Q. Did you yourself apply directly to this company to buy from them and ask what they would sell to you for? A. I have, before I negotiated with Swift.

Q. How did you find it? A. I could not do any dealings with them.

Q. Does Mr. Swift belong to this company here? A. No, sir, he is a heavy dealer.

Q. Was it before the formation of this company or since? A. Yes, since.

Q. Then haven't you the same reasons to surmise that Mr. Swift has also an understanding with this company that he shall not sell to small dealers? A. No, or he would not have sent so much coal.

Q. You told him they would not supply you? A. They would not supply me. Swift could buy from the Delaware and Lackawanna Company.

Q. Didn't you surmise that they would not supply smaller dealers, but that they must do it through him? Was there not an understanding. Can you not easily surmise from that, that Swift had an understanding that they would not sell to smaller dealers? Wasn't he making a profit on you? A. Certainly.

Q. You could not get a contract from the company? A. No.

By Mr. Bain (Wentworth) :

Q. Why did the company refuse you? A. Of course the only way I can tell you is this, that the Delaware and Lackawanna Company was selling coal to dealers, and the Delaware and Hudson Company didn't wish to sell outside in Ottawa. They won't sell to a small dealer, I have tried the Hudson Canal Company and mostly all the companies, and they would not sell, because I didn't belong to the combination in Ottawa.

By Mr Landry :

Q. Did they write you? A. Warren, of Ogdensburg, told me he could not sell me a pound of coal, because, if he did, the coal dealers in Ottawa would not buy from him. I could not get coal that way and I had to buy it from Mr. Swift.

By Mr. Bain (Wentworth) :

Q. You tried these agents of the various companies? A. To give you an idea of it, McCullough, when I was paying \$5.25 per net ton, was paying \$5.25 per ton gross—that was his profit.

By Mr. Fisher :

Q. Swift has been in the habit of supplying you with coal up to a certain time, and then he could not longer supply you with coal at the same price. Did he give you any reason? A. He told me he could not get the coal from the Delaware and Lackawanna Coal Company.

Q. They would deliver it to him at Kingston, but they would not deliver to you at Ottawa? A. That is what I understand.

Q. Then you have to buy your coal through Mr. Swift delivered at Kingston, and you had to bring it here. They would deliver it to him at Kingston to do what he liked with it? A. He bought it at Oswego.

Q. They would not sell it to him at Kingston, to sell to you? A. Yes. He could not get it for me. He could send to Oswego and get all he wanted.

By Mr. Bain (Wentworth) :

Q. That means, it costs you about \$2 per ton more? A. Yes.

By Mr. Landry :

Q. Do I understand you that he could get all he wanted and do what he liked with it? A. Yes, at Kingston.

Q. Do you know whether at Kingston, the same company would sell to the small buyer the same as they sold to Mr. Swift, then delivering it at Kingston?
A. I cannot say that.

Q. Haven't you got reasons to believe that they would not? A. I don't know how many dealers there are there.

Q. You are not aware that there is any ring in Kingston? A. They are selling coal there for \$6 per ton when we are selling coal here at \$6.50 and \$7 per ton. They would keep it at that price, but here they would raise it each month.

Q. Previous to the formation of this company, here, were you in the business?
A. Yes.

Q. Your profits were then better than they have been on coal since? A. Yes.
By Mr. Fisher:

Q. At that time you got your coal at the same price as any other dealer here?
A. I used to get coal from other parties. We would run boats from Kingston and we would load lumber here for Kingston and return the barges with coal.

By Mr. Landry:

Q. How did you get your coal before the formation of this company? Did you get it from these large companies? A. No, sir, I got it from G. W. McCullough.

Q. Would he not make profits? A. Yes, I suppose.

Q. You got it from him at that time? A. Yes.

Q. Did he refuse to sell you coal now? A. I wish to buy coal, and they would not sell me unless I got all my coal from him.

Q. Previous to the combination you could get coal just as you wanted it?—

By Mr. Boyle:

Q. You say you were asked to join this Coal Cartage Company? A. The Cartage Company and the coal dealers I considered all one.

Q. You were asked to join that association? A. Yes.

Q. Were you ever asked to join this Coal Cartage Company? A. I don't know, it is only that McCullough asked me to come in and sell the coal at the same price and keep up prices.

Q. When was this? A. Last summer.

Q. What inducements did he hold to you? A. He didn't hold out any inducements.

Q. Did he represent to you that it would be to your advantage? A. Yes.

Q. In what way? A. We would keep the price at \$6.50. At the time that they were selling it, we found out that they were selling it to parties under that price. For instance, gentlemen like J. R. Booth and E. B. Eddy would buy 100 or 200 tons of coal from coal dealers and they would get it at less than if they only bought 10 tons. I knew that if I went into the arrangement, I would not have a chance of selling much coal.

Q. Did McCullough represent to you that in the event of your joining the ring or association that you would be able to buy coal any cheaper and on any better terms than if you were an outsider? A. No, sir.

Q. Generally, in your own business, did you do the same thing, give a little better rates to those who bought heavily? A. I did.

By the Chairman:

Q. You considered that it would not be to your interests to join in with this combination? A. No.

By Mr. Boyle:

Q. They could not offer you any inducements? A. No.

By the Chairman:

Q. You think you would not be able to sell as much coal at their prices? A. No.

Q. They would have it all to themselves? A. Yes.

By Mr. Wood (Westmoreland):

Q. What time did you say this combination commenced? A. I cannot tell you.
The CHAIRMAN.—Mr. Larmonth tells us the 1st of July, 1886.

By Mr. Wood (Westmoreland):

Q. When did the organization first prevent you from buying coal? A. I cannot tell you that; all I know is the time Mr. Swift notified me.

Q. When did Mr. Swift notify you?

Mr. BAIN—His first invoice is the 10th of November last.

By Mr. Wood (Westmoreland):

Q. Was that the first time you were notified by Swift that you could not get any more coal? A. Yes.

Q. November last—1887? A. Yes.

Q. You don't know when this company was formed? A. No, I do not.

By Mr. Casgrain:

Q. Are there any other coal dealers in the same position as you in Ottawa? A. There is another coal dealer here, Mr. Harris. He gets his coal from the Delaware and Hudson.

Q. Any other coal dealers besides that, not belonging to the combination? A. No, sir, there are only two of us out of it.

By Mr. McKay:

Q. You say Harris gets his coal from the Delaware and Hudson? A. Yes.

Q. He is not in this combination? A. He could not buy from the Delaware and Lackawanna.

Q. Can't you buy from the Delaware & Hudson, the same as Harris? A. No, for the simple reason that Harris has influence in the United States, where the combination are not able to shut him out.

Q. Did you get circulars from the different coal companies on the other side with prices? A. Yes.

Q. Have you any here? A. No, I haven't any here.

Q. Have you any circulars giving the prices of hard coal? A. No, I haven't.

Q. Did you get them? A. No, sir.

By Mr. Fisher:

Q. You have no means of buying direct from the coal companies in the States? A. No, sir.

By Mr. Bain (Wentworth):

Q. How does this coal company tender? A. As individuals.

Q. They tender as individuals? A. Yes.

By the Chairman:

Q. Have you tendered for any public tender for coal at lower price than the combination? A. No, I did not tender.

PETER LARMONTH recalled.

By Mr. Guillet:

Q. Have you had any correspondence with companies supplying outsiders with coal? A. Not one word.

Q. You don't know if such correspondence has passed? A. No.

Q. You haven't heard about it? A. No.

Q. You haven't discussed the matter? A. No.

By Mr. Bain (Wentworth):

Q. You don't attend the meetings of the Board or report the discussion in these matters? A. No.

By Mr. Guillet:

Q. As a matter of fact do you know whether parties have been written to not to supply coal to outsiders? A. No, I don't know anything about it at all.

Q. They keep their own private minutes? A. I think so, I don't know of course that they do.

Q. There are statements made to the effect that efforts have been made on the part of the company to prevent coal being sold to outsiders? A. I never heard of it.

GEORGE F. THOMPSON, of Ottawa, coal dealer, sworn.

By the Chairman :

Q. Are you a member of this incorporated company in Ottawa ? A. No ; I am not.

Q. Do you do business with them in some way ? A. Yes.

Q. Will you explain the nature of your arrangement with them ? A. Well, I am connected with the Cartage Company to a certain extent. I have an interest with them in the profits of the coal during the season. I get a certain share according to my tonnage. That is fixed from year to year. I get a certain proportion of the profits.

Q. Of the company ? A. Yes.

Q. You are not in the company but you are in somewhat the same position as Mr. Clemow ? A. Yes, Mr. Clemow, Mr. Brown and myself are on the same footing.

Q. Did you apply to members of the company ? A. No.

Q. Do you wish to become a member ? A. No.

Q. You buy coal yourself ? A. Yes.

Q. Then where does the coal go when it arrives here in cars ? A. For mutual convenience of the dealers, it is put in the name of the Ottawa Cartage Company.

Q. You hand it over ? A. Yes.

Q. And your invoices ? A. Yes.

Q. Who pays them ? A. The cartage company pays the money.

By Mr. Guillet :

Q. Were you in the business at the time this Cartage Company was formed ? A. Yes.

Q. They did not ask you to join that Cartage Association ? A. No.

By the Chairman :

Q. They deliver your coal ? A. Yes, they deliver the coal.

Q. You do not keep any horses and carts, then ? A. No. I did up to this year, but I thought it would be a convenience to have the Cartage Company do it this year, and one reason was, that the Cartage Company handle the coal for all the dealers. I buy from one firm, and different dealers buy from different firms. If I gave them an order to deliver coal to one of my customers, perhaps they might find that my cars would not be in a good position amongst the 150 or 200 cars at the station, or I might have coal at the other station, when my customer was quite close to this one, so they take it from the car which is the most convenient. This is why we give the whole of the coal to the Cartage Company.

Q. As a matter of fact, you do not know where your coal goes when it is unloaded, if it does not go direct to the consumer ? A. They make use of our shed room.

Q. Whichever may be most convenient ? A. Yes. Up to the time the Cartage Company started, we each had to have weigh masters at four different places, at the St. Lawrence and Ottawa, the Canadian Pacific, the Canada Atlantic station and the Canadian Pacific station at the Chaudière—at these four points. Under the present arrangement it is very convenient to have all our coal at the different cars or sheds, whichever is most convenient to the customers.

By Mr. Guillet :

Q. You did not fall in with the arrangement at first ? A. Yes ; instead of six or seven dealers keeping four weigh masters each and these men crowding up the little offices, we now save the wages.

Q. You did not go in at first ? A. Not last year.

Q. Was it not organized for last year ? A. It was organized in July, 1886, I think.

Q. You did not go in then ? A. I went in last year, 1st July, 1887.

Q. Did you find any difficulty in getting coal up to that time ? A. There was some difficulty, but that was only for a few days.

Q. What was the difficulty ? A. The difficulty was not with the cartage at that time, but with the different dealers who did what they could at the time to prevent me from buying coal.

Q. But did not succeed? A. No.

By the Chairman :

Q. That didn't succeed? A. No.

Q. I want to understand about this having to have a weigh master at each of these four places. What is the necessity for you having a man there all the time? A. Well, during the busy season we have coal arriving at each station, and we deliver it after weighing to our customers. We have so many cars arriving at each station and we have to have a man there at all times ready to deliver coal, sending the carts to the different stations.

By Mr. Guillet :

Q. Are these not city weigh scales? A. Yes. The city weigh scales could not do the work. Sometimes we have from 50 to 85 horses going, and the city weigh master could not make out the tickets, fill in the weights and get the horses off in time.

Q. As a matter of fact, you weigh the coal yourselves then, and make out your own certificates? A. We do it to a certain extent. The Cartage Company's man fills out the tickets and the weigh master fills in the amount, initials the ticket and stamps it. There are three tickets to be made out.

Q. You have blank forms, blank printed forms, you have to fill in the dates, the consumer's name and the quantity of coal to be sent, that is not very difficult? A. The other two have to fill out the same way, and it is left blank for the city weigh master to fill in his 2,000 pounds.

Q. Is that all he has to do? A. Yes. Where he has to keep 50 horses going in a day, that means 350 loads per day, and that means that he has to be very quick about it. We have to pay 5 cents per ton for that weighing, we would only be too glad if they could get the men to do it.

Q. It is the city's duty to provide a clerk if necessary to give that assistance. It does not seem reasonable that a coal dealer should have a clerk there to represent him? A. The Cartage Company have one clerk to represent us, and we save the wages of about 30 men.

By Mr. Fisher :

Q. This one clerk is able to do all this work? A. Yes.

Q. If he is able to do it I don't see why the ordinary weigh master cannot do it?

By Mr. Guillet :

Q. The tickets can be made out as fast as the weighing of the coal can be done, and as the coal had to be weighed, it is simply a matter then of entering it on the ticket? A. We had to send a list down in the morning, of the names of parties who have got coal. They had to make out these tickets as they are required, and just as you were saying it takes two men all their time—it takes the Cartage Company's men and the city weigh master to make out these tickets and fill in the weights.

By the Chairman :

Q. What security has the city that the consumer has his right weight? A. He has the weight put in by the city weigh master and initialed and stamped with the city stamp by him.

By Mr. Bain (Wentworth) :

Q. Does he do the weighing and another man do the stamping? A. He does the weighing and stamping too.

By the Chairman :

Q. And the entering of the weight? A. And the entering of the weight.

By Mr. Boyle :

Q. Are there any other coal dealers in the city of the same class? A. Yes, sir, Mr. Brown, Mr. Clemow and myself.

Q. Your remuneration consists of commission on the amount of coal represented by orders, that you furnish this Coal Cartage Company? A. Yes.

Q. Have you any objection to stating what the amount of that commission is? A. It is one-eighth of the total sales.

Q. One-eighth of your total sales? A. One-eighth of the total sales of the entire company, and the coal dealers in the city.

By Mr. Fisher :

Q. You take one-eighth of the profits as your share? A. Yes.

Q. Where do the other profits go to? A. The other profits are divided amongst the other dealers.

Q. Your share is one-eighth? A. Yes.

By Mr. Boyle :

Q. Is Clemow's one-eighth? A. I don't know. I saw by yesterday's evidence that it was one-eighth. I didn't know it.

By Mr. Fisher :

Q. Who arranges the proportions? A. This is supposed to be a mutual arrangement. We all make the best arrangement we can.

Q. The Cartage Company acts as one individual? A. Yes. If three of us get three-eighths, they would divide the other five-eighths amongst themselves according to their own arrangement, of which I know nothing.

By Mr. Boyle :

Q. You find that a profitable arrangement for yourself? A. Yes.

Q. It was better than it was before? A. Yes, we saved the wages of three or four men. And the cartage is done cheaper.

Q. There is no cutting in prices under the present arrangement? A. No, sir, there is none.

Q. I suppose that is the greatest saving of all? A. Well, yes, under the old system, before I was in the business, I believe cutting went on to such an extent that the dealers would not make \$1.00 during the year.

Q. You had been in business some time before this arrangement was made? A. Well, only two years. This last year was my third year.

By Mr. Bain (Wentworth) :

Q. Then you had difficulty at one time with a party on the American side who supplied you with coal. Was that difficulty over on your becoming a party to this arrangement or was it got over before that? A. It was got over before that. Some of the companies already supplying their agents here did not care about starting other agents in opposition to them, but I bought my coal from another dealer, Mr. Hall, of Ogdensburg.

Q. That is when you were starting first? A. Yes, I buy from them yet.

Q. Subsequently, you had a little difficulty which you said you arranged with the Cartage Company here? A. When I started there wasn't any Cartage Company, three years ago.

Q. When they started I think you said you had a misunderstanding? A. No, sir, I made arrangements with them to keep the prices up.

Q. Well, do you know as a matter of fact, whether Mr. Hall would sell to anyone here doing business, whether he was a member of that association or not? A. Oh, yes.

Q. Was he supplied with a list of names? A. No, sir, there was nothing of that kind. Any person who wishes to go into the coal business here, in a legitimate way, can do so, that is, if he has the horses and carts and sufficient capital, there is no difficulty.

Q. Hall would supply anyone without their being a member of this association or in accord with them? A. Yes. I don't know about being in accord with them. I think it would be very difficult for anyone to start in the business here and cut prices in coal. I think the coal companies in that case would not send in coal.

Q. Yes, and then they would require from him, a new party going into the business, that he would sell at the same prices as the company? A. Yes, at the same prices the company maintained. The companies on the other side thought if they had certain agents here selling coal, and other men start and take their coal and they undersell in price, and other dealers will cut, the result will be that no money will be made by anybody and the American companies will suffer. They

sell for cash sometimes and there is 30 days. Sometimes we owe over \$20,000 or \$30,000 at a time, and a competition goes on, some of the dealers will fail and they will lose money.

By Mr. Guillet :

Q. How do you know? A. They have expressed themselves so to me. That is the different agents who have been here to sell coal. That is the view they took of it.

By Mr. Bain (Wentworth) :

Q. They come over occasionally to see how business is run? A. They come over to make sales. They don't take any interest in the details here at all, of course.

Q. You buy from the agents, that coal, don't you. You don't send your orders over there as a rule? A. Well, no, the agents generally come here early in the spring and they give out the prices and we send our orders on to their company.

By Mr. Wood (Westmoreland) :

Q. Is there any competition between the coal companies in the States for orders here? A. No, there is no competition. Their agents come here for orders and they are not at all particular which company gets it.

Q. What is the object of coming here to seek orders if there is no competition? A. They are anxious to get business, there is no competition in regard to prices.

Q. Is it to induce the dealers here to buy anthracite as against bituminous coal. I can hardly see any object if there is no competition among the coal companies. That is if they have a fixed price. What is the object of sending their agents here trying to make sales? A. Well, I suppose that is the same way as here, we have fixed prices here, and we have to do business to keep up our business, and they are anxious to get orders.

Q. The same quantity must be sold whether they sell or not?

By Mr. Bain (Wentworth) :

Q. It would not all come from the same mine? A. No.

By Mr. Fisher :

Q. As far as you know they have an agreement amongst themselves as to what they will sell coal at? A. Oh, yes, they all have the same prices.

Q. They have an arrangement as to the output? A. I can only say from what I have seen in the papers that they limit their output and divide up their tonnage amongst themselves according to what they have, perhaps the year before. I know that they have the same prices, the different companies.

Q. In your experience here do you find any rivalry between the different companies who come here to sell coal? A. Each of them, of course, tries to get their orders and get their customers together.

By Mr. Guillet :

Q. As a matter of fact, you had no difficulty in getting coal before you joined this association? A. No, sir, I had not.

Q. You don't know that they would refuse to sell you coal over there if you continued to remain out? A. I know some of the companies refused, and put me off from time to time. At last I made an arrangement through Mr. Hall to get my coal.

Q. Before you joined this association? A. Yes, this is three years ago.

Q. You made your arrangement then after joining this association? A. Yes, we all arranged to sell at the one price.

Q. Then you found you had no difficulty in getting your coal? A. Well, some of the companies did not care about selling me coal when I was selling it at the same price. The companies like to be sure of the good faith of the man who is starting. They don't like to sell a man who will demoralize the trade, selling 500 or 600 tons during the summer, and lose customers the rest of the winter.

Q. These men ascertain all that very well? A. Pretty well.

By Mr. Fisher :

Q. Their agents who come here can find out about that? A. Oh, yes.

By Mr. Guillet :

Q. They have no objections whether you belong to the association or not? A. Yes, they would have the association.

By Mr. Bain (Wentworth) :

Q. They consider the association a better guarantee that the prices will not be cut or broken? A. They know if we have a profit and can live, they will get their money for their coal.

Q. There is a difficulty, except a member of the association got into business, in that way? A. Yes

By Mr. Guillet :

Q. There is no objection to selling coal at a fair price. You can sell coal as high as you like and they don't object? A. Not as low or as high as they like. If they sold coal below cost they would not get their money.

By Mr. Boyle :

Q. I understand you to say that any man going into business who had the *bond fides* of business about him, could get coal from any merchant? A. Yes or any of these other companies.

Q. Unrestrictedly? A. No. He would have to keep the prices. There would be no reason why he should join the association or the Cartage Company at all if he would keep the prices. If he didn't keep the prices the companies would soon find out through their agents.

Q. Hall and Company are under control of some of these companies? A. Yes.

By Mr. Bain (Wentworth) :

Q. They didn't exact a written contract from you? A. No.

By Mr. Wood (Westmoreland) :

Q. What object have the dealers here—I understand there are six of you, three in the Cartage Company and three outside associated or connected—what object have any one of you in pressing sales. You get the same profits I understand? A. This. For instance, I sell 3,000 tons in a year, making an arrangement with the association that they would give me the profits, one-sixteenth. Our share is *pro rata* according to our tonnage, and it simply means, all joining together in that way.

By Mr. Boyle :

Q. That is according to the scale of your own usefulness? A. From what I understand I think the Cartage Company only get six per cent. out of it on their capital and the profits really go to the different dealers.

Q. The secretary stated that the two shareholders holding \$200 worth of stock each received dividends last year amounting to 200 per cent.? A. Well, I think these two men, most likely, have been taken in to form the company, and this would go through their hands.

By Mr. Bain (Wentworth) :

Q. The promoters were not numerous enough to make a company and they took in two outsiders? A. They pay about six per cent. on \$15,000 capital.

By Mr. Guillet :

Q. I suppose if a man with sufficient means went into business here, would not objections be raised here by this company if he was cutting prices? A. No. Mr. Seybold was talking of starting in the coal business, and none of us was bothering about it. They could get all the coal they wanted, there was no trouble about that.

By Mr. Bain :

Q. As soon as they cut on your current sale, few men would supply them? A. Yes. We would speak to our companies on the subject. Perhaps they might be selling coal for the same companies that are supplying us, and the companies would object.

Q. The companies would regulate that then? A. Yes.

By Mr. Casgrain :

Q. All that coal that you speak of is anthracite coal? A. Yes.

Q. What means have you of controlling their influence? Have you any means?

A. To control their interest over there?

Q. Yes? A. No; we have to accede to their terms, whatever they are, in regard to the prices we have to pay. They have all got the same prices. There are six or seven companies in combination, and they meet together every two weeks

and fix the prices. As a rule they advance the prices twenty-five cents, generally, every month.

Q. Can you suggest any kind of remedy? A. No, sir. The only remedy we would have would be to bring coal from the Rocky Mountains.

By Mr. Guillet :

Q. Don't you think the consumers of coal might form an association here and agree upon a price and distribute it among themselves? A. They can buy all the coal they want.

Q. If the consumers were to form an association, could they not form a co-operative association and leave you out in the cold altogether. Would you not give them coal? A. I think they could get coal.

By Mr. Bain (Wentworth) :

Q. Do you know of any case where it has been tried? A. I know of different parties in the city bringing their own coal in. Mr. Booth got coal for himself and his employes. The different Catholic institutions here also brought in 1,000 or 1,200 tons last year, and some hotel-keepers and others. I suppose there was a couple of thousand tons or more brought in by outsiders.

Q. As a matter of fact, it is only the poor man who cannot get his coal in? A. Yes, if they were to join together they might.

By Mr. Fisher :

Q. You do not know at what price they got their coal? A. No.

Q. You do not know whether it was as low as you got it? A. I suppose the same price.

By Mr. Casgrain :

Q. Did they buy here or at the mines? A. I could not say. I think perhaps they bought it at the mines sometimes.

By Mr. Fisher :

Q. Does your association make any objection to that being done? A. No, we do not say anything at all.

Q. You do not object to these men selling to these people outside? A. No.

By the Chairman :

Q. What have your profits been this year. What profits have you drawn from the association? A. I have drawn different sums at different times.

Q. How much is the sum total? A. About \$3,750.

Q. On account? A. Yes.

Q. Up to what date was that? A. Up to the first of the month.

Q. First of March? A. Yes.

Q. And you commenced on the 1st of July? A. The year commences on the 1st of May.

Q. And how much did you draw up to the 1st of July? You commenced on the 1st of May, 1887—I mean up to the 1st of July, 1887? A. I was not in the association last year. I commenced the 1st of May, 1887. My year is not finished yet.

Q. I thought the year of the company commenced on the 1st of July, but you say it commences on the 1st of May? A. Yes.

By Mr. Fisher :

Q. These profits you speak of are not net profits? A. No, gross profits.

Q. Out of that what do you have to pay? A. Out of that I will have to pay about \$2,500 for running my business.

Q. What are the expenses that are not covered by this? A. Well, I have to pay my office account, my book-keeper, as well as rent, interest and bad debts, altogether amounting to \$2,400 or \$2,500.

By the Chairman :

Q. As a matter of fact you have no capital for the purchase of coal? A. Oh, yes, we all have large amounts of capital. We have to pay the Cartage Company according to their delivery, perhaps \$500 or \$600 a month.

Q. Supposing you do a cash business, you would not require any capital at all. As I understand it the invoice comes in to you and it is handed over to the Cartage Company, and they take charge of it and pay the bill? A. Yes.

Q. Supposing you sold during that month 1,000 tons of coal for cash, you would hand that cash over to the Cartage Company? A. Yes.

Q. And they hand you back your profits? A. Yes.

Q. At the end of each month? A. No.

Q. How often? A. About three or four times during the year.

By Mr. Fisher :

Q. You hand over the gross prices to the Cartage Company? A. Yes.

By the Chairman :

Q. If you give credit you require capital? A. Yes.

Q. And if you don't give credit you require no capital? Q. You have to have some money.

By Mr. Fisher :

Q. How often have you to pay the Cartage Company? A. Once a month.

Q. And then you get your profits once a month? A. No, it is supposed to be once a year, but they pay three or four times a year. I have had three dividends, about every three months or so.

By the Chairman :

Q. And you have drawn \$3,750 since 1st May and you expect another dividend? A. Yes.

Q. Covering what period? A. Up to the 1st of March I suppose.

Q. What do you estimate will be your profits from the company for the year? A. I think about \$5,000.

By Mr. Boyle :

Q. Altogether for the year? A. Yes, somewhere between \$4,000 and \$5,000. It will depend on the sales now and the quantity we have on hand.

Q. In computing do you calculate losses for bad debts? A. Yes.

Q. And your own salary? A. No. I don't calculate that.

Q. You work yourself, though? A. Yes. The office expenses in Ottawa are very heavy.

Q. Where is your office? A. Opposite the Russell. There are so many dealers that the charges are proportionately heavy. There is so much water power and cheap water-mill works, that the total tonnage of coal sold is very small, somewhere between 30,000 and 40,000 tons. Divide that up among 8 or 9 dealers and the profits are very small. If there were not so many dealers we might sell 50 cents a ton cheaper and make money.

Q. What is your present price? A. \$8. They started at \$6.50 for stove and \$6.25 for egg coal.

By Mr. Bain (Wentworth) :

Q. The association fixes these rates? A. Yes.

Q. You are bound to sell at these rates? A. Yes.

Q. They will fine you if you do not? A. There is no fine, simply a mutual agreement.

Q. They fix the advance on the wholesale price? A. Yes. As a matter of fact coal was lower this last year than it has been for some time. About 30 cents a ton lower.

Q. Have you the wholesale quotations recently? Since the month of January? A. Stove and nut in March, \$6.25 delivered here by rail.

By the Chairman :

Q. Is that for the gross ton? A. Yes.

Q. That is for the ton of 2,240 lbs.? A. Yes.

Q. Have you figures as to about what that would be for the net ton? A. It would be about $\frac{1}{8}$ off—about \$5.50.

By Mr. Bain (Wentworth) :

Q. And what is the quotation for egg and grate coal? A. \$6 per ton.

Q. Those are the cost prices for March? A. Yes.

Q. Delivered on the cars here? A. Yes.

By Mr. Guillet :

Q. Do you account for every ton of coal sold at the price fixed by the association? You must pay them the cash? A. Yes, we pay them the retail price.

Q. As long as you pay over the price to them, you can sell at what you like? A. I could sell for anything I liked, but I would have to pay them.

By the Chairman :

Q. There can be no cutting in prices? A. No, unless you take it out of your own pocket.

Q. It means practically the same thing. You might sell at \$7.75 but you would have to stand the loss. You would have to pay them the \$8.00.

By Mr. Guillet :

Q. You would not get any more out of the Cartage Company in dividends? A. That would help me next year if I sold more and increased my tonnage.

By Mr. Bain (Wentworth) :

Q. There was a statement made yesterday with reference to the operations of another dealer, Mr. Easton. He said that in relation to his contracts for the latter part of last year, the Company interfered with his supply and refused to deliver him coal at Ottawa? A. I know that it was spoken of that Easton cut prices, but as far as I know, I do not think anything was done at all. I know that as far as Mr. Swift was concerned, he was in much the same position as the rest of us. He was very short of coal, if he delivered to Mr. Easton here from Kingston. Mr. Easton may also make a point in regard to having to fill his orders at these prices. We were all in the same position; we had to pay 25 cents advance for months, and in October 50 cents advance for 20 days to fill orders. We have had to fill contracts for coal at \$6.50 in January, and last fall we had to take between 6,000 and 8,000 tons out of the sheds and deliver them to our customers, owing to strikes, &c. As far as some 1,000 tons was concerned, I do not think that we made a cent out of it.

By the Chairman :

Q. What did you pay as an advance price? A. In August, 1887, we had to pay \$5.60 for stove coal; egg and grate, \$5.35. In September \$5.75, and \$5.60; and in October and November \$6.20 and \$5.95. Then they remained at that. I do not know whether there were any quotations in September or not. December and January is \$6.85 for stove and nut, and egg and grate, \$6.40. In March, \$6.25 and \$6.

By Mr. Casgrain :

Q. Do you buy coal to the closing of navigation only? A. We very seldom do. We give our orders early in the summer, expecting to have them filled, but they only deliver small quantities to keep us going and keep increasing the prices. That is for coal we have ordered early in the spring. We may order 5,000 tons, and they will only send 500.

Q. Can you bring in coal during the winter? A. Yes, in box cars, as we have done all this winter.

By the Chairman :

Q. Do you know of coal being sold any lower in Ottawa than \$6 and \$6.25? A. No, I do not.

Q. Are they the lowest prices you know of? A. This spring circular did.

Q. Do you know of any coal being brought in here for \$5.50 per gross ton? A. I do not.

Q. What are the prices now that you are retailing at? A. \$8.00 just now.

Q. Commencing in August the prices were \$6.50 for stove and nut and \$6.25 for egg. This was the short ton? A. Yes.

Q. You gave us the quotations for the gross ton? A. Yes; and this is the price for selling. In October we raised the price 25 cents, that is to \$6.75 and to \$6.50. Then in summer about the end of October we raised the price 25 cents more. That brought it to \$7.00. Then in November or December, I forget which, I think it was December, we were getting \$7.50 and \$7.25. Then later \$8.00 and \$7.75.

Q. When did this latter price come in? A. In January some time.

Q. The association succeeded in steadying the prices very well? A. Yes. We advanced the prices on the public as they were advanced on us.

Q. And you had a very fair profit? A. I suppose the profit would net 50 cents per ton for the year's business.

Q. You paid these amounts, that is the retail prices, into the association. The expenses of the association and Cartage Company were how much a ton? A. I think 46 cents for cartage.

Q. That was all the expense as I understood the secretary to state? A. Yes, last year, 48 cents was the estimate made by the dealers of their own office expenses. During the month of August when we started to deliver coal we booked orders, I suppose, for 12,000 or 15,000 tons which we have had to fill up to January at the old \$6.50 and \$6.25 prices.

Q. Your branch of the business? A. All the different dealers in the Combine.

Q. As a matter of fact prices went unexpectedly up? A. Not unexpectedly. We booked these contracts in June and July.

By Mr. Bain (Wentworth):

Q. You are in the habit of soliciting orders in the summer for future delivery? A. Yes, we send out cards. They are supposed to take the coal right away, and we are supposed to get it rapidly.

Q. Then it was because you did not get the coal in time, it was not within the limit? A. Yes.

Q. Present prices are \$8 for the net ton and you pay \$5.55 for the gross ton? A. It would cost us more than that, January coal is 40 cents higher than that.

Q. August and September coal was lower? A. Any coal we got during those months was delivered at \$6.50. The coal we are now selling for \$8 is higher than that.

By the Chairman:

Q. The highest price you have quoted would be \$6.12 net, and you sell it at \$8. That would be \$1.88 profit? A. But the amount of coal we are selling does not pay us now.

Q. The highest price you have quoted is \$6.12 net, and your prices have been \$8.00 for that. Would you figure up how there is only 50 cents a ton left to the dealer taking the price for any given month? A. That January price net is \$6.12. Add on 98 cents for two cartages. The bulk of the coal would be delivered from the car. The bulk of the coal is delivered straight from the cars, and a few tons that would go into the shed this year would, I am satisfied, cost us double cartage. We would have to cart it from the Canadian Pacific Railway to the Canal Basin, and you cannot get it for less than 35 cents and the weighing is 5 cents. What little coal we sell at this high price does not net us this \$2.00 profit.

The CHAIRMAN—He cannot make a statement as to cartage because he is not in the cartage business.

The WITNESS—The difference between the gross price and the delivery price shows that, but that is not the profit we make. The expense eats up the whole thing in the winter time. My expenses are \$2,400 or \$2,500 a year. I do not now sell four tons a day. We are going behind every day until August, and I have to carry on my expenses at \$8 a day until next August before I make a cent.

By Mr. Guillet:

Q. If there were more men in the business you would have to raise the price to make any money? A. Yes; I may say as far as the summer prices are concerned where we agree to supply our customers at \$6.50 we had to get it and pay these prices. Mr. Easton stated he could not fill his orders, but he is not a responsible dealer and could not fill his orders in any year. His coal would be subject to the order of the bank. I do not think he was able to buy his coal. Mr. Harris is in the coal business, but is not in the combination. He can get all the coal he wants. He has kept the prices, but he has not said that he would that I know of. We had to fill our orders that we took in summer time.

By Mr. Bain (Wentworth) :

Q. You were all in this position, that you have taken summer orders on the expectation that you would be able to get the coal to fill them, but you did not get enough to cover your contracts. Then all you who were large dealers were little worse off, because if a man got two or three car loads and had only small orders, he was better off than the man who got two or three car loads more who had orders for 2,000 or 3,000 tons ahead. But Mr. Easton felt himself in honor bound to fill his contracts notwithstanding the rise in the prices, and what he complained of was that he found himself in this difficulty, that Mr. Swift, who usually supplied him, intimated that he was forbidden to sell him, or rather they would not sell him any more cars for delivery at Ottawa. They would sell him any quantity for delivery at home, but they declined to sell him as they had been doing for delivery at Ottawa, and the result was that Mr. Swift had to bring over a quantity in his vessels to Kingston, and then he was caught by the local rates of the railway company. They would not carry it from Kingston to here without charging him the local rate. What he complained of was that he was in a position whereby the coal association had brought a pressure to bear on the American association who were supplying Mr. Swift and prevented him from getting coal? A. I do not think there was anything of the kind. What Mr. Easton sells is nothing to the association at all. I do not suppose he sells over a couple of hundred tons a year.

The CHAIRMAN—He has sworn to a different statement to that.

Q. You cannot say from your personal knowledge? A. I think the difficulty would be that Mr. Swift himself could not get the coal any more than we could. Here is a circular issued in October from the coal companies saying that "all circular prices issued by us are hereby withdrawn and all coal sales will be at such prices as are agreed on at the time of sale."

By the Chairman :

Q. What was this difference between your cost and Easton's. Easton swears that the price was raised to him \$1.80? A. That was between him and Swift. The price was raised 60 cents per ton, which would give you a ton of coal at \$5.53, and you had 46 cents cartage expenses which makes it \$5.99, so you would deliver the coal to your customer at \$5.99, and the lowest price we got was \$6.50 and you would sell at 51 cents per ton net profit.

Q. Do you know of any interference by anyone in Ottawa to prevent George Harris from getting his coal from the States? A. No, I do not.

Q. You don't know of any? A. No, I don't know of any.

Q. I suppose, as a matter of fact, from your connection with the association that you don't control the inside working. You don't belong to the Executive Committee? A. No, sir, I don't.

Q. You are only an affiliated member as it were? A. Yes.

Q. There is an Executive Committee of three parties? A. Yes, they are in charge of the company.

Q. I suppose it is from one of these that we would require to ask to get this information? A. Yes.

Q. You don't know, as a matter of fact? A. No.

By Mr. Casgrain :

Q. As a matter of fact, the result of your evidence—it would appear from the figures that you make a very large profit at \$8 a ton, nearly \$2 a ton. What was your profit last year? A. The year before last, when I conducted the business myself, I made 50 cents a ton profit, and last year I made 60 cents, and this year I think I will do very well if I get 50 cents. The expense of my office eats up all profits. The price of coal has not been raised to the public. In August, 1886, you could get coal for \$4.75 with the duty added, 50 cents, that would be \$5.25. In 1887, in August, we had to pay \$5.60, without duty, that would be 35 cents higher than in August, 1885, and we delivered the coal for the same price as we did in 1885, selling it at \$6.50. I have taken the figures from my invoices to show you, which I leave you here, that we charge actually 35 cents a ton less or 40 cents a ton less.

Q. You only gave the prices of two months? A. This is for August, September and October.

By Mr. Guillet :

Q. Do you confine your business chiefly to coal? A. Yes, altogether. As a matter of fact, I am on the lookout for something else besides that. There is nothing in the coal business alone.

The Committee adjourned.

HOUSE OF COMMONS, 5th April, 1888.

The Select Committee on alleged Trade Combinations met this morning, Mr. N. C. Wallace in the Chair.

THOMAS MCCONNELL, coal merchant, Toronto, sworn.

By the Chairman :

Q. What is your address? A. 37½ Sherbourne Street, Toronto.

Q. How long have you been in business in Toronto, that is in the coal business? A. About six years.

Q. Did you know anything of the coal organization that was formed there? A. Yes, I did latterly.

Q. When was that organization formed? A. Well, since I have known anything about it, is about three years past, I think.

Q. They were amalgamated or associated with the Board of Trade? A. Yes, I knew that about a year before that, or maybe a little over a year before that.

Q. Do you know of any interference by the United States dealers and miners with the prices that coal should be sold at in Toronto? A. I don't know anything except from hearsay. I was not present at any meeting when the American men were there.

Q. How is it these Americans came over here in 1886 when the combination was amalgamated? A. I could not say how they came over, except that I heard that Mr. Rogers was the means of fetching them over.

By Mr. Bain (Wentworth) :

Q. Did you import, Mr. McConnell? A. Yes, sir.

By the Chairman :

Q. Rogers was the means of bringing them over? A. I have heard that. I do not know.

Q. How many importers are there in Toronto or have there been? A. I think there are about 4 or 5—about 5 importers.

Q. Does the whole of the coal there come through these 5. A. Yes, the most of it for Toronto.

Q. You were an importer? A. Yes, I have been for about 4 years.

Q. Have you had any difficulty with importing your coal? A. Yes. Several times I have had some trouble.

Q. Are you a member of this coal section of the Board of Trade now? A. Not at present. No.

Q. You were? A. I was for a short time.

Q. What was your difficulty in getting coal? A. Well, two or three, Mr. Rogers, Mr. Crane and Mr. Burns, I think there were three of them in the coal exchange on the other side, and I was telegraphed to that I must join the coal exchange at once or all shipments would be stopped.

Q. All shipments would be stopped unless you joined the Coal Exchange? A. Yes.

Q. When was that? A. Three years ago.

By Mr. Landry :

Q. That was from the American side? A. Yes.

Q. What did you do then? A. We received a telegram, a few minutes later on, to not heed the former telegram, that they were writing.

By Mr Fisher :

Q. From the same parties? A. Yes.

By the Chairman :

Q. You were not a member of the Toronto organization at that time? A. No.

Q. And they wanted to compel you to become a member? A. Yes.

Q. Did you become a member then? A. I did afterwards. The party who was furnishing me tried to furnish me against the coal exchange there; but the influence of the exchange was too strong, and I was obliged to join the association.

Q. Who manipulated these matters against you? A. Mr. Rogers and Mr. Crane were the principal men.

Q. Who are they? A. They are coal importers of Toronto.

Q. Did they succeed in shutting off your supply of coal at any time? A. Not till this year. I am shut off this season—this present season.

Q. You are shut off this season? A. Yes.

Q. Where did you buy coal then? A. I was shut off entirely. I was obliged to give my orders and contracts over to other parties to fill.

Q. You had orders and contracts amounting to how much? A. Contracts and orders amounting to 26,000 tons.

Q. You had sold 26,000 tons? A. Yes, something about that.

Q. And you took these orders on the strength of getting your coal? A. I was going to get the coal from the same parties I was previously getting coal from. I had made a bargain for 15,000 tons by vessel, and the balance I would get by rail.

Q. You made a bargain for 15,000 tons by vessel and get the rest by rail. Then you had taken orders for 26,000 tons, that is for 1887? A. Yes. That is this present season. The season is supposed to end on the 1st of May.

Q. That is during the season now ending? A. Where you make contracts they are made from May to May. If you undertake to furnish a party you are supposed to furnish from May to May.

Q. What did you do then, you say you had to cancel all your agreements? A. I got my orders mostly filled. On some of them I had to pay an advance of 75 cents. There was a raise of 75 cents and I had to pay that and get rid of the orders the best way I could, and got a good many of the orders filled through a couple of other dealers.

Q. When did these importers interfere. When did they commence to interfere during this season? A. I could not particularly say that. They have been working against me ever since I have been in the coal business.

By Mr. Landry :

Q. Do I understand you to say you had made an arrangement to be supplied with this amount of coal from the same parties? A. I made that arrangement about the 1st September.

Q. And you found a rise of 75 cents? A. Later on, in the winter, there was a rise of 75 cents. I got shut down about that time.

Q. They refused to supply you—those who had bargained to supply you refused to? A. Yes.

Q. Had you made some binding contract with them? A. Well, as a general thing they put in a proviso that if they could not get the coal they are not bound.

Q. Did you make any such proviso with this firm? A. I don't think there is anyone who can contract without provisos in cases of strikes and railroad troubles.

Q. You run these risks? A. Yes.

By the Chairman :

Q. What was the reason they didn't supply you? A. I suppose the reason was this combine. I think the pressure was put on.

Q. Pressure was put on by the combination? A. Yes.

By Mr. Bain (Wentworth) :

Q. What reason did they give you, let us have these specified facts? A. They gave the reason saying, that I had not been living up to the coal exchange rules and they could not furnish the coal.

Q. They wrote to you to that effect? A. No, it was verbal. The party whom I buy from I saw mostly every week.

Q. Who was the party you were buying from? A. Chisholm and Parrish.

Q. American agents? A. Yes.

By the Chairman :

Q. Where do they live? A. Buffalo.

By Mr. Guillet :

Q. Are you a member of the coal exchange at this time? A. No, sir.

By Mr. Fisher ;

Q. Were you a member of the coal exchange when you made the agreement?
A. No.

A. You had gone out? A. I had been out sometime before that.

By Mr. Guillet :

Q. What was the reason of your leaving the coal exchange? A. Well, they fined me \$100 for putting out three sign boards at three different places in the city.

By the Chairman :

Q. Is that contrary to the rules? A. That is contrary to the rules of the coal exchange. You can only sell at your own office, or you can appoint other officers but you must have your own men and you must not do anything but sell coal. You must not sell anything in that office but coal. For instance, a man cannot appoint an agent in a store, such as a hardware store or a grocery store, you could not sell coal in that store.

By Mr. Guillet :

Q. You had a clerk? A. I had a clerk at my own office, but these three sign boards were put on at different stores.

Q. Do you require a clerk to take this order? A. Yes.

Q. I understand there is a solemn declaration to be made by the salesman?
A. Yes. The clerk must be a sworn man.

Q. I suppose that was your case, you didn't have a sworn man? A. No.

By Mr. Fisher :

Q. I understand you made an arrangement with this agent in Buffalo last winter about this time? A. In September, I think about the 8th of September. I have a copy of last year's agreement. (Exhibit 35a.)

Q. Is that the agreement with the men who supply you? A. Yes.

Q. Well, at the time you made that agreement you were not in the coal ring in Toronto? A. No, I wasn't in. I promised to go in provided things were set right. There was some money I was entitled to, but they didn't set it right and I didn't go in.

Q. So at the time you made this agreement with your suppliers at Buffalo, they supposed you were in the Canada coal ring. Did they make that a condition with your bargain with them? A. It was talked of that if I had to go in I would.

Q. Afterwards, when you didn't go in, they broke their agreement? A. Yes.

By the Chairman :

Q. I will read the agreement now (Exhibit 35a) :—

“TORONTO, 21st July, 1887.

“ Messrs. T. McCONNELL & Co., TORONTO.

“ DEAR SIRS,—We will furnish you fifteen thousand tons (15,000) of coal of fully as good a quality as last year, only it to be well screened and cleaner than last year, delivered in your sheds on your dock west of Yonge Street, Toronto, at four dollars and sixteen cents (\$4.16) per net ton *via* (Lake Ontario) the charge from Charlotte, Fairhaven, Oswego, or Sodus are to be as follows:—Freight 25 cents per ton. Harbor dues 5 cents per ton and discharging 25 cents per ton, all other charges or advances on above charges you are to pay.

"We agree to deliver fifteen thousand tons (15,000) during the months of July and August, 1887. It is understood we are not to be charged back or any claim made on us for any deduction without we are notified on arrival of vessel.

"We will guarantee weights on condition that the weigh master be a disinterested party."

By Mr. Bain (Wentworth) :

Q. This is last year's? A. This is this last year's.

Q. At that time you were in very good standing in the association? A. Yes.

By Mr. Boyle :

Q. Did you accept that at once? A. Yes. Then we were furnished part of it, about 6,000 or 7,000 tons.

Q. What is to hinder you from holding them for the balance of it? A. I think I could.

Q. You haven't? A. I haven't so far.

By Mr. Bain (Wentworth) :

Q. Are not these contracts made with the understanding that they only deliver at the month's price?

By the Chairman :

Q. Then there is a further agreement which reads as follows. (Exhibit 35a) :—

"The terms of payment are to be as follows: Three dollars (\$3) per ton cash after the unloading of each vessel separately. Balance to be paid by notes on every three or four cargoes, or at the end of the month. Notes to be drawn at three months, without interest. Cash and notes to be deposited to Chisholm & Parrish's credit here at the Quebec Bank, Toronto.

"You are to give us a second warehouse receipt on the coal as soon as the contract is completed, the full fifteen thousand (15,000) tons delivered.

"We allowing you to take from the pile as high as one thousand (1,000) tons of coal, but not allowing you to take more without payment of the one thousand (1,000) tons already taken, that is one dollar and sixteen cents (\$1.16) per ton.

"The disinterested party who weighed the coal in, or some one satisfactory to both of us to weigh the same going out, and to send us statements of weights daily or weekly."

The CHAIRMAN.—This is merely for their security?

By Mr. Boyle :

Q. You were put to considerable loss in consequence of this firm not fulfilling that agreement? A. Yes; a heavy loss.

Q. Have you made any attempt at recovery? A. Not as yet.

Q. Do you propose doing it? A. Yes.

Q. What is the amount of your loss in consequence of their failure? A. There would certainly be more than \$1 a ton loss to me.

By Mr. Bain (Wentworth) :

Q. What were you contracting to deliver that coal at, to parties? A. \$6. The coal was all sold pretty much at \$6, to be delivered during the winter as wanted.

Q. You took contract for winter delivery on the strength of that July and August contract? A. Yes.

Q. What is your contract in these cases. Cash on delivery? A. Cash with the order.

Q. You took contracts early in the fall? A. Yes, and when they came to order it they are supposed to pay for it, but they don't always pay when the contract is signed. They pay when ordered.

Q. That customer comes to you and he wants to get 10 or 15 tons delivered during the winter from time to time, you expecting him to pay for that 5 or 10 tons at the time he orders it, in July or August? A. He signs a document that he is to pay for it when ordered. He contracts in the fall and pays for it when he orders.

Q. You make a contract to carry out that agreement with him? A. Yes.

By Mr. Landry :

Q. Were the contract prices the same as those, generally, who are in the combine? A. I sold at the same prices. I was obliged to do so or be shut down. I was shut down, anyway.

Q. Were you getting coal at the same prices that they were, as far as you know? A. I could not say what they were paying.

By the Chairman :

Q. Were these men, who were selling to you, urging you to join the combination of the coal section in Toronto? A. Yes. They wanted me to join and they were not particular until they were pushed by the coal exchange on the other side, owing to complaints on this side. The complaint on this side is probably what raised the trouble on the other side.

Q. Complaints from this side that you were not complying with the terms of the agreement here? A. Yes.

Q. You were a member of the coal exchange once. Did they administer to you that statutory declaration, and did you take it? A. Yes. There was something read but I never took any notice of it.

Q. Who did you take it before? A. It was in the office of one Mr. —I forget the name.

Q. At any rate you took the statutory declaration that was required? A. There was a declaration read. I don't suppose they took it as a declaration. I refused to sign on certain conditions, and they would not do that, so I just left it there.

Q. You never actually signed it? A. I signed it, but I put in certain clauses fixing it to suit myself, and they didn't accept that.

Q. You did not agree to their statutory declaration that they presented? A. No.

Q. That was one of the causes of the trouble between you and the coal section? A. They were binding me to things I knew I could not keep very well, and I wrote in clauses to modify the thing to suit myself.

Q. What were these things you objected to? A. I almost forget now. I think it was that I would solemnly swear and declare that I would not break the rules of this Coal Exchange in any way. The rules were so particular that a man could not keep them, and I put in provisos that didn't suit.

By Mr. Bain (Wentworth) :

Q. How long did you state you were a member of the association then, after that? A. I am not positive. I think it was about six months.

Q. Then they fined you on this signboard business, didn't they? A. Yes, I paid that fine.

By the Chairman :

Q. How much did they fine you? A. \$100.

Q. \$100, for signboards? A. Signboards and some other little complaint.

Q. Had they any other charges against you after that? A. Not that I know of. I think there was some talk or complaint about my furnishing some man who wasn't a member of the Coal Exchange, a man who had the city contract. He was a man who wasn't a member of the Coal Exchange, and it was against the rules for anyone to furnish him with coal. He got his coal, but not from me.

Q. Was that the contract for the waterworks? A. No, for public buildings for the city and fire hall.

Q. Who had that contract? A. A man named Logan.

Q. And the association prohibited anyone supplying him with coal at any prices? A. At any prices.

Q. Why? A. They wanted to crush him because he wasn't a member of the Coal Exchange, I suppose.

Q. Did they pass a resolution in the Coal Exchange not to permit him to have coal at any prices? A. I wasn't present. I seldom went there at all.

Q. Who had the contract for supplying the waterworks in 1886? I think it was Mr. Burns.

Q. Wasn't it yourself? A. I never had the waterworks contract, I had the city contract.

Q. In what year had you the city contract? A. I think it was in 1885, and I had it this year.

Q. How did you get it this year? A. I got it both years by cutting the price of wood, and refusing to take the contract except I got the whole of it. I put in the same prices for coal as the Coal Exchange, but I cut the prices of wood low and refused to take the contract except they gave me the whole of it.

Q. And they gave you the whole of it? A. Yes.

Q. Had you any difficulty in filling that contract with the city? A. Yes. I had to get another party to fill it this season, when I was shut down.

Q. Did you lose any money on that? A. Yes. I had the same price for that as I had for the other contracts, I had \$6.00 per ton.

Mr. BAIN.—The witness says he understood certain things. Now I understand, to have this investigation effective, McConnell should furnish the committee with documents showing specifically where they closed on him.

The CHAIRMAN.—He has told you that there were verbal communications, and that these men came over every week, and they were urging him to abide by the rules and he refused to do it.

Mr. BAIN. We would like to have the evidence. I think there is no doubt they did it, but we should have the documentary evidence.

The WITNESS. I have it from the man I bought from.

By Mr. Bain :

Q. This is said to you verbally? A. Yes.

By Mr. Landry :

Q. What is it? A. They said I would have to become a member or they would have to stop sending coal.

Q. After signing the contract? A. This contract wasn't signed. It was drawn up and handed to me but it wasn't signed. It wasn't signed. It was drawn up and agreed to, but it wasn't signed.

Q. The reason they refused to sign was, because you would not sign the declaration. Is that the idea? A. Yes. They were willing to give me the coal but they said I must become a member.

Q. After that, when they knew that you were refusing to sign, you went on contracting with customers taking the risk of being supplied? A. I never had a contract signed with this party, but up to this last year, they carried out their contracts honorably and all right without the contracts being signed.

By Mr. Landry :

Q. When you undertook to supply your customers was there any understanding between you and anybody as to the price you should sell to your customers at? A. The man who sold me the coal said I was not to break prices.

Q. Then you were actually working along the lines of the combine at that time? A. Yes.

Q. Although not a member, you were in hopes that you might get in with them? A. In hopes that I might get the coal as usual without being a member of the Coal Combine.

Q. Then it was in hopes that by agreeing to their conditions, you would be let alone and that you would get your customers supplied. These were the facts at any rate? A. Yes.

By Mr. Boyle :

Q. I understood you to say that after receiving that offer from the Buffalo agents, you accepted the terms in writing? A. Yes; I accepted them in writing.

Q. Was that previous to contracting with your customers for the delivery of coal? A. It was before I sold the coal.

Q. Didn't that constitute a contract? A. Yes, certainly; I took it as a contract.

Q. You said a few minutes ago that there had been no contract signed? A. It was a verbal contract and was to be signed, but we never got to it.

By the Chairman :

Q. At any rate you never got the coal and were put to very considerable loss and inconvenience? A. Yes.

By Mr. Guillet :

Q. You got part of the coal? A. Yes.

Q. How much did you get? A. About 7,000 or 8,000 tons.

By the Chairman :

Q. How much coal did you sell this year altogether. How much did you get from other parties? A. Probably about 15,000 or 16,000 tons.

Q. Then you got 7,000 or 8,000 tons from them and 7,000 or 8,000 tons from others? A. Yes.

Q. But you were short on your orders about 10,000 tons? A. About that.

Q. If you had got the coal and had not been interfered with by any parties what about the profit? As to the profit of 25 cents a ton what do you think about that? A. I do not think it is right.

Q. What would be nearer to the mark? A. I have stated to you what my profits would be and you can see. I paid \$4.16 a ton and I had the coal sold at \$6. Some of it sold at \$6.50; the last was sold at that.

Q. What expenses were you put to in delivering it? A. The carting is calculated at 40 cents. That was what I paid.

Q. That would be the only further expenses besides weighing? A. Yes, and storage. That would be probably 15 cents.

Q. 40 cents for carting and 15 cents for weighing and storage; the balance would be your profit? A. Yes; the carting cost 40 cents. That is what I paid for long and short journeys. If they took one load outside of the city, they took another shorter. Storage and delivery would cost about 15 cents.

Q. That would be all the expense? A. Yes; although we have another business running, there would be some expense in the office.

By Mr. Boyle :

Q. When the estimate was made at 25 cents per ton, I think he included everything that could be included, capital and rent of his sheds and losses on credits and shrinkage? A. I suppose it might go pretty near 25 cents on those items.

Q. After all this was included the 25 cents was left? A. I do not believe that. It is possible that over and above the 40 cents and 15 cents, it might cost 25 cents for other expenses. \$4.16 was the cost delivered to me in the city.

Q. Did you incur any loss from crediting? A. Yes, not a very big percentage.

Q. 2½ per cent.? A. I do not think so.

Q. It is mostly a cash transaction? A. Yes; but sometimes we credit a little. It is supposed to be cash.

By Mr. Fisher :

Q. That would leave you rather over \$1 a ton net profit? A. That is what I say it would be, over \$1; and we have lost over \$1 by not being able to carry out our contract.

By Mr. Guillet :

Q. You get cash in advance for coal? A. We seldom get cash in advance. They pay just when ordered.

Q. Don't they sometimes order it to be delivered ahead and pay for it? A. As a rule they order and pay for it at the time.

By Mr. Bain (Wentworth) :

Q. You really deliver these winter contracts at the time as they are asked for? A. Yes.

Q. So that in that case you get no cash in advance? A. Not actually; all the stuff goes out C.O.D.

By Mr. Landry :

Q. Can you give us any information as to the retail prices in the States, say in Buffalo? A. I do not know anything but from the papers.

Q. How do the prices compare with Toronto? A. Some places are higher than in Toronto.

Q. Do some of the dealers there sell cheaper to customers than in Toronto? A. I do not know of the market on the other side.

Q. Quote us the prices subsequent to the summer prices. Have you the tariff of prices that coal was supplied through the winter, that is at retail rates? A. The price through the winter has been \$6.75.

Q. What was the September quotation for coal. You bought this contract at \$4.16 in July and August, what were the September prices? A. I think a little higher.

Q. Have you any price list that you could give us the absolute facts from? A. I have not.

Q. What is your recollection? A. I recollect that they were a little higher, but I do not think there is any dealer in Toronto who shipped any coal of consequence but has his prices made. The only rise I know of, that I had to agree to, was the rise of freight. If freight went up I had to pay the cost of that raise of freight. I closed my bargain and would agree to pay the raise of freight to get the coal for the season at that price.

Q. They would continue to deliver, adding on only the cost of increased freight? A. That was the understanding.

Q. Now after navigation closed what were the prices charged by the companies on the other side? A. I never had anything to do with the cost of carriage on the other side. I had a special rate with the Grand Trunk of 75 cents—60 cents up to a certain time and after that 75 cents. They could not charge more than that.

Q. What did a ton of coal cost you in January delivered in your yard? A. I do not remember that. It would be more than by vessel.

Q. It would be better if you were able to tell us the prices in January than in July. Your coal cost you \$4.16 on the wharf in July. Now if you could tell us what that same coal cost you say in the month of January delivered in your yard under similar circumstances, we would know how to reckon the profit? A. I think it would cost something like 60 cents more.

By the Chairman:

Q. How much did the retail prices go up? A. 75 cents more. Early in the fall the first rise was 25 cents and then 75.

Q. About what date was the 25 cents increase made? A. Some time in October.

Q. Then there was an increase of 50 cents more? A. Yes.

Q. When? A. Some time in December, I think.

Q. Then that made coal \$6.75 during the winter months? A. Yes.

Q. And that has been the price since, down to the present time? A. Yes.

Q. What class of coal is sold at \$6.75? A. The best hard coal that comes to Toronto.

Q. What proportion do you get by a vessel and by a railroad? A. I intended to run 20,000 tons by vessel, and the rest I had to run my chances on, of getting by railway.

By the Chairman:

Q. The contract you had with Chisholm and Parish, they only delivered half of it. Had you been dealing with them for years? A. Yes.

Q. Did they always carry out the contract? A. Yes.

Q. Had there been any attempt in other years of interfering with you to prevent them selling you coal? A. Yes, there were several times I was about to be shut down unless I got things fixed with the Coal Exchange.

Q. Then you could not get along without going in with them? A. No; I was obliged to go in, or shut down. I suppose they are satisfied now that they have accomplished what they wanted.

Q. What is that? A. They have shut me off from selling coal.

Q. Then, the effect has been by interfering with these contracts, it has practically shut you out of business? A. I expect to go in again. I think another party will furnish me with coal, but I suppose I will be obliged to become a member before I can go on.

Q. And not break prices? A. No.

Q. You paid the fine that they imposed upon you, on the signboard question? A. Yes.

Q. Then it was a subsequent difficulty which led to you and the coal combination separating? A. It was furnishing coal to this man Logan who was not a member.

Q. And Logan was furnishing the city contract? A. Yes; I sold a man 300 or 400 tons of coal, and he sold it to Logan. They did not give me a chance to prove that to them, but they marked me in default, and I did not go to right it, and have been out ever since.

Q. Did they punish you without giving you a fair trial? A. They found me in default.

Q. Did they summon you to appear? A. Yes; I did not appear, and they marked me in default.

Q. The crime was that you sold this man some coal, who had a city contract? A. I sold to a man named Dougherty, and he sold to Logan.

By Mr. Bain (Wentworth):

Q. Then you did not attend the coal combination on their summons? A. No; I did not feel very well pleased about their fining me \$100, on what I thought was unfair, and I did not go near them.

By the Chairman:

Q. Who was the manipulator in this coal section? Who got this organization, and all these matters arranged in this way? A. I think Mr. Rogers and Mr. Crane were the principal men.

Q. What steps were taken to work Burns? A. I do not know. I was not present when he was fined.

Q. You have a knowledge of subsequent transactions. Can you tell us anything you know about Burns' affairs? Was he a member when you were? A. Yes.

Q. You do not know whether he is a member now? A. No; it is a long time since I was there.

Q. Is he an importer? A. Yes; he has been one of the biggest importers there.

By Mr. Bain (Wentworth):

Q. Who are your largest importers in Toronto? A. Rogers is now, Burns was.

Q. Who are the others? A. Bailey is one.

By Mr. Casgrain:

Q. Are there any other parties besides you who paid fines? A. There was Mr. Burns, and I think there were others. I have been there but very little, and I do not know much about it only from hearsay.

Q. Are there any other dealers in Toronto who are in the same position as you are, that is excluded? A. I do not remember of any, unless they are very small ones. A number of small ones have been cut off because they did not belong. Some of them had to pay \$100 to the Board of Trade, and somewhere about \$30 to the Coal Exchange to become a member, and some of the small dealers could not spare that much money.

By Mr. Guillet:

Q. They have to be balloted for, and they do not let in any small dealers? A. There are lots of small dealers who belong.

Q. Were there any objections to these small dealers coming into the Exchange? A. I do not think there was.

By Mr. Casgrain:

Q. Does that pressure behind the coal business come entirely from the other side of the line, or is it protected on this side? A. Also on this side, I think.

Q. The proprietors of the mines and the dealers in Toronto seem to be combined? A. Yes.

By Mr. Landry :

Q. You say the parties came from the other side who originated this? A. I think Mr. Rogers brought them here. He has been an American himself.

By Mr. Casgrain :

Q. Can you suggest any means to this Committee of getting rid of that pressure from the outside? A. They are so strong, the American companies.

By Mr. Fisher :

Q. Do you consider this combination in Toronto has been of any advantage to the Toronto dealers? Does it help them to keep up the prices at which they sell? A. I do not know why it would. Still, may be it does. It may help them to keep up their prices. If they sold me 5,000 tons of coal they could ask the price and get it. I could not get it anywhere else.

Q. Why did the American ring yield to representations from Toronto? A. I think that was done partly to shut out small importers.

Q. What object would it be to the Americans? A. The like of Mr. Rogers would get the benefit.

Q. But it is not Mr. Rogers. Why should the sellers in the States object to selling you? A. I think they can keep up the prices here better, if it is in a few hands, rather than in the hands of many.

By the Chairman :

Q. They would rather sell 10,000 tons to one man than 10,000 to ten men? A. Yes.

By Mr. Fisher :

Q. Then you think that Mr. Rogers is one of the American ring as well as the Toronto ring? A. Yes, I do. I think this combination, that is, this last combination, not the old, has been worked principally by Mr. Rogers and Mr. Bailey.

By Mr. Bain (Wentworth) :

Q. What reason have you for thinking that? A. It has been talked in the coal exchange and otherwise that Mr. Rogers brought this up. I heard Mr. Rogers say himself that he was fetching about a thing that would hold them all fast.

By Mr. Fisher :

Q. Did he say he was connected with the American company? A. I do not know that he did that. He said he was going to have something now that was legal; that the fine could be collected by law.

Q. Do you know that Mr. Rogers is interested in coal on the other side of the line? A. I have heard him say so.

By the Chairman :

Q. And he was going to have things fixed so that if you were fined he could collect? A. Yes; before, they could impose fines, and if you were soft enough to pay them you could, but they could not collect them. Some of them paid rather than have trouble.

By Mr. Bain (Wentworth) :

Q. Was there not a distribution of profits occasionally? A. Yes, they sold all contracts, which makes a big profit. That was not carried on until the new combine.

Q. You never got a chance to participate? A. They owe me \$300 or \$400 on that now, and I have not got it.

Q. It was placed to your credit opposite fines? A. Yes.

By Mr. Fisher :

Q. There were no oaths in the old combination? A. No, I think that is in the new combine.

By Mr. Gillmor :

Q. Do you think that the effect of this combination has been to put coal higher to the public? A. Yes, I think it has.

By the Chairman :

Q. Would you be in favor of free trade in the distribution of coal? So that every man who chooses to make arrangements with the coal producers on the other side may go and buy coal, and let every man go on his own hook and do his business as he chooses? A. That is what I am in favor of in any business.

Q. Because you were not permitted to do that you had these troubles with the coal section? A. Yes.

By Mr. Bain (Wentworth):

Q. How is it with other grades of coal? Does this combination extend to steam or bituminous coal? A. Yes, I think it has during this last year.

Q. Do you know anything of the form of arrangement on the other side? Is there a bituminous coal ring? A. I have been told so, and I think there is, within a year or so.

Q. Have there been any business transactions that would enable you to know? A. Only that prices ran up higher as a result.

Q. Has this arrangement interfered with the handling of soft coal too? A. Yes, we have had about the same difficulty with soft as with hard coal.

Q. What kind of a mine is this that Mr. Rogers is interested in, is it hard or soft coal? A. It is hard, but I think he is interested in soft coal as well, I heard so, but I do not know.

WILLIAM BELL, SWORN.

By the Chairman:

Q. Give your name, address, and occupation? A. William Bell, real estate and coal merchant, 159 Dundas street, Toronto.

Q. How many classes are there in your coal section? A. I think two classes. There is what they call the small and the large dealers.

Q. Who are the importers? A. The larger men.

Q. Who regulates the affairs of the association? A. I am a member, and it is the Executive Committee composed I think of 9 members.

Q. How is that constituted? A. Five are large dealers and 4 small. I think the old arrangement called for 7, but the small dealers thought they had not a large enough representation, and they had it raised. In the first arrangement they only had 2 small dealers. Five large and 2 small dealers it was. Subsequently we got it raised to 4 and 5; 4 against 5, giving the large dealers 1 of a majority.

By Mr. Fisher:

Q. You are a small dealer? A. Yes, although we imported last year.

By Mr. Bain (Wentworth):

Q. You all import? A. No, not all.

By the Chairman:

Q. Did you encounter any difficulty in importing? A. I imported this year for the first time, and I was unfortunate this year, but I reckoned it was on account of obstructions on the railways on the other side.

Q. Was there any tendency on the part of importers to keep others from importing? A. No, I cannot say that there was. Of course I can well understand the smaller dealers rising so as to import their coal. They would sooner sell to them themselves.

Q. On what terms did they sell to small dealers? A. Sometimes they allowed small dealers 50 cents. In 1886 we got it raised to \$1.00 through representations. In 1887 they reduced it 25 cents, leaving small dealers 75 cents.

Q. They bound you to sell at their prices? A. The way the association is constituted he cannot get any coal without he becomes a member.

Q. The association regulates the price at which he shall sell? A. Yes.

Q. And the Executive Committee have a majority of importers? A. Yes.

Q. What does that mean? A. That they regulate the prices.

Q. And that they would control all the business? A. Yes. The small dealers reckon that it is hardly worth while in the raising of prices for them to be there. They only receive 75 cents per ton, and that is all the benefit they get.

By Mr. Fisher :

Q. The small dealer has to get the coal from the large dealer, and deliver it?
A. Yes, he has to get from their yards or cars.

By the Chairman :

Q. Then, if you get it from the yard, the importer saves the difference of cost of cartage to his yard? A. Yes.

Q. You do not get any allowance for that? A. No.

Q. What does it cost you to deliver after buying from the large dealer? A. My yard is in the out-lying districts. Sometimes we take it out of the yard, if it is screened. If we take from the cars, we take to our own yard, and screen it there. On an average it costs us about 50 cents to deliver. Some yards nearer the centre of the city it would not cost more than 30 or 40 cents.

By Mr. Fisher :

Q. That will alter your profits to 25 cents? A. Yes.

Q. What are your profits when you import for yourself. When you imported this year what prices had you it delivered to you at? A. About August or the latter end of July I purchased my coal. On the other side, in Buffalo, it was about \$3.84. We reckoned the freights at 60 cents, and cartage 40 cents. Where I was getting this delivered was nearer to my yards than previously. Screening 15 cents and loss and shortage 15 cents. We reckoned we would lose on shortage 10 cents. That amounts to \$5.14.

Q. At what price were you selling them? A. Most of it at \$6.00.

Q. That gave you a profit of 86 cents, as against 25 if you bought from the large importers? A. Yes.

By the Chairman :

Q. This was what came by cars? A. Yes.

By Mr. Boyle :

Q. Did that include cartage to your customers? A. No. Taken from the cars we had to team it to our own yards.

Q. This cartage cost you 40 cents? A. That is, delivered in my own yard I think it would cost that.

By Mr. McKay :

Q. Mr. Rogers said it cost him 10 cents to get to his yard. A. He can take directly into the yard. Vessel coal comes less than that. In the early part of the year freights are light.

By the Chairman :

Q. Mr. Bell has a statement here of coal purchases from other dealers, giving the coal on contract from the yard. From E. Rogers & Co., \$4.95? A. Yes.

By Mr. Bain (Wentworth) :

Q. Perhaps we could continue that statement, and the witness would give us prices right into January? A. I may state that as we made the contract with Parish & Chisholm, three of us went in together to get reduced rates on large quantities. This would be a 10,000 ton lot. We got the coal, and it was delivered to us until about the time of the exhibition, when our coal was stopped, and then I had to make arrangements with other dealers, and it was a kind of an obligation for me to get it from them. I had taken orders, and found I could not supply them without going to other dealers. I got some from Mr. Rogers. I think I started in November or December.

Q. When did you next begin to import direct? A. Here lately, about a month ago.

Q. You are not able to give us any of Parish & Chisholm's figures lately? A. They have kind of backed out of their arrangement when they found they could not supply us, but they promised to give us so many cars at the old figures. Of course we had to pay the extra freight on it. That is the way we had to do. We found it was no use going to law to compel them to do so. We would only lose money going back and forward.

Q. What is the increased cost of freight? A. About 10 cents a ton.

Q. What is the last quotation you are able to give us from Parish & Chisholm?
A. I have none recently.

Q. You have been handling this 10,000 ton contract throughout? **A.** Yes, when we did not get the coal from them we got it from others. I wanted to keep up to my obligations, although under loss. We got some by vessel, but we had to pay a very heavy price for that. Freight raised and we were put about greatly.

Q. What time did you get this by vessel? **A.** November, I think. I had not taken any from a vessel before that. I could not get it unloaded fast enough.

Q. Then it is only from other dealers you can give us prices? **A.** Yes.

Q. Who is the president of the coal section now? **A.** Mr. Whitesides.

Q. Is he an importer? **A.** No, a retailer.

Q. Is the president generally a retailer? **A.** Yes, for the last two years.

Q. How does it happen? Do the importers arrange it that way? **A.** I suppose they do. If they went for one of their own men they could carry it.

By the Chairman:

Q. Who had called that meeting? **A.** The Chairman of the Executive. Of course that was the monthly meeting.

Q. Was that the regular meeting? **A.** That was the regular meeting.

Q. Not of the Executive Committee? **A.** No.

Q. Who are the members of the Executive Committee now? **A.** To the best of my knowledge I think it is composed of Mr. Whitesides, Mr. Rogers, Mr. Gibson and Mr. Bailey. I do not know that Mr. Keith is on the Committee or not, I forget some of the dealers' names.

Q. Does Mr. Gibson represent the Conger Coal Company? **A.** Yes, Mr. Bailey, Mr. Rogers, I don't know that Mr. Keith is on, I am not sure, I don't think he is. I am not a member of the Executive Committee now. I was.

Q. You are not a member of the Executive Committee? **A.** No, not at the present time.

Q. What is your opinion as to this coal arrangement? Do you think it would be better to have a trade arrangement or organization? **A.** Well, speaking as a coal man, I believe it is better to have some kind of an organization though you might not have the rules so strong as they are.

Q. Do you approve of this organization, this section as organized under the Board of Trade? **A.** The only thing I disagree with is the oath.

Q. Who was it promulgated this plan of putting them all under oath? **A.** I think it was the importers, the members of the Executive. It was imposed I think by the Executive.

Q. It was done by the Executive? **A.** Yes.

Q. Were you on the Executive at that time? **A.** I was.

Q. Did you oppose that? **A.** No, I took no active part in it.

Q. You don't approve of it now? **A.** Not of that, although I had to take the obligation, every man did it.

By Mr. Bain (Wentworth):

Q. What is the nature of the obligation, is it not a solemn obligation or affidavit?
A. It is a statutory declaration.

Q. It is not absolutely an oath? **A.** I took it as an oath myself.

Q. It is practically an affidavit? **A.** Yes; I looked on it in that light, and I took it in that light.

Q. You have to sign a declaration in taking it? **A.** The secretary of the Executive had to go round to the members, to their offices to get them to sign it.

Q. Is it taken before a magistrate? **A.** No, I don't think it; it is before a Commissioner. I think he made arrangements that some one official should go round to the offices, I don't know who the man was.

Q. It was declared before an official who could give it the legal statutory effect?
A. Yes.

By Mr. Gillmor:

Q. You say that is about the only objection you have to this arrangement? **A.** Yes; I objected to it strongly on that.

Q. You say otherwise it might be to your advantage? A. Yes, I think speaking as a coal man I do.

Q. Then if it is desirable without the oath, why is it not undesirable that you have to subscribe to the rules that constitute this combination? A. It is not every one that like to be bound. They are willing to volunteer and think that their word ought to be sufficient. That is why I look upon it as I do.

By Mr. Bain (Wentworth):

Q. It appears that with some the oath would not hold them? A. There was a good deal of trouble there. There is no doubt, sir. I suppose that is one of the reasons that this obligation was put in force. It was on account that they could not keep the greater part of them in trim and keep them up to the rules.

By Mr. Fisher:

Q. Why is it you want to have an organization? A. Well, before I was in the trade—and they discuss this matter amongst themselves—they used to cut the prices to such an extent that two or three men in the trade were ruined through it, one man especially, and we had been told, whether true or not, that the same men who broke these prices would every two or three years go over to the other side and get a certain amount of their indebtedness to the miners struck off and start fresh. The honest dealer could not contend with such as that.

By the Chairman:

Q. An organization for men interested in the same business you consider a good thing, that is a legitimate organization for men in the same line of business for various purposes is a good thing, but do you believe in taking an oath to keep up prices and being bound by a solemn obligation in that way? A. No; I don't believe in the oath business at all.

By Mr. Fisher:

Q. You believe in keeping up prices? A. Yes, sir.

By the Chairman:

Q. Suppose a poor woman comes along and you are supposed to give her coal a little cheaper, say less than cost, how would you accomplish it, how would you do it under the obligation? A. It is an easy matter to get over that. Put your hand in your pocket and give it to her and let her buy it. That is the way I would do it before I would break the oath.

By Mr. Fisher:

Q. Is there any other object in this association except in the keeping up of prices and preventing cutting? A. No; I don't think there is.

Q. Do you know what connection this organization has with the organization in the United States, that is the organization of sellers? A. No. Of course they won't sell to you on the other side without they understand that you are a member of the Coal Branch.

Q. What advantage is that to them? A. Well, I suppose it is just to protect them in the way I have just stated, that is that these parties can't go over year after year and ask them to cut off a certain amount. It will protect them in that I think. That is the only way I can see.

Q. Do they impose any other conditions except that your retail price shall be kept up? A. They want us to keep up the prices whatever is made, and of course they are aware too that the Executive Committee regulate these prices, and we are bound to keep up these prices.

Q. You are not bound in any other way except to keep the prices up? A. That is all.

Q. They allow you to do anything else you like? A. Yes, I do not think there is any other rule or clause in their agreement than that.

Q. Is there an agreement between them and you? A. No; it was only verbal. There is no agreement. I supposed that there would have been, only they knew that I was a member of the Executive Committee at that time.

Q. What I mean is: is there any other agreement between your association and theirs except the prices to be kept up? A. No, sir, not that I am aware of.

By Mr. Bain (Wentworth) :

Q. Does your association furnish them with a list of members in good standing to whom they shall only sell. That is, do they furnish the American anthracite coal dealers with a list of members of the association in good standing? A. Yes.

Q. And the American coal men will, as a rule, only sell to these men? Is that a fact? A. Yes; that is a fact, sir.

Q. Then if you struck a man off your list the result will be that he could not obtain coal from another party without their knowledge, they would refuse to sell to him direct? A. Yes. If there is a breach made by any member of course our secretary is authorized to notify the other side. Of course we are supposed to do that.

Q. Were you formerly a member of the organization before it was made a branch of the Board of Trade—at whose instance was that organization started, was it started here or on the other side? A. Before we became connected with the Board of Trade we were organized, but had no connection or had nothing to do with the Board of Trade.

Q. The idea was to make it a more solid organization, as a branch of the Board of Trade? A. Yes; Rogers & Co. and the importers advised us to become members of the Board of Trade, and we agreed to do so.

Q. Have the American Anthracite Association anything to do with that directly or indirectly? A. Well, I would not like to say.

Q. You don't know? A. No; I don't know. You see, being a small dealer, of course there was a ring within a ring, and the small dealers were kept out of a great deal of information that the importers knew.

Q. It was the large shippers that handled that? A. Yes.

By the Chairman :

Q. You have a coal section and an Executive Committee, the majority of which are importers; do you know that the ring that you say is within the ring have been controlling matters very largely outside of your local organization of which you are all members, these importers? A. I believe that it was the large dealers that had something to do with the fetching of the men from the other side to start the organization. At least we believe that. Of course we had nothing to say, but we have always been under that impression.

By Mr. Fisher :

Q. You really know nothing about the ring within the ring you speak of of your own personal knowledge? A. No; it was of course supposition on our part.

Q. You know nothing about it? A. Of course I was sent there by the small dealers to watch our interests. I represented the small dealers on the Executive Committee. Of course we sometimes didn't think we were well treated—the small dealers—in the way of prices and one thing and another, as we had a right to.

By the Chairman :

Q. You know the importers did as they pleased? A. They were in the majority. They ruled and we had to do just as they said.

By Mr. Fisher :

Q. That does not show in any way that they had an agreement or a ring amongst themselves? A. We generally thought and we believed that they had meetings, because everything was cut and dried when they came there.

By the Chairman :

Q. You were satisfied that they had? A. We believed that there was a good deal of that done. Things were cut and dried before we met and we were in the minority as there was always one of a majority against us. Now, as to the regulation of the prices, we thought there was no use of our being there, because in the first place we did not make anything. If they raised the price we would not make anything because we would not get a better rate from the large dealer, and if there was a rise in the price the benefit would go to the large dealer.

By Mr. Bain (Wentworth) :

Q. That applied to those who did not import for themselves? A. Yes. In the first place we were only allowed 75 cents and we contended that the small dealer had a right to a dollar.

Q. You had a dollar at one time? A. We had a dollar at one time. That is the year before last, and we thought that they had no right to reduce it.

Q. Ever since that it has been 75 cents? A. Yes.

By the Chairman:

Q. Which causes a good deal of dissatisfaction? A. Yes. There is no doubt that the smaller dealer thinks himself harshly dealt with.

Q. Do you pay the same price that you pay to the importers taking their coal from the car as you do the screened coal taken from the yard? A. Yes; I did one year, and when I came to understand the thing I did not do it. I would take it from the yard—screened coal.

Q. Suppose you take it from the car, how much less do they allow you? A. Well, I am not taking any now. They would allow me only 75 cents. That is, without I made a special arrangement.

Q. Just charge the same? A. Yes. Take 75 cents off. Of course, I had a special arrangement there with them.

Q. This last year? A. Yes.

Q. How came they to make a special arrangement in the face of the constitution? A. They did it all right.

Q. You bought from Rogers at \$4.95, when was that? A. I think that is the latter end of November.

Q. On a bargain you had made with him? A. Yes.

Q. That bargain expired, what did you pay him then? A. They rose the price to \$6.00.

Q. They raised the price a dollar and five cents? A. Raised the price a dollar and five cents, and I had to pay very nearly \$300 more than I expected.

Q. And then you got some from Rae & Company for \$5.42? A. Yes.

Q. About what time were these? A. This would be, I think, about the latter end of November that I got it from Rogers. It would be the latter end of October, I think, that I made an arrangement with Rogers for a thousand tons, and in December I ran over the amount, but in January I thought he was continuing the same price, but I got a bill and found that he had put it up from \$4.95 to \$6.

Q. That is a dollar and five cents advance? A. Yes; and then I had to haul it from the east yard and that made \$6.65.

Q. What do you think was the cause of that? A. I don't know whether it was interfering in election matters or not, but I suppose that had something to do with that. He took it out of my pocket; he made me suffer. He clapped on over \$300 that I did not expect to pay. He had not charged it before when I had overrun the contract, and I thought it would continue on that and when I got the bill in January I found that I was charged during the month at \$6.

Q. In November he put it at the same price; he did not charge more? A. In December I got 30 or 40 tons over the 1,000 tons, and he did not put on the extra amount. I got it at the same figure, but when I got my January bill I found that I had been charged \$6 instead of \$4.95.

Q. He advanced it a dollar and five cents a ton? A. Yes; that is one case where they took advantage of the small dealer.

By Mr. Bain:

Q. Do the rules of your association allow that sort of thing? A. Well, I suppose the association has been a kind of disorganized lately.

Q. There have been symptoms of breaking up again? A. Well, I don't know. There is some dissatisfaction, I suppose, it is hard to say what will come.

Q. You did not buy from the Americans in 1886? A. I think it was about the same figure, I think so.

By Mr. McKay:

Q. The selling price was the same in 1887 as it was 1886. The Canadian importer would pay no more for it? A. No; I think it was higher in 1837 than it was in 1886. Yes, I think it was a little higher.

By the Chairman :

Q. In the early part of the season was it higher? A. In the early part of the year I think it was a little higher. I think it was a little higher all the year round than it was the year before last. That is the best of my belief.

By Mr. Macdougall :

Q. This price, \$3.84 at Buffalo, was that the long ton or the short ton? A. A ton of 2,000 pounds.

C. C. RAY, sworn.

By the Chairman :

Q. What is your residence? A. Ottawa.
 Q. What is your occupation? A. Coal merchant, both Toronto and Ottawa.
 Q. How long have you been in the coal business in Ottawa? A. Four years.
 Q. How long in Toronto? A. This is the first year.
 Q. This is your first year in Toronto? A. Yes.
 Q. Where do you purchase your coal from? A. The coal companies on the other side.
 Q. They are the same agents for Toronto as for Ottawa? A. Yes. We always get our coal in bulk from one firm or one concern.
 Q. What company is that? A. The Delaware, Lackawanna and Western Railway Company.
 Q. They are both coal miners and coal carriers, are they? A. I don't know. I simply know we buy coal from them through their agents.
 Q. Which agent do you do business with? Q. Three or four different ones.
 Q. At which place? A. New York, Syracuse, Utica, Oswego and Buffalo.
 Q. Are the prices uniform from these different agents—that is on the same day?
 A. That depends on where you buy the coal. The prices are not the same at these different points, because some points are farther from the point of production than others.

Q. What is the point where they deliver to you—do they deliver right into Ottawa or do you buy it delivered at some other point? A. Sometimes we buy it delivered here, and sometimes we buy it at their shipping points at the lake ports.

Q. What lake ports? A. Oswego. We have bought it at Prescott. No; I don't think we have taken delivery of it at Prescott either.

Q. What portions of it do you get when you get it, does it come all the way through by water to Ottawa? A. No.

Q. Do you get it all in by rail? A. We get it just as we can get it to the best advantage, and we get it during the seasons of the year that they can supply us with coal, and they may be able to supply us from one point and not from another.

Q. This last year how did you get most of your coal into Ottawa, that is this last season? A. To Ottawa?

Q. Yes? A. The bulk of it came by rail last season.

Q. How did you get it into Toronto? A. By water. The bulk of it by water.

Q. How many tons did you handle in Toronto during the season, have you any idea? A. I don't know that I can tell. I am not in Toronto myself. I am here. My partner is in Toronto and I could not tell the quantity of coal we sold last year, but I suppose it would be in the neighborhood of probably 10,000 to 15,000 tons.

By Mr. Bain (Wentworth) :

Q. Is that hard coal or all kinds of coal? A. Hard coal I am speaking of now. Something over 10,000 tons I think.

By the Chairman :

Q. Are you a member of the Cartage Company of Ottawa? A. Yes, sir.

Q. Who organized that? A. The present members of the company.

Q. Who are they? A. Well you have all the information have you not? You have the minute book.

Mr. BAIN (Wentworth).—I would hardly repeat that.

WITNESS.—As I understand, you have the minute books and you have had the secretary here, and not only that but you have had all the books of the company.

Q. Who are the members of the incorporated company? A. Must I answer these questions?

By the Chairman :

Q. How many members are there? A. Am I obliged to answer these questions? If I am of course I am quite willing to do it.

Q. I think that this question is a proper one to answer. How many members are there of the incorporated company? A. I could not tell you without seeing the stock list.

Q. When it was organized were you a stockholder? A. I was not.

Q. Were you one of the organizers of the company? A. I was. I had to do with the organizing of the company.

Q. But your name did not appear as a stockholder? A. A new company was organized.

Q. What part did you take in the organization of it then? A. I took part that any of the others did, I got the company formed.

Q. You were not a member of it yourself? A. Not at the time.

Q. How was that? A. Simply because I was not.

Q. Did other men go into the company and you not going in yourself? A. We left the matter in the hands of our solicitor.

By Mr. Bain (Wentworth) :

Q. Are you one of the active controlling members of the organization here, or simply a quiet partner? A. I am one of the active members.

Q. Who is the president of the company? A. Mr. Butterworth.

Q. You have, as a secretary treasurer, Mr. Larmonth? A. Yes.

Q. Who are the other members of the Board? A. Mr. McCullough and myself.

Q. How many members are there on the Board? A. I think there are six?

Q. Who are they? A. As I say, I cannot say without looking at the books. The stock may have been changed.

Q. The members of the Board? A. They are all members. All the members of the company are members of the Board.

Q. They are all on the Board of Directors? A. Yes. I don't think there has ever been an executive committee appointed, if my memory serves me.

Q. You are on the Board? A. I am.

Q. Surely you know the members of the Board? A. The men may have changed. If a man assigned his stock he would no longer be a member of the Board. I mention McCullough and myself who are the principal members of the Board.

Q. Have you had any new faces at any recent meeting? A. I haven't been at any formal meeting for a long time.

Q. You don't require to meet very often? A. No, sir.

Q. Have you a partner in your coal business? A. Yes.

Q. What is his name? A. Cowan.

Q. Have you any partner in the business here? A. Cowan.

Q. Is he a shareholder in this company? A. He is.

By Mr. Bain (Wentworth) :

Q. The firm is Cowan & Ray? A. The firm is C. C. Ray & Company.

Q. You are an individual stockholder and he is another? A. Yes.

Q. Is Cowan in the Ottawa firm? A. Yes.

By Mr. Boyle :

Q. You have some 24 or 25 shares haven't you? A. Really I cannot tell you how many I have got.

Q. Do you know how much Cowan and Ray have together? A. I do not know. I don't remember the amount of the shares.

By the Chairman :

Q. You don't seem to know much about the company? A. Yes, I know considerable. The amount of the shares I don't remember. I can tell you how much stock I hold in the company.

Q. How much stock do you hold? A. \$5,000 worth.

By Mr. Boyle :

Q. Do you remember how much the entire capital of the company is? A. \$15,000 is the capital of the Cartage Company.

Q. All paid up? A. Yes.

Q. Some of these things the secretary has said and informed us thoroughly upon? A. I say this, I believe it is all paid up.

Q. Was it all paid in cash, or certain assets? A. In cash, if my memory serves me.

By the Chairman :

Q. Did you loan the company money? A. Yes.

Q. How much? A. I cannot tell you. We have loaned them, or borrowed for the company to carry on business which has amounted to a large amount at times.

Q. Does the company borrow money on its own responsibility? A. We endorse. All the members of the company endorse as security, and really, the members of the company supply the Cartage Company with funds to carry on their business.

Q. Did you loan them money in any other way besides endorsing their notes? A. Yes.

Q. In what other way? A. Cash.

Q. How much did you loan them? A. I cannot tell now. At different times whatever we had to spare.

Q. Did any other member of the company loan cash? A. Yes, Mr. Larmonth's books will show all that.

Q. The stock of the company is \$15,000? A. That is the nominal stock of the company for doing the cartage business. Pure and simple, that is the stock for doing carting.

Q. That is, the Cartage Company does all the business. They do all the coal business. They take your invoices—what do they do with them? A. You have the invoices here.

Q. I am asking you when you purchase some coal, what do you do with your invoices? A. I keep them.

Q. Do you hand them over to the Cartage Company? A. I hand the coal over to the company. I have a duplicate invoice and I hand it over.

Q. Who pays the amount of the invoice? A. I pay it—our firm pays it. The Cartage Company pays us.

Q. That is different from what your secretary has sworn here? A. He has made a mistake.

Q. How do you do with those who are not in the incorporated company? A: They pay their own bills and the Cartage Company pay them for what coal they import.

Q. Thompson says he hands over the invoices and the Cartage Company pays it? A. They pay the invoices he gives the Cartage Company. They pay it to him, they don't pay the company he buys from.

Q. Then what? The Cartage Company hands you back the money. They take your coal from the cars and deliver it in the yards and pay you for it? A. They do.

Q. Do you pay the people from whom you buy? A. I do. The Cartage Company don't take the responsibility for paying for any man's coal.

Q. They pay it to you? A. And the other parties they buy from.

Q. You hand the coal over to them and they pay you? A. Yes.

Q. Do the other members of the organization do the same? A. Yes; the same way.

Q. You have an incorporated company. You are a member of the board and you don't know the members of the board? A. All the stockholders are members of the board.

Q. By virtue of the charter? A. I think so,
 Q. "Meeting of the directors of the Coal Cartage Company of Ottawa (limited) held in the secretary's office in the office of the company. President D. Murphy, in the chair, C. C. Ray, G. W. McCullough, J. G. Butterworth, directors;" who is the chairman now? A. The president.

Q. Who is the president now? A. Mr. Butterworth.

Q. Did he succeed Mr. Murphy? A. He did.

Q. Is Mr. Murphy a member of the board? A. He is not. He is not a member of the company.

Q. Or in anyway connected with it? A. No.

By Mr. Boyle:

Q. At the time of the formation of this company, were your firm the owners of certain personal property? A. Yes; for carrying on business we were.

Q. Horses, carts and other appliances for delivering coal? A. Yes.

Q. Were these sold to this Coal Cartage Company? A. They were.

Q. What means were arrived at to ascertain their value? A. They were appraised.

Q. Were other shareholders owners of similar property? A. They were.

Q. They were appraised also? A. They were.

Q. Was there any dispute or disagreement in regard to the settlement of these things. A. There was.

Q. It was a happy arrangement amongst the members of the company that all this should be taken in on the valuation? A. I don't think it was a happy arrangement. Some of them thought they didn't get what their stock was worth.

Q. All pretty well satisfied? A. They had to be. They had the privilege of putting it in or selling to the Cartage Company or somebody else. It was just a matter of agreement the same as any other purchase.

Q. Was it necessary for the members of the company to advance a certain amount in cash over and above these assets to make up the \$15,000? A. Well, if my memory serves me right, in the first place the money was paid in, in cash. The cash was paid in and the company bought all these things. Whether there was a surplus or not, I don't know, after buying what stock they had to buy.

Q. The charter members of the company are Denis Murphy, Joseph Henry Salmon, John Humphrey Shaw, William James Mackenzie, James Black and James Laing Shaw. Are any of these gentlemen members of the company now? A. None of them.

By the Chairman:

Q. None of these men? A. No, sir.

Q. They hold no stock or interest at all in the matter? A. They did.

By Mr. Boyle:

Q. Did they ever pay in anything, any of these men? A. Well, they must have, this money was paid in.

Q. Can you tell how the stock was disposed of or transferred to the present shareholders of the company? A. It was transferred in the legal way I suppose, in the presence of the secretary and the solicitor of the company.

By the Chairman:

Q. Do you know that that stock was paid in? A. It was all paid and everything straight.

Q. By whom? A. By the different parties interested.

Q. These are the names as follows:—Denis Murphy, of Ottawa, forwarder; Joseph Henry Salmon, of the same place, accountant; John Humphrey Shaw, of the same place, merchant; William James Mackenzie, of the village of Buckingham, merchant; James Black, of the village of Thurso, merchant; James Laing Shaw, of the village of Shawville, farmer. Had any of these men been in the coal business heretofore? A. I don't know that they had.

Q. As a matter of fact the purpose of forming this company was to place it in other people's hands? A. After the charter had been granted?

- Q. Yes? A. I think that was it.
- Q. These names were made use of for that purpose? A. I think they were.
- Q. When did you step in after that? A. Soon after the company was formed.
- Q. I don't see your name amongst the list of stockholders, are you a stockholder? A. I am.
- Q. How is it your name does not appear in the stock-book? A. The stock-book of the company, the list of shareholders?
- Q. Yes? A. I don't think since the original stockholders, I don't think there has been any list.
- Q. How do you come to be a stockholder? A. Because I bought the stock and paid for it.
- Q. Who did you buy it from? A. From the original stockholders.
By Mr. Bain (Wentworth):
- Q. This is really not the list of the present stockholders of that company? A. No.
By the Chairman:
- Q. Who did you buy it from? A. From the stockholders.
- Q. How many shares were there? A. I don't remember the number of shares: Our firm had \$5,000 worth of stock.
- Q. Who did you buy your shares from? A. From the original stockholders.
- Q. Who were the individuals? A. I cannot tell you that.
By Mr. Boyle:
- Q. Have you a certificate of your stock? A. I haven't.
By the Chairman:
- Q. No transfer made? What did you give for your stock? A. \$5,000.
- Q. Who to? A. To the original stockholders; it was paid in to Mr. Larmonth, the treasurer.
- Q. I am referring to the individuals; here are their names that they had paid 10 per cent. Did you pay these men back that 10 per cent., or were they just put up as stool pigeons? A. I don't remember; I don't understand what you mean by stool pigeons.
- Q. Did you buy your stock from these men? A. I don't know what individual I bought my stock from.
- Q. You are on your oath now. A. I do not need to be reminded of that.
- Q. I think perhaps you do. This is a serious matter, because this is the whole of the stock. You say you got some stock, but you don't know who you got it from? A. Do you want me to violate my oath and say I bought my stock from some individual there, and I cannot tell you which individual transferred his stock to me?
- Q. Who did you negotiate with for it? A. I tell you the formation of this company was got up by the coal dealers here, by the present stockholders, and it was done through our solicitor. When it was formed the stock was transferred to the present owners. I don't know which individual transferred his stock to me.
- Q. What was the object of putting these men up instead of the organizers? It is usual for an organization like this to put their names down. What was the object in putting these men down? A. I cannot tell you.
- Q. You are one of the organizers, you say? A. I was.
- Q. What was the object in putting other men's names besides your own, that is, instead of your own? A. We were advised to do it, or I think, at least, our solicitor must have advised it.
- Q. Do you know what it was for? A. I don't know of any special reason.
- Q. It was done though; did you ask the consent of these men to subscribe? A. We must have.
- Q. Who furnished the money to pay their 10 per cent.? A. I cannot tell you that.
- Q. You are one of the organizers? A. I think our firm furnished one-third of it, I think so.
- Q. Have you any transfer of one-third of the stock from these men to your firm? A. Well, I don't think so, unless there is a transfer in the Cartage Com-

pany's books, which you have, or have had. I could not tell you which individual transferred his stock to me, or to my partner either.

Q. This money was paid in by you. This money that appears opposite these men's names was paid in by you? A. The company was organized by the present stockholders, Mr. Butterworth, Mr. McCullough and myself, and whether they furnished the money that was originally paid in there or not, I cannot tell from memory. The books of the company will show that.

By Mr. Boyle :

Q. These are forms of the endorsements when money was borrowed, and when the individual became liable? A. Yes.

Q. Wasn't the credit of the company sufficient for that, with that capital of \$15,000? A. We never asked it.

Q. Is the capital of \$15,000 on hand at present, anywhere now? A. Yes.

Q. In what institution, how is it held? A. It is held by the company.

Q. In no other way than just in the form of carts and other appliances. Is there no cash? There is in the hands of the treasurer in the bank.

Q. You are not able to say how much? A. I don't think there is very much.

By the Chairman :

Q. There are some minutes here that I will read to refresh Mr. Ray's memory. The following resolutions were passed at a meeting held 14th July, 1886:—

“Mr. J. L. Shaw presented his resignation as director of the company. W. T. McKenzie moved, seconded by J. H. Salmon, that his resignation be accepted, and that J. G. Butterworth be elected one of the directors of the company.—Carried.

“Mr. W. J. McKenzie presented his resignation as director of the company, when it was moved by J. G. Butterworth, seconded by J. H. Salmon, that his resignation be accepted, and that G. W. McCullough be elected one of the directors of the company.—Carried.

“Mr. J. H. Salmon presented his resignation as director of the company, when it was moved by J. G. Butterworth, seconded by G. W. McCullough, that his resignation be accepted, and that C. C. Ray be elected one of the directors of the company.—Carried.”

“At a meeting held on the 16th July, 1886, Mr. Denis Murphy tendered his resignation as president of the company. Mr. C. C. Ray, seconded by G. W. McCullough, moved the following resolution which was adopted:—Resolved, that the resignation of Mr. D. Murphy be accepted and that J. G. Butterworth be elected president of the company and C. C. Ray vice-president.

By the Chairman :

Q. Has your company to your knowledge tried to prevent any person from delivering coal in the city of Ottawa? A. No.

Q. Tried to prevent them purchasing coal to be delivered in the city of Ottawa? A. No, sir.

Q. This Cartage Company is very ingeniously managed. Who was it that made out the scheme or plan of it, you? A. I do not know that I can answer that.

Q. Who was it that organized the plan by which operations were conducted? A. It was left in the hands of our solicitor to obtain the charter and put it in legal shape.

Q. The charter simply incorporated the company under the Ontario Act, which is easily obtained, but there is a skilful arrangement of the business. Where did you get that scheme or plan by which you carried on your business as a Cartage Company. Did you go over to the States and find out what plans they were working there? A. No, sir, it was all originated here.

Q. What is the arrangement by which your company work; what is the business arrangement by which you carry on your business; what business do you do? A. Coal cartage business.

Q. Tell us a little more specifically; for whom? A. For ourselves, for the Cartage Company.

Q. Other individuals and firms? A. I cannot say that we do business for other firms.

Q. For instance, Mr. Thompson who was here said you did for him? A. We buy his coal and fill his orders.

Q. Buy his coal for how much? A. What it costs him. He pays the current prices it is delivered at.

Q. How does he pay you? A. Monthly.

Q. What does he pay you? A. What price? The price he sells it for.

Q. Not the price that he buys it for. He buys it at a certain price, then what does he do? A. Sells it to the Cartage Company.

Q. For how much? A. What he pays for it.

Q. If he buys it for \$6? A. He sells it to the Cartage Company for \$6.

Q. How does he sell it again, if he sells it to customers, how does he sell it to the Cartage Company? A. The Cartage Company fills the orders. He sells to the Cartage Company all the coal he imports, and the Cartage Company fills the orders at retail prices.

By Mr. Boyle :

Q. Does he get a commission? A. No commission whatever, in the way of a commission. He gets a percentage of the profits of the Cartage Company as agreed on.

By Mr. McKay :

Q. The Cartage Company is the medium through which the profits are distributed? A. We never had but one arrangement with Mr. Thompson and that was made last spring or summer.

Q. What proportion of the profits did you give him? A. I do not know, speaking from memory. He told you the other day and I think he was correct. I have not looked to see, and I do not know where the agreement is that was made with Mr. Thompson.

Q. Did you pass a resolution at your Board? A. No. I think there was some formal agreement signed.

Q. How could you do anything without a resolution of the Board? A. I do not know. It may be there, I have not looked to see.

Q. When was it he made the arrangement? A. Last summer or early in the spring.

Q. You held a meeting on the 9th of May and adjourned till the 5th of July, but had another to arrange this bargain with Mr. Thompson. You do not put all your business on the minutes? A. I do not know.

Q. There is nothing here? A. I think it was an agreement signed between the officers of the Cartage Company, the same as any firm would make a bargain with another firm.

Q. Does not everything have to be done as an incorporated company, by minutes? A. It is possible there should have been, but there was not, if it is not there.

By Mr. Boyle :

Q. You have some memory probably of the arrangement you made with Mr. Thompson and Mr. Easton? A. We have no arrangement with Mr. Easton.

Q. Is there any arrangement with any other? A. We fill orders for Mr. Thompson, and Mr. Clemow and Mr. Brown.

Q. Their profits depend in some measure upon the quantity of coal they take orders for? A. The arrangement was made in the beginning of the year what proportion of the profits they were to have.

Q. What is your recollection of that agreement? A. I cannot tell. Should I be obliged to tell the amount? I do not know from memory.

By the Chairman :

Q. Tell us what you do know. Your minutes are silent and we must have information from some source? A. I cannot give you accurately. I do not know the amount. I will find out, There is a percentage.

Q. What is your own percentage? A. According to what stock I hold in the company. We get a dividend on the stock we hold. That is the only profit I get out of it.

Q. Do you pay a percentage to Senator Clemow, Mr. Thompson and Mr. Brown somewhere in accordance with the quantity they dispose of for you? A. It was an amount agreed on at the beginning of the year; a proportion of the profits.

Q. They are not stockholders? No.

Q. You hold one-third of the stock? A. Yes.

Q. You say you get in proportion to the stock and get one-third of the profits? A. Yes.

Q. Where does Mr. Thompson's profits come in? A. He gets a share beforehand of the profits he is to get.

Q. What is it? A. He said here, it was one-eighth, and I think it is correct.

Q. But the shareholders get all; how does he get any? A. They do not get any until he is paid.

By Mr. Boyle:

Q. That is the one-third you get is after all these others are paid? A. Yes.

Q. What is left is divided into three parts, and you get one? A. Yes.

By the Chairman:

Q. Last year the profits were \$33,000? A. Yes, in that neighborhood

Q. What was done with that \$33,000; divided among three shareholders? A. I think the books will show.

Q. What was the arrangement with Mr. Thompson last year? A. He has told you. Mr. Larmonth was here.

Q. Yes; but he said there were things he could not tell us. Now members of the company come and they cannot. The profits were \$33,483.23, and a dividend was declared for the whole profits? A. As my memory serves me, last year Senator Clemow was to have the average profit on a certain number of tons. I think it was arrived at in that way.

Q. How much did he receive in that way? A. I cannot remember.

Q. Have you any idea? A. I have an idea it might be about \$3,000 or \$4,000, but I am not positive.

Q. Where would you get this information if your books did not show it and your memory cannot? A. The secretary's books must show it.

Q. What did your firm get? A. I suppose we got one-third of that.

Q. After Mr. Clemow was paid? A. According to the reading of that resolution I should think it would. I should say that was after Senator Clemow was settled with.

Q. This was the amount divided between you three shareholders? A. Yes from the minutes of the books, I should think it would.

Q. What did your firm receive then? A. Somewhere about \$11,000 from the Cartage Company.

By Mr. Boyle:

Q. Is your share of the profits affected by what business you turn into the company? A. We turn in all our business.

Q. If Mr. Butterworth turns in more business than you do, does he get any more profits? A. No; he only gets his share on the stock.

Q. Then contingencies do not affect the dividends that you individually derive? A. The dividend is on the amount of stock we hold in the company.

By Mr. Bain (Wentworth):

Q. Your association interferes with no other individual purchasing from the American association? A. No.

By the Chairman:

Q. Do you make a bargain with your company asking them not to sell to any other person in Ottawa? A. Ottawa is an open market. Coal can be brought in here from the lakes by water and it can be brought in here from tidewater, New York. We bring in a large proportion of the coal that is consumed in Ottawa by that way;

by the canals and Lake Champlain. It used to come in all that way. The bulk probably comes by rail now, not only coal dealers but individual coal consumers bring their coal that way.

Q. Oswego is as near the coal mines as New York? A. Yes; but there is a good object in bringing the coal that way. You can sometimes buy better at tide-water than at the lake ports.

Q. The profits last year were \$33,000. That was divided among you three, Mr. Butterworth's firm, your own and Mr. McCullough's, giving you each about one-third of that amount? A. Yes, I think so.

Q. The only profits paid outside of that were to Mr. Clemow? A. Yes, I think that was all.

Q. About how much did he receive as profits? A. I do not remember, but I think it was in the neighborhood of \$3,000 or \$4,000.

Q. What service did you render for that \$11,000. Just held the \$5,000 stock? A. That is not all. We had a coal business and kept two offices open.

Q. Whereabouts? A. In Ottawa.

Q. What parts? A. Elgin Street and Sparks Street, and sold coal in both offices and had office expenses, book-keepers, canvassers and bad debts to collect out of that.

Q. Had you any other business besides that? A. Yes, I am the agent of the Canadian Express Company.

Q. And transact the coal business in the same place? A. Yes.

Q. So that the office expenses are divided between the two?

Q. The expenses of the office are divided? A. Yes. But help in the office in the coal department has nothing to do with the express. It is a separate department and I pay different men. We have two men who do nothing but look after coal besides myself, in the Elgin Street office.

Q. Your office is on Elgin Street you say? A. Yes.

Q. The capital stock is \$15,000 and the profits were \$33,000? A. That is the nominal capital of the company but it is not probably one-fourth of the capital which is required to be furnished; which we have to furnish to carry on the business.

Q. I see they borrow large sums from Mr. Ray. Mr. Butterworth and Mr. McCullough. I see they are paid large interest? A. Yes, but they may borrow more from one than the other.

Q. When the stockholders loan money to the company they get paid for it? A. Yes.

By Mr. Boyle:

Q. Is it fair to deduct from that \$33,000 anything you have to pay in running the business, from your private business? A. Yes.

Q. Have you any idea to what these expenses would amount, among the three of you? A. I have not an accurate idea, our Elgin Street office of the coal department, the expenses there of salaries putting in a salary for myself ———

Q. That would hardly do. Where is this business of the Cartage Company carried on? A. Elgin Street, corner of Queen. It is a separate office altogether.

Q. What is the expense of running your proportion of the coal business? A. I cannot give you an accurate account without looking at the books, but it would amount to several thousand dollars.

Q. \$2,000 or \$3,000? A. More.

Q. You pay two men exclusively engaged in coal? A. Yes, in our own office. In the other we are under the expense of rent.

Q. What salaries do you pay your two men? A. I think \$3,000 to \$4,000; or \$4,000 to \$5,000 would be the expenses.

By the Chairman:

Q. What salaries do you pay? A. \$950 down. One, \$950, and the other, \$500, I think, and there is another man I do not remember what he is getting.

Q. About how much? A. It is under \$500. Then we have taxes.

Q. You would have to provide an office to do your express business? A. I would not; the Express Company pay for that. We pay \$700 rent for the other office.

Q. Is that exclusively for coal? A. No; a portion of that is rented off.

By Mr. Boyle :

Q. The expenses would not exceed \$4,000? A. I think they would exceed \$4,000. Then you want to add bad debts and capital required in the business. Coal is not sold here for cash. I suppose \$50,000 on an average would not cover the outlay in the different offices during the year for coal sold on credit.

By Mr. Bain (Wentworth) :

Q. Is this statement of \$33,400 of profits, a book-keeper's entry, or was the money paid over? A. The money was paid over.

Q. Then you collected enough to pay the Cartage Company's expenses and left enough to pay this over to you? A. Yes; we took \$11,000 of the apparent profits from which you have to deduct all our expenses and bad debts.

Q. As a matter of fact, when the year's business is wound up, you have collected enough and handed over to the Cartage Company enough to leave this balance? A. The Cartage Company collected from us enough to pay us. Out of that profit we have to collect from our customers.

Q. I understood you to say you never interfered with other parties who wished to purchase anthracite coal? A. We do not interfere.

Q. Then if a man can show that he can pay for his coal he can buy at any time? A. He can.

Q. There is no list that you supply to the American producers? A. No; there is nothing of the kind.

By the Chairman :

Q. Do you know of any effort to prevent George Harris from buying coal from the Americans? A. I do not.

Q. Or any objection made by them to selling him coal? A. I cannot say that I know of any objection.

Q. Do you know of any correspondence or verbal statements about it? A. I do not.

Q. You have no knowledge about it? A. The party that George Harris buys his coal from I never bought any coal from. If I wanted to buy coal from these parties they might sell, but I have never bought from them.

By Mr. Bain (Wentworth) :

Q. If your association had brought any influence to bear on the American coal companies to prevent anybody getting coal would you know? A. I think I would; I know I did object last year. When I say object, I mean that Mr. Easton had coal here when I could not get it. His coal was lying on the cars here and when they investigated it, the coal had been on the cars for 30 days and over. When I said Mr. Easton I should have said Mr. Swift. Until we made a complaint we did not get coal nor could not get it fast enough. It is not an uncommon thing to be unable to get coal fast enough.

Q. Then the representations might have been made under these circumstances, Mr. Easton was being favored? A. I complained bitterly; not that Mr. Swift was treated too well, but that I was not treated well enough.

Q. How did that have the effect of preventing him from getting his coal? A. They investigated it and found that the coal had been lying here for a long time and he had not taken it out.

By Mr. Guillet :

Q. Is not the Montreal Coal Dealers' Association in connection with your association? A. No, sir; our business is all done here.

By the Chairman :

Q. Which is the more scientific place for doing business, here or in Toronto? A. Here, I think. There have been statements made that men who were not in the ring in Toronto could not import coal. I would like to say we never found any difficulty in getting all the coal we wanted, whether in the combination or not.

By the Chairman :

Q. Were you doing business outside of the coal section? A. We were not asked to join it, but we were sure we could get all the coal we wanted without joining.

Q. You did join? A. Yes.

Q. When? A. When we started business.

Q. Then you did not go on without being a member? A. No; I had good reasons to believe that we could get all the coal we wanted in Toronto and we were not asked by the American Association (if there is one) any question. I suppose there may be such a one. We were not asked by them to join the Toronto Association or by anyone else.

By Mr. Bain (Wentworth):

Q. Still you found it in your interest to join? A. It is in the interest of any dealer to belong.

Q. Have the parties you purchased from dictated to you the prices you should sell at in Toronto? A. No, not in any way. In fact I was told by a gentleman I supposed to be a member of the association, that they insisted on the Toronto dealers having some organization, or in other words getting better prices for coal, or pay them for the coal on the spot; or I think pay cash before they got any more. I think the representatives of the coal dealers selling coal in Toronto went there and called a meeting of the dealers.

Q. You are only speaking of what you heard? A. That is all.
Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 6th April, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

ALEXANDER R. HARGRAFT, of Cobourg, grain and coal dealer, sworn.

By the Chairman:

Q. What we want particularly to know, Mr. Hargraft, is how you do your coal business in Cobourg? A. Whether we have any combination?

Q. Yes. Have you any combination in the business there? A. No.

Q. You do your coal business, as your grain business, with perfect freedom?
A. Yes.

Q. Where do you buy your coal? A. At Oswego. That is the anthracite coal.

Q. How many dealers are there in Cobourg? A. Four.

Q. Are they all importers? A. Yes.

Q. You get your coal from Oswego? A. Yes, we do. Some of the other dealers get it from Charlotte, Fairhaven and different points.

Q. I suppose that means that you get it by boat, that is during the season? A. All the anthracite coal by boat. I have never got any by rail.

Q. What were the prices you paid last year? A. We bought our coal early in the season, and we paid different prices for different sizes of coal.

Q. This statement which you have given me is a statement of the May and June business? (*Exhibit 36—C and D.*) A. That is altogether. We got all our coal by the first of July. That is all that we purchased last year with the exception of one cargo from another firm.

Q. 2,165 tons? A. Yes.

By Mr. Guillet:

Q. And you purchased it all before the 1st of July? A. Yes.

By the Chairman:

Q. From whom? A. The Delaware, Lackawanna and Western.

By Mr. Fisher:

Q. Was it delivered before the 1st of July? A. Yes.

By Mr. Guillet:

Q. And you had no difficulty? A. Later on, I think there was trouble.

By the Chairman:

Q. At Oswego or at Cobourg? A. Yes, in the vessel at Oswego.

Q. These are the gross tons. Can you give us the net tons? A. Yes, there are only two prices after all.

By Mr. Guillet :

Q. What is the price? A. \$4.25 and \$3.90.

By Mr. Fisher :

Q. What was the freight from Oswego to Cobourg? A. We got our freight very cheap, 25 cents, but the freight advanced afterwards. We made a contract with some vessel owners to bring our coal at that price. Others had to pay more.

Q. But your price was 25 cents? A. Yes.

By Mr. McDougall (Pictou) :

Q. And what is the insurance? A. The insurance does not amount to very much. There are only four or five dealers in Cobourg. It does not amount to much over one cent per ton.

By Mr. Boyle :

Q. How much is the cargo? A. From 200 to 250 tons.

Q. About 2 cents a ton then? A. Yes, about 2 cents a ton. That would cover the insurance.

Q. You have no wharfage dues to pay? A. Yes, 25 cents a ton wharfage dues.

Q. Is that for the net ton or for the gross ton? A. That is the net ton.

By Mr. Fisher :

Q. But the freight is on the net ton? A. No, the freight is on the gross ton too.

By Mr. Guillet :

Q. There is a rebate, is there not? A. Yes, there is a rebate.

Q. A rebate of 25 cents? A. You see they give us the invoices first, and they give us 25 cents rebate on the whole thing.

Q. On the whole, what is the meaning of that? A. That is a rebate to their regular customers. I think all coal dealers in Canada get that rebate.

Q. We have not heard of that before? A. That is on the gross ton. Here is a circular that gives the net price. \$4 per gross ton would be \$3.57 per net ton.

By the Chairman :

Q. \$3.57 and \$3.26 is the price per net ton that you paid for your coal? A. Yes.

Q. And the wharfage, insurance and freight would be 52 cents per net ton? A. Yes. It is delivered on the wharf, and we have to pay 15 cents a ton for unloading.

Q. And then have you to cart it to the yard? A. Our yard is handy, and it only costs us 5 cents a ton.

The CHAIRMAN—In all the prices that we have had quoted to us by all the witnesses we have examined there has been nothing said about 25 cents a ton rebate.

By Mr. Fisher :

Q. Do you know that that is given? A. I have been given to understand that it is.

Q. Is it given to you always? A. No, not every year.

Q. But it was given this year? A. Yes; some years we get a rebate and other years none at all.

By Mr. Guillet :

Q. The larger dealers give a larger rebate? A. I do not know.

Q. But it has been the case has it not? A. Some years. They use to have a scale of prices, 25 a ton discount for certain quantities, and over that 5 or 10 cents a ton more, but they stopped that 2 or 3 years ago, and since that they have not made any larger discount.

By the Chairman :

Q. I see here a letter from a firm which says: "Our prices to-day are \$4.75 per gross ton F.O.B. for grate and egg, and \$5.00 for stove and chestnut, with 25 cents per ton off to regular customers. These prices are subject to change at any time without notice?" (Exhibit 36b.) A. That shows that it is a general thing to give that 25 cents to their regular customers.

By Mr. Guillet :

Q. Have you had any dictation of any kind from the American coal dealers with regard to the price you sell at? A. No; they have never dictated to us at all.

Q. They have never written to you about it as to prices? A. No, we have always been at liberty to sell our coal as cheap as we like.

By Mr. Wood (Westmoreland) :

Q. Do you buy direct from the miners? A. We buy from the agent of the miner at Oswego.

Q. Do you know what position he occupies? Does he sell on commission or is he paid a yearly salary? A. Well, we really do not buy from him. The company send a man through from whom we buy, and then we have to get our coal from this man.

By Mr. Fisher :

Q. It is from their traveller that you buy? A. Yes.

Q. They send a man who hands his orders over to their agent at Oswego who honors them? A. Yes.

By Mr. Wood (Westmoreland) :

Q. Do you know what position this agent occupies? A. I think he gets a commission on the coal he handles. I do not think he is paid a salary but I have no way of knowing.

Q. You say it costs you 5 cents per ton for cartage? A. Yes. Of course none of the other dealers in the town get it carted as cheaply as they have to draw further.

By Mr. Fisher :

Q. You and the other dealers in Cobourg have had no other arrangements among yourselves as to the price at which you shall sell? A. We are not bound in any way. When we settle the price we notify each other, but we do not bind ourselves in any way. For instance, if we were tendering for any large amount, we are at perfect liberty to tender as low as we like.

Q. In ordinary sales to ordinary customers, for instance house coal, do you vary your prices. Do you find that sometimes one sells cheaper than the other? A. We generally get such a small profit that we have not got much room for cutting.

Q. That comes up to the point at which you sold coal during the last season, the rates in the fall and then again in the winter. Would you give us your rates in October or November and then again in January? A. We sold at \$5.25 for all sizes.

Q. You buy at different prices and sell at the same price? A. Yes; we use so little of the larger sizes that is hardly worth while considering. The bulk of our coal costs the dearer price.

Q. Then, at what price in October last did you sell that? A. \$5.25 delivered in people's yards, and \$5 anywhere else.

Q. What does it cost to deliver it? A. 25 cents.

By the Chairman :

Q. Your selling price is \$5.25 delivered? A. Yes, and \$5 in our yard.

By Mr. Fisher :

Q. The cost was really \$4.54 and 25 cents for delivery. You say you got \$5 in the yard? A. Yes. For instance we screen all our coal which amounts to about 10 cents a ton. Then, there was the duty which we paid on the first cargo we got in last spring, and the freight was 25 cents and the wharfage 25 cents.

Q. What is the wharfage in Toronto? A. 5 cents.

Q. And 25 cents in Cobourg? A. Yes. The Government do not own it; the town gets that. Then unloading costs 15 cents. Now this item is approximate; we count 15 cents for labor and carting to the yard, but I do not know exactly what it does cost.

By Mr. Guillet :

Q. That does not include screening? A. No. This screening amounts to about 10 cents and then the delivery is 25 cents, that is to places within a certain distance. That makes a total of \$1.15.

By the Chairman :

Q. You have a margin of profit and if you were doing a pretty large business, for instance in a large city like Toronto, would you not consider that as a pretty good profit for you? A. I do not know, if a man had no other business.

Q. That would leave a profit of 53 cents clear of all expenses? A. Of course we raised the prices. That was our price up to the first of November and on the first of November we raised it to \$5.50 I think. We were selling in the winter at \$6.

Q. Comparing this with Toronto the only apparent difference is that the wharfage in Toronto is 5 cents and at Cobourg 25 cents? A. Yes.

By Mr. Fisher :

Q. And the cartage in Toronto costs less than in Cobourg? A. I think it costs 40 cents in Toronto. They have a longer distance.

By Mr. Wood (Westmoreland) :

Q. You sell all kinds of coal at the same price? A. Yes.

By Mr. Fisher :

Q. At what price did the coal rise to during the winter? A. \$6 was the highest.

By the Chairman :

Q. You were selling it before the 1st November at \$5.25 and you had after all expenses were paid a profit of how much? A. Somewhere about 53 cents, that is the stove coal, and then we got 78 cents on some of the coal.

By Mr. Fisher :

Q. Out of that you pay your office expenses and the rental? A. We own the property.

Q. Is there any charge there for office expenses? A. Yes.

Q. Up to the 1st November the price was \$5.25? A. I think that was the price. I do not remember but we put it up on the 1st November to either \$5.50 or \$5.75.

By Mr. Bain (Wentworth) :

Q. What was the prices at the mine? A. That went up to \$5 on the 1st November. (*Exhibit 36b.*)

By the Chairman :

Q. That is the gross ton? A. Yes.

Q. At any rate you had your coal all in? A. Yes.

Q. Then you raised the prices on the 1st of November? A. Yes, either to \$5.50 or \$5.75.

Q. And then after that? A. On the 1st January we put it at \$6 and it has been that ever since.

By Mr. Fisher :

Q. What amount of coal did you sell last year? A. About 2,500 tons. We have some coal on our hands. There was one cargo that does not appear on that statement that we bought from another firm.

By the Chairman :

Q. What amount of coal do you estimate was consumed in Cobourg? A. About 5,000 tons.

Q. And then you are quite satisfied with those profits, selling at \$5.25, \$5.50 and \$6? A. If we had no other business except the coal business I do not know that those profits would pay us.

Q. But in a large city selling 10 times as much you would be quite satisfied with the profits, you think you could make a living with them? A. Yes.

By Mr. Bain (Wentworth) :

Q. Did you buy at the mines at the subsequent prices, when they were raised?
A. Of course we would have to raise the prices to the amount we would have to pay.

By Mr. Fisher :

Q. The rise at the mine would be equal to your rise? A. Yes.

Q. So that your profits would be about 53 cents right along? A. Yes.

By Mr. Bain (Wentworth):

Q. You kept your prices according to the figures on the American side? A. Yes.

By Mr. Boyle:

Q. Do you lose much by bad debts? A. No, we are supposed to do a cash business.

Q. As a matter of fact do you lose anything? A. We have.

By Mr. Guillet:

Q. You lost that 50 per cent. duty? A. Yes. We applied to have it returned but were not successful. The others, however, did not get any the start of us, not one.

By Mr. Fisher:

Q. Are you aware of any combination on the other side of the line which regulates the prices at which you can buy the coal? A. There use to be, but I understand that in the last few years there is not. They say there is none now.

Q. Have you ever tried to get any coal from anybody else than the Lackawanna Company? A. Yes; but we could not get as good coal. Our coal is the Scranton coal, which is the very best.

By the Chairman:

Q. You think there is no combination among the American producers? A. They say there is not.

Q. Have you any further evidence beyond their anxiety to sell? A. I know we could have got another 25 cents rebate from another company, but it was not as good coal.

By Mr. Fisher:

Q. These companies send around their men, their travellers? A. Yes.

Q. And they come to you and try to sell? A. Yes, sir. I believe there is a combination in connection with the city of Toronto. I mean with men on the other side of the line. I have heard that they compel the dealers to sell at a certain price, but that is all hearsay.

Q. In your buying from the other side of the line have you heard anything of a combination to keep the coal at a certain price? A. They claim there is no combination.

Q. You have never found the same price? A. No.

By Mr. Guillet:

Q. The coal offered you seemed to be as good? A. Yes.

By Mr. Fisher:

Q. What company was that? A. I cannot tell you the name of it.

Q. You remember this man coming to you and wanting to sell? A. Yes; but there are so many of them come around.

By the Chairman:

Q. Regular agents come round to sell to you? A. Yes.

Q. There is then some interest in each one selling his coal? A. They always seem anxious I know.

Q. How many companies have you bought from—always from this one? A. We have bought from others, but we generally go back to this coal company as their coal suits our customers best. About four years ago we bought from another company, but in my twelve years' experience that is the only year we bought altogether away from this company.

Q. Do you know how many companies there are in the United States? A. I do not. There are only two in Oswego; that is, standard companies.

By Mr. Guillet:

Q. The dealers in this first quality of coal, do they offer different terms of payment? A. No; their terms are the same. The terms are usually 30 days cash from the date of shipment. The one we deal with if we buy on the first of this month we have until the 15th of the next month to pay for it.

By Mr. Fisher:

Q. Practically you find that all these first-class companies have the same prices? A. Yes.

By the Chairman :

- Q. You are in the grain business? A. Yes.
 Q. Do you buy barley? A. Yes.
 Q. Do you know of any combination to regulate the price of barley? A. I do not think there is.
 Q. Are you buying for yourself? A. Yes.
 Q. Where do you sell? A. All over. As far west as St. Louis and south as Baltimore.
 Q. About what quantity of barley do you handle? A. From 100,000 to 150,000 bushels according to the crop. We have bought this year about 130,000 bushels.
 Q. Are there others in the business in Cobourg? A. Yes, two more, but we buy more than half. This year there may have been from 220,000 to 230,000 bushels bought there.
 Q. You could get plenty of vessels for your coal? A. We never have any trouble. There are vessels owned in the town. It is the dull season of the year.

HOUSE OF COMMONS, OTTAWA, 10th April, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. WALLACE in the chair.

GEORGE F. HARTT, of Montreal, coal dealer, sworn :—

By Mr. Guillet :

- Q. You are a member of the Montreal Board of Trade? A. Yes.
 Q. And a member of the Corn Exchange? A. No.
 Q. You are a member of the Coal Exchange? A. Yes.
 Q. That is an association in connection with the Board of Trade? A. No.
 Q. It is entirely independent? A. Yes; entirely independent.
 Q. But you are a member of the Montreal Board of Trade? A. Yes; but the Coal Exchange is not a branch of the Board of Trade.
 Q. You do not require to become a member? A. No.
 Q. When was this association established? A. Last year.
 Q. What are the fees for membership? A. The entrance fee at present is \$100, and the annual dues are according to the tonnage. The large dealers pay more than the small dealers.
 Q. What was the object of establishing this association? A. I suppose for the same reason that most organizations of that kind are established for. The trade was thoroughly demoralized, and they selected the best means they could to maintain uniform prices to all parties, and to prevent abuses that had grown into the trade in the way of obtaining commissions, and other means of obtaining orders.
 Q. It was a local movement, and spontaneous; it originated entirely with yourself? A. Yes.
 Q. It was not dictated by the Americans? A. No; it only affected the retail price of coal, and had nothing to do with them.
 Q. The producers on the other side did not interfere? A. They did not interfere. Of course, they like to see us getting good prices. Three out of the five directors are representatives of the American coal companies, their agents there.
 Q. That is the Board that manages the Exchange and regulates the prices? A. Yes.
 Q. Are you an agent? A. Yes; I am a commission agent.

By the Chairman :

Q. You are an agent for whom? A. For the Delaware and Hudson Company.

By Mr. Guillet :

Q. How often do you meet? A. As often as the exigencies of the case require. We have regular meetings of the Exchange, or are supposed to have, twice a month, and we have Board meetings as often as necessary.

Q. Are your meetings entirely private or secret? Are members of the association admitted to the directors' meetings? A. I do not think they would be refused admittance, but I do not think they have ever asked to be present, and so that question has never come up.

Q. As a matter of fact they do not attend? A. No.

Q. Have you any oath or obligation which you administer to your members? A. They agree to abide by the resolutions and by the prices that are fixed, but there is no oath or anything of that kind.

Q. Are there any penalties? A. If we get an affidavit accusing a member, he is given a fair hearing and he is fined generally about the profit he makes on the transaction.

Q. But you have no schedule of fines? A. No.

Q. And then are they subject to expulsion? A. Do you mean expulsion from the Exchange?

Q. Yes? A. Not within the rules.

Q. But suppose they persist in disobeying the rules, what do you do? A. I think they would be expelled in course of time.

Q. Have any cases of that kind occurred? A. No.

Q. The rules of the association are kept then? A. Oh, yes; very well kept.

Q. Have you a list of the prices of coal last year? A. Yes; I have taken stove coal as a basis.

By the Chairman :

Q. Kindly give us the retail prices of coal at different times during the season?

A. The retail price on the 15th of May was \$5.60. These are 2,000 lbs. delivered. On the 18th of July, \$5.75; 1st August, \$6.00; 19th September, \$6.25; 17th October, \$6.50. I think these dates are right, they are within a day or two. On November 22nd the price was \$7 which is the price now.

Q. Have you brought your invoices with you? A. No, I have no invoices. I have the wholesale price also.

Q. That is the prices at which you sold to the dealers? A. Yes.

Q. Are these the prices delivered in Montreal? A. Yes; to the dealers' yard or at the boat or cars. On the 15th of May, \$4.75; 1st July, \$4.89; 1st August, \$5.11; 19th September, \$5.33; 22nd November, \$5.91. These are the prices per net ton in the yard, or on the boat.

Q. What do you mean by "in the yard?" A. I mean in my yard, or on the cars or boat. They handle the coal.

By Mr. Guillet :

Q. Was there any discounts for cash, or rebates? A. There were discounts to the larger dealers, ten cents a ton off, but the majority of the dealers paid these prices.

Q. Would you refuse to sell to men outside the combination? A. In Montreal?

Q. Yes? A. At these prices we would, yes, sir. We would not refuse to sell at retail prices except to a manufacturer or something of that kind.

By the Chairman :

Q. You do a retail business as well as a wholesale business? A. Yes, sir.

By Mr. Guillet :

Q. A dealer who is not in the combination is told he could not have his coal except at retail prices? A. There were no dealers but what were in the combination. I don't think that we had any enquiries last year for coal. There is nothing to prevent them buying coal in the States you know.

Q. Were any of them refused admittance into the association? A. Not that I remember of.

Q. Do they require to be balloted for when they apply? A. They have to be accepted by the Board of Directors. There was an application from a man who wasn't in the trade at all, who had been a canvasser and who wanted to continue

his calling and applied for membership and he was refused because he was not a dealer.

Q. In what sense? A. He had no yard. He wasn't a coal merchant in any way.

Q. Who was your secretary? A. His name is Bell.

Q. I suppose records are kept of all your meetings? A. Yes.

Q. You haven't these with you? A. No, sir.

By the Chairman:

Q. Your secretary here is a man named Robert Holman? A. That is an old book. His name is Robert Bell.

Q. What is his address? A. To tell you the truth I don't know. He was employed as a book-keeper in the Montreal woolen mills when I last saw him. The prices, I may say, when we formed the association we laid out a plan that it is necessary for a coal dealer to receive at least 50 cents a ton profit on his coal and pay his expenses, and if you figure these up you will find, taking into consideration the carting and weighing and other expenses, that there is an average of about 50 cents a ton on all coal. In the early part of the season there was a reduction made to churches, religious institutions and schools of 25 cents a ton off this retail price which was adhered to during the time that they generally bought their coal—the early part of the year.

By Mr. Guillet:

Q. That was a rule of the association? A. Yes; there was a special price made for that.

Q. How did you arrange for the tendering for city coal for different institutions?
A. We met and fixed a price.

Q. At which they shall go in? A. Yes.

Q. Is that the only one submitted? A. These are the only prices that the members of the exchange submitted.

Q. They are at liberty to tender? A. Anybody can tender, but not at a low rate.

Q. Who gets the tender if there is no competition? Is there any rule by which the tender would be given? A. I suppose the man who has the most friends in the Council would get the contract.

Q. It is not arranged by the association who should have the tender? A. Oh, no, we don't do anything of that kind. Our association don't appertain at all to the nature of a trust in any way. Competition is just as keen between the dealers as before. We don't cut prices and we don't pay commissions.

Q. Are the dealers at liberty to employ canvassers? A. Only their own clerk. They must not engage a person to go outside, other than their own clerk. The clerk is allowed to go and canvass according to the rules of the book there that you see. The clerk can go and canvass, but we have broken up this system of paying commissions on orders.

Q. They may advertise? A. Oh, yes.

Q. Are they allowed to give discount? A. No, sir.

Q. Or sell on time? A. There is no rule about that. It is for their own protection that they don't want to do that.

Q. They sell, as a matter of fact, for cash? A. Yes, as a matter of fact, for cash.

Q. How many of the producing companies are represented in Montreal by agents? A. Three or four.

Q. Not all of them? A. Some of them are not represented.

Q. Do they sell any coal in Montreal? A. Oh, yes, my goodness, yes. There is coal comes outside of the agents there. Dealers go to New York and buy coal; the outsider goes to New York and buys coal.

By Mr. Guillet:

Q. These men who are not represented in the association may put it as low as they please? A. May put it just as low as they choose or any way they like.

Q. There is no limitation? A. No, no limitation. As a matter of fact any dealer can go to New York and get his coal; there is nothing to prevent him, but he could not buy it any lower than we sell it. Our prices are made low enough to take a trade.

Q. Are these wholesale prices not arranged by a Board? A. No, sir.

Q. Is there no arrangement among the agents in the city as to what the prices shall be? A. There is no arrangement amongst them at all. Our prices are fixed by the company in the States, and I get word if there is a change made.

Q. As a matter of fact, are they always uniform? A. Pretty much uniform as they are all over.

By Mr. Boyle :

Q. Why is it that a dealer cannot buy his coal any cheaper in New York than you sell it to him? A. Because we are there to do business and we cannot let any other man do that.

Q. Is it because the New York dealer charges the Montreal dealer more? A. The New York dealer has no interest whatever in our association.

Q. Is there any difference between your purchasing price and the New York market? A. Wholesale coal?

Q. Yes? A. Between our prices?

Q. Can you not buy coal cheaper in New York than the single dealer or members of your combine? A. I don't think so - no.

The CHAIRMAN.—Mr. Hartt has explained that he is the agent of the Delaware and Hudson Canal Company, coal producers.

By Mr. Bain (Wentworth) :

Q. I suppose these wholesale prices you quoted were the prices you quoted as agent of that company? A. Yes.

Q. These were the best rates you gave your customers with the exception of 10 cents per ton for large orders? A. Yes.

Q. 10 cents per ton, not 10 per cent.? A. There is no 10 per cent. in coal.

By the Chairman :

Q. When was your association formed, Mr. Hartt? A. Just about one year ago.

Q. Not till then? A. No, sir.

Q. How has business been done previous to that? A. It had been done in a very mixed manner, every man for himself.

Q. The same as other lines of business? A. Yes and worse.

Q. You are the agent of the Delaware and Hudson Canal Company. What is the nature of your agency? What are your powers? What kind of fees do you get? You sell all the coal that that company sell in Montreal, do you? A. Yes.

Q. You get a commission? A. Yes.

Q. When you are a coal dealer as well? A. I am a dealer in other coals as well but no other hard coals.

Q. Do you compete with these men you sell to? A. Yes, I retail alongside of them.

Q. What is this Delaware and Hudson Canal Company? Are they coal miners or coal forwarders, or both? A. Both.

Q. Where are their mines? A. Pennsylvania.

Q. What part? A. They are scattered through the anthracite region.

Q. Different mines? A. Forty or fifty.

Q. What is the general way that their coal is forwarded to Montreal? A. They ship most of their coal through Rouse's Point. They own the road to Rouse's Point.

Q. They ship coal to and from there? A. It is brought by the Grand Trunk. That is the way they bring most of the coal to Montreal. We bring some by water, too.

Q. By Lake Champlain? A. Yes, sir.

Q. Can you tell us what the freights are? Suppose another person bought coal, what are the freights to bring it to Montreal? A. Well, I am afraid it would take a good while to post you up in the coal business, but coal is shipped from a

great many different points. It is shipped for Montreal, beginning on Lake Ontario from Fairhaven, Oswego, and then from Whitehall and all the way down different points on the Hudson as far as New York, and it is impossible to tell you what the freights are from each point.

Q. What is the freight say from Oswego to Montreal for coal shipped to Oswego? A. It is out of my line altogether, but I think it is somewhere in the neighborhood of \$1.35.

Q. From Oswego to Montreal? A. Yes, sir.

By Mr. Bain (Wentworth):

Q. That would be by water? A. Yes.

By the Chairman:

Q. That would make coal in Montreal a lot dearer than coal in Toronto? A. Yes.

Q. Your retail price is about the same as Toronto? You are doing business there more cheaply than some other places. The freight from Oswego is about \$1.35? A. Yes, I think it is about the rate last year.

Q. That is about the best rate, was it? A. Yes; but I am not thoroughly familiar. We don't ship from there.

Q. You come by cars? A. Yes.

The CHAIRMAN.—He says that this is about the lowest rate last season.

Mr. BOYLE.—They don't patronize that route though, apparently.

WITNESS.—There are others that do.

By Mr. Boyle:

Q. You get it the other way cheaper? A. It suits us better to send it over our own railroad.

By Mr. Bain (Wentworth):

Q. You own the road to Rouse's Point, and you would naturally use your own road? A. Yes.

By the Chairman:

Q. What is the name of that road to Rouse's Point? A. The Delaware and Hudson.

By Mr. Bain (Wentworth):

Q. Do you remember the prices that your company fixed for contracts to Montreal last season? A. I don't know.

Q. What was the result of these tenders; did some member of the company get these contracts? A. Do you mean tendering for the corporation?

Q. Yes? A. Well that was taken by a man who cut the price of soft coal. There were five tons of soft coal wanted, and he put that soft coal down to a very low figure and got the contract.

By the Chairman:

Q. Was that the waterworks contract? A. That was the city contract.

By Mr. Bain (Wentworth):

Q. They only asked for five tons of soft coal in the tender? A. I think it is five tons; a very small quantity.

By Mr. Guillet:

Q. Could they not have bought the coal direct from you; you say you sold to large institutions? A. Religious institutions.

Q. You would not sell the city at wholesale rates? A. Well, we didn't last year. There was a special discount to institutions that deserve it.

By Mr. Bain (Wentworth):

Q. Were his prices the same? A. Yes, his prices were the same.

Q. I understand you to say he cut you out of the contract by cutting the price of soft coal and got the contract? A. That was a door we left open that we had forgotten.

By Mr. Guillet:

Q. He was an outsider? A. No, he was one of the members.

By the Chairman:

Q. Did these parties who purchased coal from your company pay you? A. Yes.

Q. Are you the treasurer who gets the money from these men? A. Yes; I am responsible for the whole thing.

Q. You are certain that the largest discount that has been allowed during the last season was ten cents a gross ton? A. I only speak for myself, sir.

Q. I am speaking of your company. That is the largest discount allowed by your company on that list of prices? A. Yes, this ten cents per gross ton.

By Mr. Guillet :

Q. Are you not prohibited from contracting yourself with the city as agent of the company by the association? A. No, sir.

Q. You can contract with the city at these rates if you choose? A. No, sir, I could not do that. I have to fix the same rates as the other members for anything except dealers who are members of the Exchange. I can sell to members of the Exchange at the price my company tell me to get for the coal.

Q. You said you could sell to large institutions I think. A. Religious institutions. These are specially provided for by the board. The whole object of the Coal Exchange is that the dealers shall make about half a dollar a ton. They are entitled to that as any man who has been in the business will know.

By the Chairman :

Q. Is there any competition there. What are these companies who are selling in Montreal? A. There is the Delaware, Lackawanna and Western and there is the Lehigh Valley Coal Company. I think these are the principal ones besides my own.

Q. Is there active competition between you three companies to get the business of Montreal? A. Yes, keen.

Q. There is no pooling of receipts between the respective companies? A. No.

Q. You do not work jointly, you are competing parties? A. Yes.

Q. But have to keep uniform prices? A. We have no control.

Q. These are your prices at these dates. Do you know as a matter of fact that these were the prices of the other coal companies on the same dates? A. I do not know that they were but I think they were. We have no arrangement as regards wholesale prices, but I think the sales agent in the States intend to make prices about the same. That is wholesale prices.

Q. So that you in Montreal compete? A. I merely obey the orders I get. They do the same. I do not know what telegrams they get, but I think they are about the same. If not and we were lower we would do all the business.

Q. How does the quality of coal compare of these companies? A. Very much the same.

By Mr. Guillet :

Q. Do you sell coal outside of Montreal? A. Yes.

Q. To what other place? A. All through the Province of Quebec.

Q. Any in this Province? A. No, sir.

Q. Do you sell in Ottawa? A. No, sir, it is out of my district. We cannot send coal to Ottawa by that route. I am the representative of the Province of Quebec. The Delaware and Hudson Canal Company sell coal here, but I do not know whom they sell to.

Q. In selling outside of Montreal do you offer the prices according to the distance? A. It is a small trade and the total quantity in any one place is small and it is generally sold at F. O. B. prices.

By the Chairman :

Q. Do you sell in the city of Quebec? A. Yes.

Q. Have you the prices you sell at in Quebec? A. No; I cannot tell you that. They are regulated according to the competing rates in other places.

Q. You might possibly be selling lower in Quebec than in Montreal? A. No; it costs more to get it there.

By Mr. Bain (Wentworth) :

Q. Do the Welsh or English companies compete in Quebec? A. To a certain extent, but very little.

Q. That will affect your rates more than anything else? A. We do not pay any attention to that. You must remember that our prices are fixed by the coal companies in the United States and they are regulated by the state of trade there. If they can get more for coal to go to Chicago it will go there, unless we give the same rates.

By Mr. Landry :

Q. Have you any reason to believe that the two other rival companies are regulated by the agents from whom they buy in the States? A. Yes, sir.

Q. Have you any knowledge whether these gentlemen and those from whom you buy have an understanding as to the prices? A. I presume they do, but I do not know anything about it.

Q. Then your prices and those of the companies you speak of are about the same? A. Yes.

Q. Then there is no competition? A. There is very keen competition.

Q. How can that be? A. In selling not in prices. You must try and be a good fellow with your customers.

By Mr. Bain (Wentworth) :

Q. Have you any idea of the amount of coal coming into Montreal this year? A. 210,000 or 215,000 tons.

By the Chairman :

Q. How much do you bring in? A. About 70,000 tons.

By Mr. Guillet :

Q. You offer terms as to time? A. No, we try and get cash every time.

By the Chairman :

Q. Your terms are the 10th of next month? A. We try and get that but sometimes we do not succeed.

Q. Do you deal in soft coal too? A. Yes sir.

Q. Where do you get your soft coal? A. Buy it on the market there.

Q. Where does the soft coal for the Montreal market come from? A. Mostly from the lower ports.

Q. What do they sell it for? A. I know very little about it. Certain of the poorest qualities sell for \$3, of Cape Breton coal.

By Mr. Bain (Wentworth) :

Q. How is it you cannot compete with them in soft coal? A. We are not soft coal men at all.

Q. You are not agent for the soft coal mine? A. No.

By Mr. Guillet :

Q. You do not supply it to dealers in anthracite? A. No.

By Mr. Wood (Westmoreland) :

Q. I think you stated that any other dealer in Montreal could, but in the United States it would cost him about the same as through you? A. Yes.

Q. You mean he would have to pay a margin to the dealer and not get it direct from the mines? A. There is nobody buys direct from the mines. The large companies, understand, have their offices in New York, Buffalo and the largest points. They might go to some of the large companies not represented in Montreal.

Q. It would cost the same in that case as buying from you? A. Yes.

Q. Do you know how the prices compare in Montreal and in the American cities; the selling prices wholesale and retail? A. Generally about the F. O. B. price and the freight added.

Q. The only difference being of freight? A. Yes.

By the Chairman :

Q. What is the freight from Rouse's Point to Montreal? A. 50 cents.

Q. Have you any arrangement, or has your company with the railways for special or exclusive rates? A. No; but I know we could not have under the interstate law.

Q. But the Canadian railways I speak of? A. They do not come under the interstate law; it is over the border I speak of.

Q. Do you know of any arrangement between the railways and these coal companies? A. No.

Q. You do not think there is any such arrangement? A. I do not think there is as far as our company goes. I do not know about other people. There cannot be under that law. They have to have the rates stuck up in the stations.

Q. That does not apply to Canadian roads? A. It is a very good law and it is the foundation of this exchange of ours to have equal prices to everybody. It is far more satisfactory to the buyer as well as to the seller as long as the prices are not exorbitant.

By Mr. Wood (Westmoreland):

Q. The object is simply to regulate prices? A. About on the basis I have mentioned of 50 cents a ton profit; to maintain it and to see that it is maintained.

Q. You state that this association has been formed about a year? A. Yes.

Q. How do the profits compare now with what they were before the formation of the association? A. They were varying. We got all we could get for coal.

Q. Would that average 50 cents a ton? A. I think they did taking the year round, and some decent men would be asked a high figure for coal, much more than the scalwags who would go round and beat the prices down.

By the Chairman:

Q. About these prices, in the early part of the season the gross profit was 94 cents and averaged that right along. Off that you say you made 50 cents profit? A. There is cartage and weighing.

Q. There would be 40 to 45 cents of expenses for cartage and weighing, so that you had about 50 cents? A. It cost more than that.

Q. You say you had 50 cents clear? A. It was about that. It was more in some cases and less in others.

Q. Then your expenses would be about 50 cents per ton? A. We calculate about that.

Q. Some statements have been made here as high as \$1.30 per ton. What do you think of a statement of that kind? A. It would not be that in Montreal. What town was it it.

Q. Toronto? A. There might be some expenses we are not aware of. Our expenses are fully 50 cents per ton.

Q. And your profits over that are about 50 cents a ton? A. Yes, we expect that.

By Mr. Wood (Westmoreland):

Q. I think you said that you do not remember the prices that the corporation paid? A. No, sir.

Q. That was fixed by the Exchange? A. Yes.

Q. How did that compare with the prices your selling to other large buyers? A. I think it was the regular retail price.

Q. I did not happen to be in when the prices were given. How did that compare with your wholesale prices to manufacturers? A. The figures are all there (pointing to the list on the table).

Q. Then the corporation paid the retail price? A. I believe they did. There would be no reduction to them any more than to a small dealer.

Q. What quantities did they take? A. 500 tons; but it is taken to so many places, to police stations all over the city. That includes cartage and handling.

Q. Is there not a different price for the wholesale consumer and the retail consumer. Does not a man who buys 500 tons get a better price than the man who buys 10 tons in the year? A. You mean individuals? No, sir, there is no reduction made except they were religious institutions or schools.

Q. A manufacturer who used from 100 to 500 tons of coal would pay the same? A. Manufacturers last spring were made a special price to those using 100 tons of coal to be taken in one delivery.

By the Chairman:

Q. What was the special price? A. It was our wholesale price.

Q. They got the same price as the dealer? A. Yes.

Q. I see here you provide for the expulsion of a man who undersells? A. Yes.

Q. What would be the particular disabilities if he were expelled? A. We do not sell coal at wholesale prices to anybody who is going to sell it again unless he is a member of the Exchange, and if he is expelled he is not a member of the Exchange.

Q. You said he could buy coal in New York at about the same price? A. There is nothing to prevent him.

Q. The disability then is that he would have to go to the trouble of buying it outside? A. That is it.

WILLIAM BOWMAN, of London, coal and wood dealer, sworn.

By the Chairman :

Q. Have you a Coal Association in London? A. Yes; a Coal Exchange.

Q. Have you a constitution? A. Yes. (*Exhibit 37a.*)

Q. You heard the evidence of the last witness. In what particular does it differ from your constitution? A. Well, the origin of ours is different. Theirs was spontaneous on their part; ours was compulsory.

Q. When was your association organized? A. In 1884. (*Exhibit 37a, Preamble.*)

Q. The origin of yours was compulsory? A. Yes.

Q. What were the difficulties under which you labored? A. Well, the difficulties were that the coal business was getting demoralized, and every man was getting his own price, and we were cutting down until there were no profits made.

Q. Do you not find that other business men from whom you buy your boots or your coat, do you not find that they get demoralized also, as you say? A. Well, two blacks do not make a white.

Q. Do you think it is a great wrong that there should be competition? A. Well, as regards the coal business, every man thinks he can run the coal business. Farmers who have obtained some means, and perfectly green as regards the coal trade, come in and try to run it, and now we have 18 of them.

Q. And now you want to get them reduced? A. Some parties wrote to the Buffalo Exchange calling attention to the state of our market.

By Mr. Guillet :

Q. Who were they? A. I do not know. We have Messrs. McWilliams, Smith, Underhill and Orton. These are the representatives of all the large coal men in Buffalo.

Q. You say some one wrote to them? A. Yes; I do not know all the coal men in Buffalo. Some of the London dealers had sent them to meet them at the Tecumseh House on a certain day.

By the Chairman :

Q. Do you know who it was that invited the American coal dealers to come over? A. I have said distinctly that I do not know.

Q. You do not know? A. No; I had my suspicions.

By Mr. Guillet :

Q. You were complained of? A. I was complained of.

Q. By whom? A. By some parties that I do not know.

Q. In the first place you were complained of to the Buffalo dealers, and before that you speak of having given offence by cutting the rates. Who were these men to whom you gave offence? A. I do not know. It was the trade generally that got demoralized.

By the Chairman :

Q. What was your offence? A. The offence was, according to the Coal Exchange, that we were selling too low.

By Mr. Guillet :

Q. There was a Coal Exchange at that time? A. There was not.

Q. But according to your previous statements there was a Coal Exchange? A. There was no Coal Exchange in London, but there was a Coal Exchange in Buffalo.

Q. This was in 1884? A. Yes.

Q. And then the Coal Exchange was formed? A. Yes.

Q. Of which you are a member? A. Yes.

Q. And of which you were vice-president? A. Yes.

Q. How long did you continue in that office? Twelve months.

Q. What office do you hold now? A. I was elected president next year, but I am now a simple member of the exchange.

Q. What are the conditions for membership? A. That they will agree to be bound by the rules of the association.

Q. No certain fee? A. Oh, yes, \$5.

Q. Is there any obligation, any oath to be taken? A. None.

Q. What punishment is inflicted for violation of the rules? A. No punishment, except being reported to Buffalo.

Q. You report the name to Buffalo? A. Yes.

Q. What does that mean? A. They say they will not sell them any coal.

Q. You report the name to Buffalo then in order that they will not receive any more coal? A. They would examine into the case, and if the offence was strong against them, they would not get any more coal.

Q. But do you not examine into the case first? A. Yes, and report the evidence to them.

Q. You report the evidence and request that these persons be not supplied with coal? A. Yes.

Q. You have an arrangement with the Buffalo men to that effect? A. Yes.

Q. Do you get all your coal from Buffalo? A. Yes, all the hard coal.

Q. What is the freight from Buffalo to London? A. The summer rate is 90 cents and the winter rate \$1.03. That is the net ton.

Q. What is the price, and where do you purchase? Do you purchase it delivered or in Buffalo? A. In Buffalo or at the Bridge. Either at the Suspension Bridge or at Buffalo.

Q. What were the prices during the last season? A. Well, they varied very largely. In June and July the price was \$3.84 per net ton (Exhibit 37—b.) and in November and December \$4.91 (Exhibit 37—c).

Q. What were the prices in August, or did the June and July price prevail? A. No, they came up gradually.

Q. This was the price at the Suspension Bridge? A. Yes, either the Suspension or International Bridge.

Q. You do not know the prices in August? A. No. The price in November and December was \$4.91.

Q. Do you not know the prices in August, September and October? A. They varied. They ran up between these two points.

Q. What were they? A. I have no invoices.

Q. Did you purchase any coal during those months? A. I bought principally in June and July. Our stocks began to run low at the commencement of November and we bought again.

Q. Do you get a monthly price list? A. Yes, but I have none with me.

Q. I see that the prices at Rochester are \$3.57 in July and 25 cents discount off? A. We do not buy from Rochester. Rochester is much nearer the point of production. We get the Bridge prices. Our prices are those at Buffalo or at the Bridge.

Q. Then you do not know the prices for August, September and October? A. No.

Q. What were the prices you paid in November and December? A. \$4.91 was what we paid then.

By Mr. Guillet:

Q. The net price without any rebate? A. Yes.

By the Chairman :

Q. Did you pay any other prices in November? A. We paid as high as \$5.

Q. And the lowest? A. Was \$4.91, we paid as high in December as \$5.30 per gross ton.

Q. The net price in June and July was \$3.84? A. Yes.

Q. \$4.90 per net ton is more than \$5.30 per gross ton? A. Yes; we paid as high as \$5.70. Other parties paid still higher. I was reading the invoice.

Q. Let us understand each other. Now you say you paid in December as high as \$5.30? A. \$4.91 would be \$5.50 gross.

Q. Well, then you said you paid as high as \$5.30 gross. What did you mean? A. Well, we paid from \$5.30 to \$5.50. We paid \$5.30 and another dealer paid \$5.50. We were paying all sorts of prices. Prices varied very much at that time.

Q. You were giving your own prices? A. I am giving the prices to the trade.

Q. How do you know? A. I got the list when I came down.

Q. You cannot swear to other prices than your own? A. I can swear to the invoices. I have heard of it being as high as \$5.75.

Q. These were the prices at the Bridge? A. Yes.

Q. What prices are you paying now? A. We pay \$4.25 per gross ton now.

Q. \$4.25 per gross ton? A. Yes; just now.

Q. How much would that be net? A. \$3.79.

Q. Your present price of coal is \$3.79? A. Yes, this month.

Q. And your freight how much? A. \$1.03.

Q. Your unloading costs 15 cents; slacking and screening 25 cents, and I see teaming put down at 30 cents, that makes a total of 70 cents? A. There is a memorandum at the bottom.

Q. These are the total expenses? A. Independent of our yard and office expenses, insurance, advertising, etc.

Q. What is your retail selling price to-day? A. \$6.50.

Q. I see you have marked here \$7.00? (*Exhibit 37-d.*) A. That was up to the commencement of this month, until the fall in the price.

By Mr. Casgrain :

Q. What is your average profit. per ton? A. Taking the hard and soft coal together, we do not expect to realize above 30 cents per ton, when all our expenses and bad debts are taken into account. We consider we are doing a very good thing if, after squaring everything off, bad debts and all, we get a profit of 30 cents a ton.

By the Chairman :

Q. Your present price, that is the price you pay for your coal, is \$3.75, and your freight \$1.03, and your expenses 70 cents. That makes a total of \$5.52? A. There is a memorandum at the bottom.

Q. Yes, there is this at the bottom: "This does not allow anything for bad debts, which are sure to occur, to a greater or less degree, nor office expenses, rent of yard, insurance and interest on capital invested, advertising, etc." You get about \$6.50, and it costs you \$3.79, with \$1.03 for freight and 70 cents for expenses. What was the price before the last quotation you gave, \$3.79? A. The price of coal during January and February was \$4.46. (*Exhibit 37 d.*)

Q. And before that? A. Before that it was \$4.91 and before that, \$3.84.

Q. But you have a statement before that showing that it was \$4.24? (*Exhibit 37-d.*) A. That is January and February.

Q. Well, you say \$4.46? A. It is down since.

Q. You give us a number of prices. Who was Henry Langdon & Co.? A. A Buffalo firm.

Q. And delivered to A. D. Cameron? A. One of our largest coal dealers.

Q. You are giving us his invoices. Would it not be better to give your own? A. I have given some of my own. There are no discounts off these invoices.

Q. Did you get any discounts off these? A. No.

Q. Do you get discounts sometimes? A. No; never any discounts off these invoice prices. Prices differ from the circular.

Q. Have you got a circular? A. No, but they do not fix the price. The prices can be altered any date without notice.

Q. But they send you a circular when they change the prices? A. They send us a circular every month.

Q. And they send you a circular when they alter the price? A. They keep altering the price according to the demand at Buffalo.

Q. You have no invoices of a later date than January and February, or of an earlier date? A. No.

By Mr. Bain (Wentworth):

Q. What time of the year do you buy the bulk of your coal as a rule? A. Generally in June and July.

Q. You get larger deliveries then than at any other time? A. Yes.

By the Chairman:

Q. I see you are quoting coal at \$4.91, and you state that the November and December prices were \$4.91. I don't see any here among your invoices at \$4.91? A. These are other invoices.

Q. Would it not be better to quote your own invoices? A. What is the gross?

Q. \$5.30? A. \$4.73.

Q. \$5.06? A. \$1.46.

Q. The price on December the 16th was \$4.46 and \$4.73 was your price. I see you bought coal in Toronto? A. That is the Delaware and Lackawanna.

Q. From Elias Rogers? A. He was acting as their agent.

Q. On December the 15th it was \$4.46 and \$4.73? A. Yes.

Q. January the 10th, you bought it at \$4.75? A. Yes.

Q. That was how much net? A. \$4.24.

Q. January the 28th, \$5.00. What was that net? A. That is \$4.46.

Q. In February you bought again at \$4.46 and later on at \$5.20. How much is that? A. \$5.20, that is \$4.64.

Q. And again at \$4.90? A. \$4.90 is \$4.37.

Q. Did you buy in Montreal? A. A small quantity.

Q. What price did you pay in Montreal? A. It is not delivered yet. It is \$4.25 gross.

Q. That is how much? A. \$3.79 net.

Q. How do you sell to manufacturers? A. 50 cents less than the retail price. Almost all our manufacturers brought in their own coal. Our large manufacturers brought in their own coal.

By Mr. Casgrain:

Q. What was the highest price you sold at last winter at retail? A. \$7 but the greatest bulk of it, I suppose three-fourths of our trade, was at \$6.50, because those who bought early made arrangements for their winter's coal and we sold at \$6.50.

By Mr. Bain, (Wentworth):

Q. Did you deliver at these prices through the winter as they wanted it? A. As they wanted it. And we delivered it in bags as well.

By the Chairman:

Q. What were your selling prices along through the season, give us the prices at what you sold? A. The first price was \$6.50 for stove coal.

Q. At what dates? A. That was May the 17th. We continued that until November the 10th.

Q. You just kept at the one price \$6.50? A. Yes.

Q. Then? A. November the 10th, it raised to \$7.00 and our manufacturers imported their own coal.

By Mr. Casgrain:

Q. What is the quantity of coal coming to your city, the city of London, that is yearly? A. Well I suppose there comes—I cannot exactly tell you without figuring it up—from 15,000 to 20,000 tons of hard coal. There is more soft coal comes in than hard.

Q. How many dealers have you altogether? A. About 18 dealers now.

Q. And you make a profit of only half a dollar a ton on the average? A. We don't make an average profit, clear of everything, above 13 cents, taking hard coal and soft coal together.

By the Chairman :

Q. You have a plan for expelling members for breaking the rules or underselling? A. The only plan as I said is reporting to Buffalo.

Q. You don't expel these yourselves? A. No.

Q. You are at the tender mercies of the importers? A. Yes.

Q. Have you had any experience in reporting members for breaking the rules? A. I think we only reported one.

Q. What happened to him? A. It wasn't very satisfactory. They said they had better let the thing go, after a reprimand.

Q. You wanted more than a reprimand? A. We didn't ask for anything; we merely reported the case to them.

Q. You said it wasn't satisfactory? A. The evidence wasn't satisfactory to them, not so satisfactory as they should like. Still it was sufficient to get a reprimand.

Q. Did that satisfy your London Association? A. It satisfied them as far as they could be satisfied.

Q. Were they satisfied with that? A. They were not. They thought some more definite action should be taken.

Q. They thought he should be punished? A. They thought that he should be so dealt with in such a way that he would not do it again.

Q. What was his offence? A. Importing coal and selling it under prices, and other underhand proceedings.

Q. The object of your association is to prevent freedom of trade? A. Well, I would not say so.

Q. Do you believe in the principles of free trade? A. Well, limited free trade.

Q. What do you mean by limited free trade? A. I mean free trade under such regulations as would not be biassed by politics, but governed by common sense. I believe in free trade in some countries, but I don't believe in free trade in this country. I believe in free trade in such a country as England, but I do not believe in it in such a country as this.

Q. Do you believe in free trade in a country, among all the people of the country? A. There are regulations which are necessary for conducting business on some principles.

Q. Has your exchange worked satisfactorily since you established it? A. Well, no; it has not.

Q. What difficulties have you had? A. We find a great many parties who do out and you cannot put your hand on them.

Q. You don't have a system of fines at all, you simply report? A. We simply report.

Q. How do you do with tenders for public institutions in London? A. The way it has been done is with the civic institutions. They are apart from the Government institutions.

Q. The civic institutions—public schools, you have waterworks? A. We have waterworks but they don't use any coal. They have merely a supplementary engine. They have waterpower and they only have a 50 or 60 ton supply in case of necessity.

Q. You have public schools and other institutions? A. Yes, they call for tenders.

Q. Local Government and Dominion Government have institutions there? A. Yes.

Q. How do you do with them? A. We deal with them differently.

Q. How do you deal with the civic institutions? A. The civic ones are brought before the committee and they are arranged at a fair price and the coal is

to be delivered throughout the season. There is no place for storing any quantity. They have to take it in 5 and 10 ton lots, and the committee met and estimate the quantity of coal to be used by these institutions. They fix a fair profit on it and then they say, how will you dispose of this? And it has been disposed by the committee either by paying for the contract or you can draw lots for it. The association having fixed upon the price for the city or whatever the institution is, and then they draw lots and the man who draws it gets the contract.

Q. You draw lots. You can do it differently by putting it up at auction? A. Yes, so as to let the highest bidder get it.

Q. Which way have you adopted? A. It has been adopted both ways.

Q. How did you do last year? A. It was sold by auction last year.

Q. What was it sold for? A. Well, it was for \$70, \$80, \$90, and \$50 up for the different institutions.

Q. Before that you drew lots? A. It was open to do it the other way.

Q. Did you adopt the plan of drawing lots? A. We never adopted any one plan; it was open to do it either way. We call all the dealers together and lay the thing before them and say: "Gentlemen, there is the price the association has fixed upon as being a fair price," the same as we ask them what the retail price will be for the season; it is open for you to say.

Q. They adopted the auction plan? A. They did the last two or three times.

Q. What was done with the money? A. It was divided equally amongst all the parties, irrespective—

Q. And every member of the association got his share? A. Yes.

Q. And equal share? A. Yes.

Q. You haven't any classes? A. No.

Q. Irrespective of the amount he sold? A. Yes; irrespective of the amount he sold.

By Mr. Casgrain:

Q. Who got the contract last year? A. O'Bierne got one, Hunt got another and Bailey got another. Three different parties got it.

By the Chairman:

Q. What was the total amount realized from the three? A. I suppose about \$200.

By Mr. Bain (Wentworth):

Q. These were city contracts? A. Yes.

Q. How about the Ontario Government contract? A. The Ontario Government contract was open.

By the Chairman:

Q. Open for competition? A. Yes.

Q. How about the Dominion Government contract? A. It was open for competition.

Q. With what result? Who got the contract? A. I got the contract for the asylum.

By Mr. Guillet:

Q. At what rate? A. \$4.98 I think it was.

By the Chairman:

Q. You were selling at that time? A. This was egg coal.

Q. You were selling at that time at how much? A. It was the opening of the season. We put it in with our teams. Having nothing else to do we always put it in in June and July.

Q. Your retail price then was \$6.30? A. Yes.

By Mr. Bain (Wentworth):

Q. I suppose all these contracts are made before midsummer as a rule? A. Well the city is for ever putting it off until the last thing.

Q. In the case of the asylum contract you delivered it out of your early purchases? A. Yes. One object of the association in bidding for the city price is it does not interfere with us in regard to the prices for the Local Government.

By the Chairman :

Q. You have given us your price for the Local Government contract. That was \$4.98 for the asylum. Was that all the Local Government institutions there?
A. Yes, that was the only one they had.

Q. Then for the Dominion Government? A. The only one is the Military College, besides the Custom House and Post Office.

Q. Who got the Dominion Government contract? A. Well, Hunt, I think, has it.

Q. How much? A. I don't know, because it didn't come into the association at all. The association took no cognizance of it.

Q. The association didn't take any cognizance of the Local Government either?
A. No.

Q. They left it an open matter? A. Yes; an open question.

Q. Yours was the lowest tender? A. Yes; I presume so.

By Mr. Bain (Wentworth) :

Q. I suppose the Local Government advertise for all their institutions altogether?
A. Yes.

By Mr. Guillet :

Q. Do you make any different rates to churches or hospitals, or other institutions of that kind? A. We do not. Well, the nunneries, there are two members of the association Roman Catholics, and we never interfere with them.

Q. They sell to nunneries at what price they like? A. We never interfere with them.

Q. You would interfere if they sold to other institutions outside of those at lower rates? A. Yes.

Q. You don't give that price outside? A. They burn so very little.

Q. Is there not a college there called Hellmuth College? A. They burn tar.

Q. Don't they use any coal at all? A. Very little. They get the refuse tar from the oil refinery.

By the Chairman :

Q. What about future delivery in your sales? Are you permitted to take orders for future delivery? A. Well, yes; if the parties pay cash down for it and you charge them for storage.

Q. How many coal dealers have you? A. About 18.

By Mr. Bain (Wentworth) :

Q. I suppose none of them make coal an exclusive business? A. No; they have wood and other matters.

By Mr. Guillet :

Q. Do you regulate the prices of wood? A. We don't.

Q. How many dealers were there when the association was organized? A. I think there were 10.

Q. There are 18 now? A. Yes.

Q. Are there any more applications coming in? A. I don't know; I think it has got to the limit.

Q. You don't limit the number? A. No; we don't limit the number.

Q. If others wish to go into the business they can? A. Certainly.

Q. As to the business, the large number who went into the business would make the business more sub-divided and the profits would be smaller? A. Yes.

Q. The business would give less profit, unless you raised the rate? A. Yes.

Q. In that case you would require to raise the rates? A. Yes; but our object is to prevent more coming in, because really they had raised the rate above \$7, and I said I would not consent to it. I said I would break the association up first, and they retained the \$7 rate.

By the Chairman :

Q. I don't quite understand how you made that contract with the Local Government for \$4.98 and sold to everybody else at the same time for \$6.50. That is \$1.52 advance, and then you say you only average 30 or 50 cents ton profit? A. In the first place you take the coal right off the cars; it is put right into their sidings,

right alongside the institutions, and to deliver it as soon as it comes in. You get the summer rate on your coal. You get cash every month after the coal is delivered and you get your cash in advance on your payment for your coal. There is no interest to meet, no yard rent, no clerks employed, because the asylum has a clerk to weigh it, and our teams at that season of the year would be lying idle, and the horses eating their heads off.

By Mr. Casgrain :

Q. You are satisfied with a small profit? A. We are satisfied to keep our horses going and keep business moving.

By Mr. Guillet :

Q. You charge interest to parties who don't pay you? A. If we did not get paid we could not fulfil them.

By Mr. Bain (Wentworth) :

Q. As a matter of fact do your agents make large contracts for winter consumption? A. No; we don't.

Q. As a rule when the parties purchase in the summer time you deliver at the same time? A. We fill them when they pay us the retail prices. We fix the prices for our retail prices that will allow us to deliver through this period. We have no control over the rising prices during the season.

Q. It is almost sure to rise? A. Yes.

By the Chairman :

Q. There is just one question now. We understand you quite positively to say, that the prices given here on these invoices are the prices you paid without any rebate or discount? A. There is no rebate or discount on any of them.

Q. That is the net price you paid? A. Yes.

By Mr. Bain (Wentworth) :

Q. Can you tell us about the average difference between the invoice prices and the circular prices? A. You cannot do it. Sometimes they will adhere to it firmly.

Q. Do you ever pay more than the circular prices? A. Yes. A little more in this last September and January. We had to go to Buffalo and buy from individuals. For instance our asylum supply we could not put it in for that now. We could not get the coal.

By Mr. Bain (Wentworth) :

Q. You will have to put in enough to keep them warm? A. Yes, we put in 1,500 tons for that.

Q. What is the amount they use in their yearly contract? A. About 1,700 tons of hard coal, and they burn some soft coal, I cannot tell how much. It is a new departure this year that they are burning so much hard. We used to supply them with 1,600 or 1,700 tons of soft coal. They burn wood also.

By the Chairman :

Q. What is the extent of your coal business? A. 10,000 tons.

Q. Do you supply half the city supply? A. That is hard coal.

Q. How much more soft coal would be used? A. 20 per cent. more soft coal. Tar is now coming into use a great deal.

Q. How is it used? A. They are getting more tar than before from the refineries. The process gives a larger amount of tar, and it is coming in competition with soft coal.

By Mr. Bain (Wentworth) :

Q. They are right on the spot in London East? A. They removed to Petrolea, but they are coming back now. There are the Spencers and others coming back; but the tar is brought there. There is one point I would like to say with respect to the Coal Exchange in Buffalo. They said it was not for their benefit only, but for ours. They found so many parties running into the coal business, and had so many bankrupts, that they must have the business on a basis they could depend on.

Q. How do you do now? A. Four members of the Coal Exchange have to sign a new man's document, and they would not sign for one whom they had no confidence in.

Q. Then you practically guarantee each other's coal business? A. We try to keep it as respectable as we can.

J. G. BUTTERWORTH, sworn.

By the Chairman:

Q. Give your name, occupation and address? A. J. G. Butterworth, coal dealer, Ottawa.

Q. Are you a member of the Ottawa Cartage Company? A. Yes, sir.

Q. How many members are there in the corporation? A. Six directors.

Q. Who are they? A. Ray, McCullough, Cameron, Ross.

Q. What Mr. Ross? A. W. D. Ross.

Q. What are Cameron's initials? A. H. Cameron.

Q. Who else? Myself; I think that makes six.

Q. That makes five? A. Mr. James Cowan is in.

Q. Are there any other members of the incorporated company? A. That is all.

Q. These are the whole members; they are all directors? A. Yes, sir.

Q. Who was it planned and organized this company; who were the promoters?

A. The charter members.

Q. There were a number of charter members. We were told here that they were not the men who promoted or planned out the formation of the company? A. You do not want to know the charter members. You want to know the promoters. These were the promoters, whose names I have given you.

Q. Were any of these whose names have been given charter members? A. No.

Q. What was the object of having these names there instead of your own? A. I think these are questions aside from the matter. This is a company; it is not a combine you are speaking of.

Q. This is a company with an object that we are investigating. We are investigating this company, the mode of formation and all the particulars about it. We want to get at the particulars. We do not want to press the question unduly but the formation of this company is one thing which Parliament has authorized us to investigate and it is necessary that we should have a full investigation and full particulars from you. What was the object? These were the organizers but what was the object of having other names on the charter? A. I do not think I can tell you that. If the Committee really wish it, but I have given you the promoters of the company and you have the charter members. I think you have all you want.

Q. We have the names of the chartered members? A. I do not think that has any bearing on the matter.

Q. This is one of the questions you are bound to answer. Is that the opinion of the Committee?

SEVERAL MEMBERS.—Yes.

Q. The Committee have decided that it is a proper question to answer? A. I can hardly give you a proper answer to the question. The charter members resigned for the present members. I speak for myself, I cannot speak for the others. I do not know; in fact it is a question I can hardly answer you properly. I wish to answer it right; but these persons that the stock was transferred from to me I got the solicitor to put their names in the charter and the stock was transferred to me.

Q. You got the solicitor to put their names in the charter; but their signatures appear as subscribers to the first stock and the whole of the stock? A. They transferred it to me; that is the two of them to whom I refer.

Q. Two of them to you? A. Yes.

Q. You have not answered the question: What was the object of getting it done that way? A. I really cannot answer that from the fact that there might be several objects.

Q. What was your object in having that done. It is a plain question and admits of a plain answer? A. As far as I can say myself I did not want to appear as a

member of the Cartage Company in the charter in the first place. That is as far as I can go.

Q. You did not want your name to appear as the Cartage Company in the first place? A. No.

Q. Why? A. I do not know that I had any particular reason. It was nothing I was ashamed of. It was a business transaction.

Q. You did not want your name to appear as being interested in the Cartage Company and you got these other men to subscribe. Who furnished the money? There is 10 per cent. of their money marked paid up? A. I furnished it for mine.

Q. What names did you get signed for you? A. Mr. Shaw's. The two Mr. Shaw's.

Q. You got them to subscribe to the stock and you furnished the money, and they immediately transferred the stock back to you? A. Yes; they transferred to me.

Q. You gave these names as those of directors. How much stock do you hold in the Cartage Company? A. I hold between \$4,000 and \$5,000.

Q. And how much does Mr. Ray hold? A. About the same.

Q. And Mr. McCollough? A. The same.

Q. Then about the other three gentlemen, Cameron, Ross and Cowan. How much do they hold? A. I do not know how much Mr. Cowan holds.

Q. How much does Mr. Cameron hold? A. I cannot tell you positively.

Q. You know pretty near? A. I know about Mr. Ross; he owes two shares.

Q. And Mr. Cameron about two shares? A. I think in about that neighborhood.

Q. You transferred two of your shares to Mr. Ross? A. Yes.

Q. And Mr. Ray two of his to Mr. Cowan? A. I do not know anything about it.

Q. You had one-third of the stock yourself? A. Yes.

Q. You gave two shares to Mr. Ross so as to make the full number of incorporators? A. Yes, sir.

Q. What was paid by Mr. Ross for his two shares? A. I think you got that from the secretary treasurer. He gave you evidence of all these matters from the books.

Q. I do not remember Mr. Ross' name being mentioned? A. I think it appeared in the papers at the time.

Q. You and Mr. Ray and Mr. McCullough divided up the proceeds between you. Was that after Mr. Ross and Mr. Cowan and Mr. Cameron got their shares? A. We divided the proceeds. There was a regular dividend declared, as in any company, and those entitled to it received it in proportion to their stock.

Q. What prices did you pay for coal last year. Have you got a list of the prices you paid? A. I have not a list of the prices. I think you have the invoices here.

Q. Have you the monthly statement of prices as received from the coal companies? A. I haven't them with me, but I can tell you pretty nearly. The early price in June was \$5.35.

Q. That is the gross ton? A. Yes.

Q. That is how much net? A. \$4.78.

By the Chairman:

Q. The June prices were \$4.78 delivered in Ottawa? A. Yes.

Q. And they advanced? A. To as high as \$6.65.

Q. What was the next rise in price? A. I think it was \$5.60 per gross ton.

Q. What date was that? A. I think in July.

Q. That is how much net? A. \$5.

Q. Later on what was the next rise? A. I think the next rise was in August or September. That was either July or August I gave you last, I cannot tell exactly which.

Q. What was the net price? A. \$5.22.

Q. Then later on? A. \$5.71.

Q. What date was that, November? A. That would be about November.

Q. What is the present price of coal? A. We are not buying coal at present, but I can give you the next advance.

Q. What is the purchasing price now, net? A. The next advance was \$5.94 net.

Q. In December? A. Yes, in December.

Q. After that? A. That is the last advance.

Q. Then it began to decline? A. Not until this month. This month it went down 40 cents.

Q. In March what was the price? A. The same price, \$5.94.

Q. What is the price now in April? A. The April price is 40 cents less than that, per gross ton, \$5.58 net.

Q. Now we have been told here about discounts or rebates that have been allowed? A. We get none, sir.

Q. Were these invoices sent to yourself? A. Those are cash prices for coal that I purchased.

Q. Who paid for these invoices? A. I paid them myself.

Q. And you know that is the actual price you paid? A. As near as I can speak.

Q. These were the prices paid without any rebates or reductions? A. Yes.

Q. You paid the invoices yourself or the Coal Cartage Company? A. They paid me for the coal, but I paid the companies.

Q. Is there any arrangement made with the railroad companies in Ottawa about the carrying of coal? Is there any exclusive arrangement made by your cartage company? A. No, sir.

Q. Are all the railroads at perfect liberty to carry coal for anybody else at any prices they see fit? A. They have, so far as I know,

Q. You do not know of any arrangement by which you get certain privileges from the railroad companies? A. No.

Q. By what road do you get your coal? A. Some by the Canada Atlantic Railway, some by the Canadian Pacific Railway, and some by water.

Q. What proportion? How much do you get by water? A. I get very little myself.

Q. Were these prices here the prices by water? A. They were the established prices for Ottawa.

Q. It makes no difference to you whether you get your coal by rail or by water. You get it delivered here? A. They quote the prices delivered here.

Q. It does not make much difference to you then whether you get it by water or rail? A. No; only a mere matter of handling.

Q. How much did you get by the Canada Atlantic? A. Well, I think I got 2,000 tons.

Q. How much did you bring in altogether? A. That I could not tell positively.

Q. About how much? A. About six, seven or eight thousand tons.

Q. And you got 2,000 tons by the Canada Atlantic, and the rest by boat and the Canadian Pacific Railway? A. Yes.

By Mr. Guillet :

Q. Do you know of a dealer in Carleton Place offering to sell coal in Ottawa, to send car loads of coal into Ottawa? A. No.

Q. There was no correspondence between your association and a dealer in Carleton Place? A. None, that I know of.

Q. I am informed that he offered to deliver coal here at a lower rate and that he could not get any coal for Ottawa? A. That is news to me, what you speak of.

By the Chairman :

Q. Did you agree with those coal companies that you buy from that they were not to supply anyone outside of the Cartage Company, any business arrangement with the Cartage Company? A. No.

Q. You have no such arrangement? A. No.

Q. Have you asked to have such an arrangement made? A. I have myself intimated to them.

Q. In what way? A. It is an open market. They get coal as they please in Ottawa.

Q. What do you mean by intimating that you have asked them to confine their business to Ottawa? A. No, but to confine their sales to me, the same as I would get the agency of a stove they would give me to sell. Mr. Hartt here gave evidence as regarded the Delaware and Hudson Company

Q. But he was their agent? A. I asked the same thing, but they refused to give it.

Q. It is not quite the same thing. Mr. Hartt's agency is bound to sell to everybody who comes along at those prices, or he would not be retained long as the agent. Your object in getting the agency was to prevent anyone else getting coal from that company? A. Except through me, and that would be the same as Mr. Hartt. They would be handling it through me. Since there has been a cartage company we have done the same thing; we have sold it to outsiders.

Q. Do you know of any arrangement being made to prevent Mr. Easton or those representing him from sending it into Ottawa? A. No.

Q. You have no knowledge of any such thing? A. I have never done any such thing. I have heard it intimated.

Q. You are aware of such intimation? A. I have heard it intimated that such was done.

Q. Where did you hear it intimated? A. Well, there are different dealers.

Q. Through what dealers or members of your cartage company? A. It would be pretty hard to say, I have heard it said that they—

Q. That they succeeded in keeping Mr. Easton out? A. I don't think they did succeed.

Q. But they succeeded in keeping him from getting coal at the favorable rates that he was getting it? A. I do not know anything about it. He got coal, and he got all the coal that he could sell.

Q. He told us here that although he got coal, he had to pay a much higher figure? A. That I know nothing about.

Q. Do you know of any steps being taken? A. There was nothing done through me, and I do not know.

Q. But do you know of any such steps being taken? A. That I do not know. That is a question, perhaps, I do not want to know, but I have never seen anything, any letters or correspondence, or anything connected with Mr. Easton in any shape at all.

Q. Did you take care not to see them? A. I had no business with it. If they did anything I know nothing about it.

Q. You may not have seen certain letters, but do you know of certain representations being made? A. I have heard it intimated.

Q. Heard it intimated is very indefinite? A. I have heard it intimated through dealers in Ottawa. Mr. Easton was selling coal here. I do not know whether you call it in a legitimate way or an illegitimate way.

Q. That is not an answer to the question. Do you know of any steps being taken to prevent Mr. Easton getting the favorable rates which he had been getting? Have you any knowledge of it? A. I have understood that there were.

Q. Have you any knowledge of it? A. I think you are asking me questions that I answer them as directly as you are putting them. I would not be able to answer them or to swear to them. I might have a knowledge of various things, and yet not a knowledge I can swear to.

Q. Have you any knowledge—that is a straight question? A. I have said that I have heard it intimated.

Q. What is that knowledge? A. It is that I have heard it intimated that there had been something done to prevent him from getting coal.

Q. What was it that was done? A. The companies were written to.

Q. By whom? A. I know nothing about that.

By Mr Boyle :

Q. Was it your secretary? A. No, sir. There was nothing done by the Cartage Company or by the authority of the Cartage Company. It was done by other

private individuals. I do not know anything about their business, and I am not supposed to.

By the Chairman :

Q. Who were the individuals? A. I do not know.

Q. Mr. Butterworth, you say you are on your oath. Well, you are to tell the truth, the whole truth and nothing but the truth, but you hesitate about telling the whole truth about what you know. I think the members of the Committee will decide that that is a reasonable question? A. If it is a reasonable question, I think it was the People's Coal Company.

Q. Who is at the head of that? A. Mr. Cowan is one of them, I think, and Mr. Ray.

Q. Are they the People's Coal Company? Is that the name of their firm or business? A. Yes.

Q. And they wrote to the coal dealers in the States to prevent Mr. Easton getting the favorable terms that they were getting? A. That I cannot swear to.

Q. What did they write? A. I do not know.

Q. Did they write? A. I have heard it stated that they did.

Q. You know that they wrote? A. I have heard it stated.

By Mr. Boyle :

Q. Where did you hear that? A. Among the dealers.

Q. Did Mr. Cowan tell you? A. I do not know.

Q. Did Mr. Ray? A. I am not positive, but I think he did.

By Mr. Boyle :

Q. Is the People's Coal Company an incorporated company? A. I don't think so.

By the Chairman :

Q. Then it was through Mr. Ray that this correspondence took place. Do you know what the result of it was and the effect it had? A. Well, Mr. Easton, says it had the effect of stopping his coal, but I don't think it had. He seems to have got coal all through the season.

Q. He explained to us how he got the coal in another way and at a larger expense? A. That I don't know.

Q. What do you know about it? You know that Mr. Ray had written and you know further what was the effect of that writing let us hear that? A. I don't know.

Q. What result had it upon these companies? A. I think the company said it was an open market and they could not do anything with it. Swift had a perfect right to put coal in. I never saw anything. It is all hearsay with me this matter.

By Mr. Boyle :

Q. Did Ray or anyone else state what the substance of his reply was? A. He did not, that I remember.

By the Chairman :

Q. How do you know the result of this letter that was received from the American Company? A. I heard it in some manner. I heard it in conversation among the men.

Q. You didn't see the letter? A. I never saw it.

Q. You didn't hear it read? A. I did not.

Q. You heard the result of it from Mr. Ray? A. I don't know whether it was from Mr. Ray or whether I heard it from some other one in the office.

Q. Was the result satisfactory to the members of the Coal and Cartage Company. Was the effect of the representations made by Mr. Ray satisfactory to you men as members of the Coal and Cartage Company? A. I think they merely said it was an open market.

Q. Was the result satisfactory to you, the negotiations Mr. Ray had with the company? A. I don't know a thing that I can answer questions of that kind.

Q. Was it satisfactory to you? A. I paid very little attention to it, I cared very little one way or another. I cared very little about it. It didn't interfere with me at all.

Q. It must have interfered with some when it was thought necessary to write about it. At any rate the effect was to keep Mr. Easton from filling his contracts without loss. That was the object apparently of those who had written, and they accomplished what they attempted.

By Mr. Boyle :

Q. Senator Clemow draws a dividend of the profits of the company? A. He gets a profit on the coal he sells to the company.

Q. Is he a dealer in coal? A. He has been.

Q. Is he a dealer? Yes.

Q. A regular dealer? A. Yes.

Q. Does he simply control the quantities of coal certain institutions require?

A. No, he is a regular dealer.

By the Chairman :

Q. Does he buy coal himself now? A. Yes, he is a regular recognized dealer.

Q. Does your company use his yards? A. We do.

Q. Do you pay him any rent for them? A. A nominal rent.

Q. How much? A. \$1 a year, and he pays all the expenses himself.

By the Chairman :

Q. Has the result of your business in coal, of your organization, been very satisfactory this last year? A. It has been as satisfactory as the majority of business I suppose.

Q. Who are the parties in Ottawa who are not in your organization? A. There is Mr. Easton who claims not to be, and Harris I believe claims not to be.

Q. Any others? A. These are all.

Q. What do you mean by "claims not to be;" do you think they are in your organization? A. I don't think so. I suppose they would like to be.

Q. How about the prices that they sell at; do they sell at the same prices that you sell at? A. They profess to.

Q. You say you suppose that they would like to be in your organization; has Harris tried to get into the organization? A. Not that I know of. He never applied to me.

Q. Has he been asked to join or affiliate with your association? A. I don't think he has; not to my knowledge.

Q. Why do you say you suppose he would like to be? A. I say I suppose they would like to be. You are picking Harris out merely. When you speak of Easton, I think Easton would like to be a member.

Q. You think Easton would like to be? A. Yes.

Q. I suppose it is a profitable business, profitable institution, you have there? A. No, I don't think there is a great profit at all. I don't think there is any discount in that way. We tried to get men that will conduct their business in a proper manner.

HOUSE OF COMMONS, 16th April, 1888.

The Committee on alleged Trade Combinations met this morning; Mr. N. C. Wallace presiding.

J. C. BROWN, sworn.

By the Chairman :

Q. What is your name, occupation and address? A. John Charles Brown, coal dealer, Sparks Street, Ottawa.

Q. How long have you been in business? A. Since last July.

Q. Your office you say is Sparks Street? A. Sparks Street, Russell House block.

Q. You have coal sheds? A. Yes; on the city side of the canal, and weigh scales.

Q. Have you any connection with the Coal Cartage Company? A. Yes, sir.

Q. Tell the Committee the nature of that connection? A. Just in the same way as Mr. Thompson and Mr. Clemow. They take my coal when it comes in and deliver it for me, and I get a percentage of the profits.

Q. Do you order the coal? A. I do.

Q. And hand them over the invoices? Yes.

Q. They pay the invoices? A. No. They pay me, and I pay for the coal direct.

Q. Have you a list of the prices? A. The price last year for the coal I had brought in, in July, the stove coal cost——.

Q. Is it the gross ton? A. I will give you both.

Q. You have the prices for the net ton? A. Yes.

Q. Of course we prefer the net ton, because we have been doing business in net tons and it confuses, somewhat, to have the gross tons quoted for buying and the net ton for selling. These quotations we are asking you for are the prices delivered in Ottawa on the cars. What road did you get that on? A. I got ours by the Canada Atlantic. I got a small lot on the C.P.R. of about 100 tons.

Q. You started business last July? A. Yes.

Q. When did you join in with the Coal and Cartage Company? A. Shortly after starting business.

Q. You started before you had an arrangement with them? A. Yes.

Q. You were attempting to go on without them? A. Yes.

Q. Had you made any arrangement for coal? A. Yes, for boat coal but not for rail coal. I wrote to four companies and only got replies from one.

Q. What companies? A. The Delaware, Lackawanna & Western, the Delaware and Hudson, the Philadelphia and Reading, and the Pennsylvania Coal Company.

Q. You got a reply from which? A. The Pennsylvania Company.

Q. What was their reply? A. My letter had been sent to their agent at Whitehall, who in turn sent it to Mr. D. Murphy, of Ottawa, who acts for them here.

Q. What then? A. I got about all the coal they could send in here last year. Part came in by water, and when they could not get any more in on account of the rates of freight preventing them, I got it *via* Rouse's Point and transhipped it by cars.

Q. Where are their coal mines? A. It comes from Newburg direct around by Lake Champlain.

Q. Where is Newburg? A. In New York State.

Q. What was the object of taking coal to New York city? A. All these coal companies have tidewater points at which they ship coal. They have large centres to which they put their coal. The Pennsylvania Company centres theirs at Newburg.

Q. It is out of the way to go to Newburg? A. They cannot bring it here by rail. They have no rail communication with this point.

Q. Not under the Inter-state law? A. I do not know anything about that.

Q. At all events your letter was sent to Mr. D. Murphy, of Ottawa, whose firm were agents for the Pennsylvania Coal Company? A. Yes.

Q. Did they communicate with you? A. Yes.

Q. And supplied you? A. Yes.

Q. At what prices? A. In keeping with the rate of prices here.

By Mr. Guillet:

Q. That was before you joined the Cartage Company? A. Yes, just before. I did not join the Cartage Company, that is, I am not a shareholder.

By the Chairman:

Q. You are distributors? A. Yes.

By Mr. Guillet:

Q. What object had you in joining the Cartage Company? A. I could not get rail coal.

Q. What time did you join the Cartage Company? A. July.

Q. When did you open office? A. I opened in June, but did not commence to sell until July.

By the Chairman :

Q. I understood you that you got coal independent of the Cartage Company?
A. I got some ; whether the Cartage Company were willing to let me have it or not, I got it through the Pennsylvania Coal Company.

Q. But the others did not reply? A. No.

Q. Will you give us the prices at which coal was delivered at Ottawa? A. Stove and chestnut \$4.38 to \$5.13.

Q. What date is this? A. From July to March. All this coal was purchased prior to October last, although not delivered.

Q. You bought it for future delivery? A. It was all to be delivered before last January, but it did not get here before last March.

Q. The point we want to get is, that you did buy it and made arrangement for so much coal and they could not deliver it in one month and were bound to deliver it in another at the same price? A. Yes.

By Mr. Guillet :

Q. Coal delivered in March last must have come by rail? A. Yes; I purchased this last lot of 1,000 tons from the Rathbun Company, of Deseronto. I would not have made any similar arrangement with any coal company. No coal company would have agreed to give 1,000 tons at a stipulated price.

Q. What was the first purchase you made at? A. \$4.78 for stove and chesnut.

Q. That was in July? A. Yes.

By Mr. Bain (Wentworth) :

Q. Delivered here? A. Yes; on board the boats.

By the Chairman :

Q. Stove and chestnut \$4.78 per net ton? A. Yes.

Q. That was in July; how did you get that? A. By boat.

Q. Who from? A. The Philadelphia Coal Company.

Q. Mr. D. Murphy was the agent here? A. Yes.

Q. How much did you get of them? A. About 600 tons.

Q. What was the next purchase you made? A. From the same source by boat to Rouse's Point, and railway to Ottawa.

Q. What date? A. My invoices, I must explain, are in the customs. They sent for them the other day, and I cannot give you the exact date. It would be about the last of August or the 1st of September.

Q. What was the price then? A. The price advanced then. I think they charged me 25 cents additional per ton on that coal. They charged me a few cents more I know. I do not remember exactly.

Q. It was about \$5 per net ton? A. Yes.

Q. How much did you get of that? A. About 500 tons.

Q. You bought it from whom? A. Mr. D. Murphy.

Q. What was the next purchase? A. From the Rathbun Company.

Q. When was that made? A. In September.

Q. Stove and chestnut? A. Stove and egg.

Q. How much did you give for that? A. For a small portion of it I have the same price as you have there, and for a large proportion of it I gave an advance of 25 cents per ton.

Q. You gave \$5 per net ton and \$5.22? A. No, sir, it was a little less than that.

Q. Have you it there? A. Yes; my last stove netted \$5.13, and egg \$4.91.

Q. That would average nearly \$5? A. Yes, sir.

Q. These were the prices you paid. You got that from the Rathbun Company?
A. Yes.

Q. How did that come in? A. By boat to Rouse's Point and by Canada Atlantic Railway to Ottawa. A small portion of it came in latterly by Utica. By the Utica and Black River road and the C.P.R.

Q. How much did you get of that? A. In that lot 1,000 tons.

Q. Did you buy any other coal? A. Yes, sir.

- Q. Whom from? A. From George Harris here.
- Q. When? A. This spring.
- Q. When did you buy it? A. During the months of March and April.
- Q. Who is he? A. A coal dealer in this city here.
- Q. How much did you buy from him, or rather what kind? A. Egg, stove and chestnut.
- Q. What did you give him per ton? A. \$7.50 for egg and \$7.75 for stove and chestnut.
- Q. Per net ton? A. Yes.
- Q. That is considerable of an advance on previous prices? A. Yes, sir.
- Q. How much did you buy from him? A. About 40 tons.
- Q. When was that? A. March and April.
- Q. You had run out of stock? A. Yes.
- Q. What would be your selling prices in Ottawa all along? What was it in July? A. \$6.50 for stove and \$6.25 for egg.
- Q. What was it later on? A. \$6.75 for stove and \$6.50 for egg.
- Q. When was that? A. The latter part of August.
- Q. When was the next raise? A. It was to \$7.00 for stove and \$6.75 for egg.
- Q. When was that? A. About one month subsequent.
- Q. September? A. Yes.
- Q. What was the next raise? A. \$7.50 for stove and \$7 for egg.
- Q. When was that? A. About November, the latter part.
- Q. What was the next raise? A. \$8 for stove and \$7.75 for egg.
- Q. When was that? A. The latter part of December or the beginning of January.
- Q. When was the next raise? A. That is the present price.
- Q. What rate do you make for a half ton? A. 25 cents added to the actual price for a half ton.
- Q. A man told me he paid \$4.50 cash for a half ton? A. It might have been basketed. The carter may have had to carry it into his place in a basket; then there is an extra quarter dollar charged.
- Q. For a half ton? A. Yes; for basketing. They charge the same price for a half ton as a ton for wheeling or basketing.
- Q. Had you been making any arrangement before? Did you intend to join with the Cartage Company? A. No; I do not know anything of the working of it. I had been a civil engineer for over 20 years.
- Q. What was your idea then? A. To run business on my own account.
- Q. Why didn't you do that? A. Unfortunately or fortunately, I asked a man if the Cartage Company would carry my coal. I did not know that they dealt in coal; I thought they only drew it.
- Q. You had your eyes opened later on? A. I had.
- Q. What inducements were offered you to go in? A. They offered me a certain percentage of their profits and they told me that they could deliver coal cheaper than I could, which I now believe they can, and do away with the necessity of my having weigh masters and all that sort of thing.
- Q. Doesn't the city provide weigh masters? A. Yes, sir, but coal dealers require to have their own.
- Q. Why? A. To see that his coal is properly handled.
- Q. In what way? A. We send orders to the weigh house, but we could not send it down to the city weigh master to have him get out horses and coal. Every coal dealer, if the Cartage Company did not have the cartage business of the city, would have to have a weigh master at each station; but the Cartage Company do all their weighing with four weigh masters.
- Q. Do they load up the coal? A. No; they merely keep track of the weighing and the city weigh master stamps it.
- Q. When you made arrangements with the Coal and Cartage Company you found that it was something more than a mere Cartage Company? A. Yes, sir.
- Q. Did they make you an offer to come in? A. They did, sir.

- Q. They wanted you to join? A. Yes, sir.
- Q. What inducements did they offer you? A. A portion of their profits.
- Q. What proportion? A. One-sixteenth.
- Q. After deducting all the expenses of the company? A. After deducting their expenses.
- Q. Interest, cartage, office and everything? A. Yes, sir.
- Q. You accepted that? A. I did.
- Q. Were you to sell any specified quantity of coal? A. No, sir.
- Q. You were to get one-sixteenth anyway? A. Yes; if I sold one ton or 10,000.
- Q. That was last July. Have you been drawing on the supposed profits? A. I have.
- Q. How much? A. \$1,825 or \$1,850.
- Q. How long was that arrangement made for? A. One year.
- Q. It expires when? A. One year from the beginning.
- Q. That is on account of your profits for one year? A. I participate in the profits from last May although I only went in last July.
- Q. What do you expect to get by the end of the year? A. I do not know.
- Q. You have drawn \$1,850; when did you draw the last? A. In March.
- Q. You will draw no more until the end? A. Not until the thing is wound up in May.

By Mr. Wood (Westmoreland):

Q. The only point I don't quite understand is this: you say you draw the same profits whether you sell one ton or 10,000 tons? A. Yes, only I was desirous of selling all I could

Q. Why? A. Because I wanted to establish myself in the trade, so that I could get a footing in the trade that I might obtain coal.

Q. What object is that to you if you get the same percentage of profit? A. I would prefer to handle my own coal independent of the Cartage Company if it were possible.

Q. You don't want to continue in connection with them at all? A. No.

By the Chairman:

Q. What are your objections to this arrangement? A. It is too one-sided.

Q. In what way? A. Well, not being members of the Cartage Company, we know nothing at all of the internal working of the thing.

Q. They declare a dividend and you have to accept it? A. Of course we have the right to verify their statements given us.

Q. Have you a written agreement with them for one-sixteenth of the profits? A. Yes.

Q. Have you got it here? A. Yes. This is not the agreement, but it is a copy of it, given me by Mr. Larmonth. (Exhibit 40.)

By Mr. Wood (Westmoreland):

Q. Wasn't there any estimate made of the quantity of coal you expected to sell? A. Yes, they told me I would not sell over 2,000 tons of coal the first year.

Q. It was on a basis of selling 2,000 tons? A. I declined to take that basis. This was before there was any stipulated amount offered me, or stipulated proportion of their dividend offered me. The talk was about tonnage, and they told me I would not sell over 2,000 tons, while I thought I could do better than that, and they put it in a form of a proportion of their dividend.

Q. Did they make an offer on the basis of tonnage or the quantity sold? A. It was merely talked about.

Q. On what basis was this sixteenth offered them? A. I don't know that. They figured that amongst themselves I presume. I considered it better than taking 2,000 tons, as first spoken of.

Q. If you succeeded in selling 4,000 or 5,000 tons this year, would the arrangement be continued on the same basis? A. I don't know, sir. It expires on the 1st of May. I don't know what they would be willing to do.

Q. You don't know what they would do if the quantity of coal increased or decreased, if they found you didn't sell much coal? A. I don't know, sir.

Q. Do you know the arrangements any of the other outside persons have as to the percentage they get? A. It is only from hearsay. I know nothing about it.

By Mr. Guillet;

Q. You say you were induced to make an arrangement with the Cartage Company because of the facility they had of carting your coal? A. Yes.

Q. Is that the only reason? A. It relieved me of a great deal of trouble.

Q. Didn't you tell us you were unable to get coal by rail? A. I would only get rail coal here.

Q. What other reason? A. Because from the fact I got no reply from any coal company about putting coal in.

Q. Did you make a further offer? A. I did.

Q. Did you get a reply? A. I got no reply. One of their agents came to us and said he would come back again, and he came back to the city, but he didn't come near me.

Q. Had he any conversation with you? A. Yes.

Q. What did he say? A. He said he would be glad to see me if I was prepared to do business.

Q. Did you apply to the railway companies? A. No, sir, I did not.

By the Chairman:

Q. You made no application to the Canada Atlantic Railway about your coal? A. No, sir, I was the first to bring coal over their road.

Q. Will you tell us something about the public tenders for the city of Ottawa, for the public schools and corporation and the parties tendering for these contracts? A. Yes; a number of dealers tendered.

Q. What arrangement was made by the Cartage Company, or did any of you make arrangements? A. Yes.

Q. What was the arrangement? A. That each dealer should have one of the contracts. That was all.

Q. Each dealer should have one contract? A. Yes.

Q. What contract did you get? A. Schools.

Q. How many tons did you supply? A. 220 tons of egg coal.

Q. What other contracts were made? A. There was the City Hall, the Corporation contract.

Q. Who got that? A. I don't remember who got it. There were the County Buildings and the Dominion Government.

Q. What was the amount of the Dominion Government contract? A. I don't know.

Q. Who got that? A. McCullough.

Q. Who got the Protestant Hospital? A. I think it was Senator Clemow, I am not quite sure.

Q. Who got the County buildings? A. If I remember right, Butterworth got it.

By Mr. Guillet:

Q. Do you know the rates? A. Not except my own; I got \$6.05 for egg coal from the schools.

Q. Delivered? A. Delivered.

Q. When was that contract made? A. In the month of August, sir, I think. Delivered on their premises.

Q. The retail price then was \$6.50? A. Yes.

Q. You got \$6.05? A. Yes.

Q. Who arranged the price you were to get? A. It was arranged amongst ourselves.

Q. Did the public schools ask for tenders? A. Yes.

Q. Who put in tenders? A. I think most of the dealers put in tenders.

Q. It was understood that yours was to be less? A. Yes.

Q. Yours was less? A. Yes, apparently. I don't know anybody else lower.

- Q. Was there any bonus given or any premium paid by you for it? A. No, sir.
- Q. It was simply a matter of arrangement? A. Simply a matter of arrangement.
- Q. You divided up all the contracts between you? A. Yes.
- Q. You took the public schools? A. It was given to me, I didn't take it.
- Q. Was that the Cartage Company? A. No, it was amongst the dealers.
- Q. Were those who were not doing business with the Cartage Company, men like George Harris or Henry Easton, were they in when this arrangement was made? A. I don't know whether they were or not.
- Q. Were you there? A. I was there on one or two occasions.
- Q. You didn't arrange this all at one meeting? A. No.
- Q. You had a number of meetings just as matters came up? A. Yes.
- Q. It was agreed that the contracts should be divided round among you? A. For instance, the dealers who had these contracts for years claimed that they had a right to fill these orders, that they should have them again.
- Q. How is it somebody else had the school contract, and it was handed over to you? Who had it before? A. I don't know.
- Q. They agreed to let you have it at \$6.05? A. Yes.
- Q. What amount did McCullough get for the Government contract? A. I don't know. I don't know the quantity, or I don't know the price.
- Q. You were there? A. It is a long time since. I don't remember the price.
- Q. You know that you got \$6.05 for egg coal? A. Yes.
- Q. For the school contract. That is the only one that you know of? A. That is the only one that I have any personal knowledge of, or the only one that I remember the price of—the only one I was interested in.
- Q. You remember quite well that it was arranged that one should have one contract, and another should have another? A. Yes.
- Q. Well, when it was arranged, for instance, if you contract that you should put in a tender for \$6.05? A. Yes.
- Q. Did they fix the price? A. I don't remember that I fixed the price. It was consented to by all there.
- Q. They were putting in tenders were they? A. Some were to, others said they would not tender.
- Q. In order to keep up appearance all right there were several tenders to be put in? A. Yes.
- Q. And these tenders were all higher than yours? A. In tendering of course they would tender higher than mine.
- Q. Do you know what the other tenders were? A. I do not.
- The CHAIRMAN—I have the agreement made between Mr. Brown and the Cartage Company. I will read it so that the members of the Committee will see what the arrangement is. (*Exhibit 40.*)
- (Agreement read.)
- By the Chairman:*
- Q. We were asking you whether you were satisfied with this arrangement between the Cartage Company and yourself, and you said you were not very well satisfied. Why? A. Well, as I explained to you, the business is too much in their hands.
- Q. They have the control of everything? A. Yes.
- Q. They make that document to suit themselves? A. Yes.
- By Mr. Wood (Westmoreland):*
- Q. What is there unfair in it. What is there that you object to as unfair? A. Well, the details of the working of the company we are ignorant of to a great extent. Of course we consider that we get all that is due to us and all that kind of thing, but I think outsiders dealing with them are not thoroughly satisfied as a whole.
- Q. How many tons did you actually sell? A. A little over 2,800 tons.
- Q. You received \$1,825? A. Yes. I wish to explain to you that out of that \$1,800 or my proportion of the division of the profits, I paid for rent of shed lots \$230.64 up to the first of next May for the year. Taxes and water rates will exceed 260

\$50, office expenses, rents, &c., \$650, and other items not appertaining to the office but general business \$129.79 at present.

By the Chairman :

Q. What rent do you pay? A. \$450 a year.

Q. Do you do any other business? A. No.

Q. Does anyone else do any other business in it? A. No.

Q. What is the necessity for such an expensive office? A. We cannot get one for less. I only rent part of the office, and some one else has the rear portion of the office.

Q. Do you sell soft coal besides this? A. Yes.

Q. Is soft coal in the arrangement? A. It is included in that.

Q. Soft coal is included in this statement here? A. I didn't buy any soft coal.

Q. You sold more coal then than you had? A. Yes. Advertising \$150 and and interest is worth \$300, which makes \$1,510.43.

By the Chairman :

Q. I understand that you got all this whether you sold a ton of coal or not? A. Yes.

Q. Your profits are just the same you have told us? A. I said my profits would be just the same whether I sell one ton or 10,000 tons, but at the same time a man going into business wants to get a footing for himself.

Q. This was an investment for the future? It wasn't necessary for these profits, you are establishing a business for the future? A. It was to enable me to get coal in here, as well as any person else, which is difficult for a man to do unless he has got a footing in the trade.

Q. Did you think you would have to go to \$1,200 or \$1,500 expenses to enable you to get coal besides paying for the coal? A. Yes.

Q. What are the obstacles? What is there to prevent you from getting it if you go there with your money and have a good business reputation? A. They don't wish to encourage anybody on this side to go into the trade other than those who are in the trade at present.

Q. Or is it that there is pressure put on from this side? A. I don't know that. It may be.

Q. We have evidence here to show that they are very anxious to sell and that they want to sell, that each company is anxious to sell as much coal as possible on this side. Do you know of any arrangement or pressure being brought from this side to shut you out? A. No; I have no personal knowledge. I thought at the time that there was something of that kind, but I never discovered it.

Q. Have you a strong suspicion? A. Well, I had a suspicion at the time.

Q. You have nothing to prove it? A. No.

Q. These three other companies you wrote to, you received no reply whatever? A. No, sir. I saw the representatives of two of them since and they have offered to sell me coal.

Q. Had you proper addresses. Did you write to the right man? A. Yes; I believe I did.

Q. They offered to sell you coal since? A. Yes; since.

Q. You were actually compelled to go to this large expense in order to establish your right to buy coal? A. Establish my right to buy coal.

Q. That was the principal object of all your expenditure this year? A. Largely, to get established.

By Mr. Guillet :

Q. Since you joined the arrangement, they sold you coal? A. Yes.

Q. Would they sell you coal if you withdrew from it? A. I suppose they would now, because I am established in the trade. I can get boat coal, but I don't know whether I can get rail coal.

Q. Do you know of any dealers not being able to get coal? A. I have heard of it.

Q. Do you know of any efforts being made to prevent them? A. Not from my own personal knowledge. My shed and scales cost over \$2,000. It is beside the canal. I allowed nothing in any of these expenses for depreciation. I allowed \$300 interest on capital.

By Mr. Wood (Westmoreland):

Q. Then, if I understand you right, your profits, as the account stands to-day, are about \$300? A. Yes.

Q. What would be a fair profit on the business of that sort—2,800 tons of coal? A. A fair profit after paying expenses?

Q. Yes, is that a fair average business? A. I don't know, I am new in the business, I can't answer that question very well. I think a man ought to have a little more than that out of it.

Q. Do you know that your sales are nearly equal to the sale of other dealers? A. My sales are not equal to the sales of other dealers.

Q. What proportion? A. I suppose some of them sell twice as much as I sell. I don't know. I have no idea. I cannot tell the amount they sell, I have never seen the statements.

Q. What in your opinion would be a fair profit on a ton of coal? That is to an average dealer? A. After paying all expenses?

Q. To a man who did a fair business? A. Oh, a man would want about 50 cents a ton profit, I should think.

Q. You don't know what you're to get yet? A. Well, no; I don't.

By Mr. Guillet;

Q. Are there others in the same position besides you? A. Mr. Thompson.

Q. Is his share one-sixteenth too? A. I don't know what their proportions are.

By the Chairman:

Q. You have given \$300 as interest? A. Yes.

Q. If you sold for cash your business is supposed to be cash? A. Yes; but it is not sold here for cash.

Q. You don't get all cash? A. No.

Q. If you sold for cash you would not require any capital at all? A. Oh, yes. We would have to pay for our coal on the 15th of the month.

Q. What would you require? A. A certain amount of capital all the time to keep us going.

Q. You say you pay for your coal on the 15th of next month? A. Yes.

Q. You pay for April deliveries on the 15th of May? A. Yes.

Q. If you sold in April for cash you would have the money on the 15th of May to pay for it? A. Yes.

Q. So you would not need \$1 for capital at all, because they take your invoices. You hand over your invoices and they pay on your invoices? A. No, sir; I pay on the invoices. I pay on my own coal.

Q. When do you pay for it? A. The fifth is settlement day, and they always pay on the tenth.

Q. You get the money from them before you pay for it? A. No, sir; I never did that, I don't think. Settlement day is supposed to be the 5th, but sometimes it is and sometimes it is not. I pay for my coal whether I have settled with them or not.

Q. The arrangement is that you get settled on the 5th and you pay for your coal on the 10th, was that the contract? Theoretically, at any rate, you get the money from them before you pay it over to the coal companies in the States? A. I could not do it; I don't think I ever did that.

By Mr. Wood (Westmoreland):

Q. The expenses of the coal business then, as I understand you, are such that but 50 cents would be clear? A. Yes, sir.

Q. And the expenses on an average, if the figures you have given here are correct, would be about 50 cents more? A. Of handling?

Q. No; the list of expenses? A. Yes; apart from the delivery of it. Of course that would vary some, but on an average business for a year it is about 60 cents.

By the Chairman :

Q. Would you get along with less? A. No; I would require more help and more capital.

Q. Whom have you in your office now? A. I have my partner.

Q. Is there work for two? A. Yes; one has to look after the collection. We have to sell largely on credit. We have to have a set of books to be kept and credits to be collected.

Q. Surely that business you had there, when the Cartage Company takes the coal and delivers it, would not provide work for two men? A. Yes, pretty much all the time. The collections take up a large portion of a man's time.

Q. Pay day comes in only once a month? A. That is amongst a certain portion of the community only.

By Mr. Guillet :

Q. Did you write to the agent in Montreal? A. No, sir; there is no use trying to buy from them, I understand.

Q. Who did you understand that from? A. From a gentleman in Montreal whom I saw there.

Q. Who was he? A. A Mr. Evans.

Q. Who is he? A. In the coal trade there.

Q. Why? A. Because they cannot sell here.

HOUSE OF COMMONS, OTTAWA, 25th April, 1888.

The Committee on alleged Trade Combinations met this morning; Mr. Wallace in the chair.

PERCY R. TODD, General Freight and Passenger Agent of the Canada Atlantic Railway, sworn.

By the Chairman :

Q. Your company has hauled a good deal of coal to Ottawa? A. In the last year we hauled 4,776 tons.

Q. And the year before that? A. We did not haul any at all. That is the first year that we hauled any coal.

Q. That is the first year you hauled any coal? A. Yes; since the opening of the road.

Q. When was the road opened? A. I will not be positive, because I have only been connected with it a short time. It has been opened between Ottawa and Coteau for five years, and between Ottawa and Rouse's Point for two and a half years.

Q. What connection have you with Rouse's Point? A. We have our own road.

Q. Across the St. Lawrence? A. We get there by ferry.

Q. And through the United States? A. It is in Canadian territory. We connect at Lacolle with the Grand Trunk Railway, and at Rouse's Point we only go a mile and a half into the State of New York.

Q. With what railways do you connect there? A. The Central Vermont Railway, the Delaware and Hudson, and the Ogdensburg and Lake Champlain.

Q. And then you have facilities for carrying coal. Are any of these railways connected with the coal mines? A. Yes; the only one is the Delaware and Hudson, which owns one of the largest coal mines in the United States.

Q. And you tried to make arrangements with them, to connect with them to carry coal to Ottawa? A. I believe my predecessor did. I have only been connected with the road for a year and a-half, but I understand that my predecessor made several efforts to get coal in here. He was told by the Ottawa coal dealers that the time had not yet come but would undoubtedly come when we would bring coal into Ottawa. I did not think it was a very clear answer. We did not have a ton of coal up to last year.

Q. Then had you made no arrangements with them before that—with any companies or with any parties in Ottawa? A. Not up to last year. My predecessor

had gone to all these coal merchants here with a view to obtaining a share of the coal traffic, but he was always put off, although they could never give a definite reason, but he did not get coal, and that was the long and the short of it.

Q. Well, then, how did you succeed? A. Well, about this time last year our general manager and myself decided that we were entitled to a share of the Ottawa coal traffic, and I went to work to see what we could do to obtain it. I talked to my predecessor first, and he could not see any reason why, except that we could not get the coal. He had been promised but never got it. I went to them, more especially to Mr. Butterworth, who is president of this association. I told him that I did not know why we should not get a share of the Ottawa coal traffic, and I asked him if there was any reason why we should not. His feelings were most cordial towards us, but I could not get any promise of any coal. That was what I expected; in fact I went there as a matter of form and I decided that there was only one way for us to get any coal into Ottawa, and that was to bring in a new dealer and if they made it unpleasant for him we would have to stand by him. There seems to have been an impression that the Canada Atlantic Railway itself purchased coal for sale, but that is not correct. We do not care to go into any traffic of that kind, mixed up with railroad matters, if we can avoid it. What we did do was to look around for another man that we could put in here, and that we thought would stay through the fight if it was necessary, and we decided to stay with him. We arranged with the Rathbun Company of Deseronto to open an agency here. They are in the coal business very extensively throughout Canada. I think it was just about this time last year that we made our arrangements to have them go into the retail coal business in Ottawa. The Ottawa Coal Association asked us to meet them, which we did with a view of ascertaining what our intentions were, and we told them that as far as the Canada Atlantic Railway was concerned our intention was to bring a share of the coal into Ottawa, whose coal or the prices we had nothing to do with. We were only carriers and the only arrangement we had with the Rathbun Company was on the same terms as we would give to them or to the public, and they made a proposition to us and the Rathbun Company. We were both present at this meeting.

Q. Who was present? A. Mr. Butterworth, Mr. Ray, Mr. Carter, representing the Rathbun Company, myself, Mr. Kellogg, of Utica, of the Delaware and Hudson Coal Company, and there were one or two other members of the Ottawa Association; I think Mr. Brown was there, but I am not sure. And they asked us what we intended to do with regard to coal. I stated that the position of the Canada Atlantic Railway was simply that they were bound to have a share of the Ottawa coal traffic. We wanted a share of the traffic, but as to what the Rathbun Company were going to do with regard to prices they would have to speak for themselves. They then made a proposition to this effect, that if the Rathbun Company would agree not to retail coal in Ottawa until the 1st of May, 1888, they would agree to buy wholesale from the Rathbun Company a certain amount of coal, to be agreed upon hereafter. Mr. Carter asked me my views on that, and I told him that of course our position was simply that of a carrier; we did not want to deal in coal.

Q. You cannot deal in coal by your charter? A. It would not be a good policy.

Q. But can you? A. We can under our charter, I presume, but we would not want to do so, for the simple reason that any other coal dealer who would want to patronize the road would very properly think it was not fair to him. But we would do that as a last resort, rather than not bring in any coal at all.

Q. I thought you would not have the power? A. I asked our secretary, and I was told that we had. I was told that we could work on that basis if we wanted to. And the proposition they made was, that if the Rathbun Company would agree not to retail any coal until the 1st of May this year, they would purchase from them direct a certain quantity, and that the prices were to be the same as the circulars issued by the other companies. I understand that the companies issue a circular monthly.

Q. That is the coal companies in the States? A. Yes; the Delaware and Hudson, the Delaware, Lackawanna and Western, and other companies. They issue a joint circular offering coal for so much. About the contract between the Ottawa dealers and the Rathbun Company, the arrangement was that the Ottawa dealers should buy so much coal from the Rathbun Company. There is no price stipulated between the Rathbun Company and the purchasers here. It was to be settled on the circular of prices.

Q. The same prices as the others? A. Yes. Now, we are not so well situated, geographically, for bringing in coal as the Canadian Pacific Railway. The coal mines, as a rule, are south-west from Ottawa, that is to say, they are south-west from Utica. Of course our line really runs south-east from Ottawa to Rouse's Point, and there is only one coal company that we have a direct connection with, that is the Delaware and Hudson. Now, it has always seemed to me that the natural route for the Delaware and Hudson Company to send their coal into Ottawa is over the Canada Atlantic Railway. You understand that the Delaware and Hudson Coal Company and the Delaware and Hudson Railway Company are one and the same thing. It is a mere matter of book-keeping.

By Mr. Bain (Wentworth):

Q. They own the railway up to Rouse's Point? A. Yes.

Q. And it is their own property? A. Yes. And their manner of shipping coal I understand is that they fix the price at the mouth of the mine, and they add half a cent per ton per mile for hauling it. If they would haul this coal over their own road it would make the amount to be paid to foreign companies less than they would have to pay to foreign companies if the coal came by way of Utica; therefore they could get it in at less expense.

Q. How much longer would the haulage be? A. About seventy-five miles further, but that seventy-five miles and part of the difference would go into the pockets of the Delaware and Hudson; in other words if they brought the coal by way of Utica the Delaware and Hudson only get a very short haulage on its own coal. They have to pay a short rate to Utica, and then the Utica and Black River Railway, and then the Rome, Watertown and Ogdensburg, then by ferry across the St. Lawrence, and by the Canadian Pacific Railway to Ottawa.

By the Chairman:

Q. What is the mile haulage per ton? A. They can haul their coal for one half cent per ton per mile.

Q. Is that the regular rate for all companies? A. For all companies on their own coal.

Q. In the United States where they have the Interstate Commerce Bill? A. The Interstate Commerce Bill does not apply to state traffic. That would hardly affect it, for this reason, that the Delaware and Hudson have their territory all defined, and the Delaware and Lackawanna and Western, for instance, does not ask them to haul their own coal. Now the point I was getting at in regard to Ottawa is this, taking this as a mere figurative illustration, that the price of the coal at the mouth of the mine is three dollars per ton on the cars. We will say, for the sake of illustration, that the price in Ottawa is five dollars per ton on the same coal, the difference of \$2 being the freight. Now the Delaware and Hudson out of that \$2 freight has to pay \$1.75 to other corporations, that is to the Utica and Black River Railway or the Canadian Pacific Railway. Now if they brought it to Rouse's Point themselves, and then transhipped it over our road, they would only have to pay 68 cents per ton to a foreign corporation, that is to us.

Q. From Rouse's Point to here the rate is? A. 68 cents per ton.

By Mr. Guillet:

Q. How many miles is it? A. 135 miles.

By the Chairman:

Q. They being a coal company and a railroad company combined, to deliver it in Ottawa they would get the whole amount except the 68 cents? A. Yes; and therefore I claim it would be to their own interest to send their coal into Ottawa by

this route, even though they had to haul it an increased distance, because they would get a large share of the freight. And with that object in view at the meeting that I speak of, here in Ottawa, I asked the Ottawa dealers what was the total consumption of coal in Ottawa the year previous, that is in 1886. Their reply was about 30,000 gross tons. Of that amount I asked them how much was sold by the Delaware and Hudson Company, the company to whom we would look for coal on the other side and they said about 7,000 tons. That is not quite 25 per cent. I then proposed to them that what we wanted for the first year was 25 per cent. of the total amount of coal which they brought into Ottawa, leaving 75 per cent. to come by the Canadian Pacific Railway, and I proposed further, that in order to get this matter in as simple a form as possible, and save as much trouble as possible, that they should order 7,000 tons of coal from the Delaware and Hudson which was the same amount that they bought the year before.

By the Chairman :

Q. The same amount that they brought the year before? A. Yes; I stipulated that that 7,000 tons would be bought only on condition that it was sent over the Canada Atlantic road. That, of course, they didn't want to agree to. My idea in asking that was that the Delaware and Hudson was the only coal company that we could connect with. I told them that if they would do that, that the Rathbun Company would agree. Of course, they had seen the Rathbun Company. We told them jointly, that we would agree not to retail coal until the 1st of May, this year, as we were not ready and not in shape to do it, as it was so late in the year to commence. The ground where they wanted to put their building we were using for other purposes, and so long as we got the coal we told them we would agree not to retail for one year, if they would guarantee to give us 7,000 tons of coal. Well, they did agree to it.

Q. That is the Ottawa Dealers' Association? A. Yes. Mr. Carter, of the Rathbun Company, then went to Utica to see the district agent of the Delaware and Hudson—that is the district sales agent—with a view of purchasing this coal and he came to Ottawa, I think, about two weeks after that, and said that he had seen the district sales agent and that he had referred him to another official in Whitehall. He had gone to Whitehall and that official had referred him to the president in New York. He had gone to New York, and he was then referred to the wholesale agent at Scranton, Penn. He went to Scranton, and came back without having any price of coal.

By Mr. Guillet :

Q. That is for Ottawa? A. That is for Ottawa *via* the Canada Atlantic road. Of course that was stipulated in his price that we were buying over the Canada Atlantic. That being a new feature, each one referred him to some one higher, and he came back without any price over the Canada Atlantic.

By the Chairman :

Q. Your contention was that it was to their interest, too. How is it they didn't see it in that light? A. That was a point I asked him, too. That is a point I am not clear on in my own mind. When Mr. Carter came back he made this statement to me, and my opinion was that there was some other influence at work, some reason for them not agreeing to give prices. I felt so all the more because our relations with the Delaware and Hudson, entirely apart from coal matters, was of a cordial nature. We gave them an average of 200 cars of freight, south bound, and got nothing back, because there is very little traffic from New York to Ottawa, and they had always expressed a great desire if there was only some traffic going to Ottawa, that they would give it to us, and therefore it struck me as if there was some influence at work against us. Mr. Carter's opinion was the same as my own. He asked me to go over the ground with him, and so we went to Utica together and saw Mr. Eddy, the district sales agent of the Delaware and Hudson, and he corroborated what Mr. Carter had reported, that he hadn't given the price of coal, because there was a very serious obstacle, and the reason which he gave us, and a very good reason it was, entirely apart from Ottawa matters. I have no objection to stating what it was. He said that there was a contract between the Delaware and Hudson Coal

Company and the Utica and Black River Road, whereby the Utica and Black River Road gave the Delaware and Hudson lower rates and advantages at their local stations in the State of New York, on condition that the Delaware and Hudson gave them all their coal traffic for competitive points. Ottawa being a competitive point, they were compelled to keep to their agreement with the Utica and Black River Road and send that coal over the Utica and Black River Road which, of course, would bring it in by way of Ogdensburgh, and that was the only reason in the way of sending coal round by Rouse's Point and the Canada Atlantic. I thought that a very good reason on the face of it, but I doubted it. I doubted that that was the only reason, because immediately after, Mr. Eddy's making that statement, he was ready to promise to send 5,000 tons of coal over our road as long as we didn't ask him to send his entire sales into Ottawa, by our road. Therefore, I think I am justified in feeling that there was some other cause, some influence brought to bear, and I say frankly, that I think that the Ottawa coal men when they found that we were determined to bring coal into Ottawa, forestalled Mr. Carter's first visit, by writing there and explaining why they had agreed to buy any coal from the Delaware and Hudson, only coming over the Canada Atlantic, solely because their position was a forced one, and forestalled the Delaware and Hudson's delivery. When they got the visit from Mr. Carter they spoke about this agreement. Mr. Carter's idea is the same as mine. Of course we had no proof. When Mr. Eddy offered me 5,000 tons, I said: "I will do this Mr. Eddy: I do not desire to press the matter. I will agree if you will give me 5,000 tons of coal; you can send 2,000 tons of coal by way of Ogdensburgh over the Utica and Black River Road, and then that will bring your coal shipments up to the same sales that you had last year in Ottawa, 7,000 tons. Now, if you sell any more coal over and above the 7,000 tons, that will come by Rouse's Point and the Canada Atlantic." He said he thought that was a fair proposition, and he sat down to draw it up, and just as we were about signing the contract, he said he was only a district agent, and it was rather a serious matter, and he did not feel as though he had authority to sign at all in an important matter like that, and that he preferred that the manager should do it. He asked me to go to New York, and I did so, and Mr. Carter went along with me, and the whole ground was gone over again there, and we stated our case just as I have put it to the Delaware and Hudson officials, and after a private talk amongst themselves, they declined flat-footed to send any coal to Ottawa our way.

By the Chairman :

Q. And did nothing? A. And did nothing, but continued as they had done. That was the ultimatum, and it was the last transaction that we had with the Delaware and Hudson Company. We then came back to Ottawa. I think I told these gentlemen pretty plainly here, that I was satisfied that they had written to the Delaware and Hudson, but that was neither here nor there, but we wanted our contract changed in this way, that we would be allowed to supply the 7,000 tons of any other coal that we could get, that is any other company's coal, but they were still to decline to buy any coal from the Delaware and Hudson unless they would ship it over our road. Afterwards, on account of the scarcity of coal, that contract was changed from 7,000 tons to 5,000 tons with our consent. Our agents, the Rathbun Company, then purchased 5,000 tons of coal from the Pennsylvania Company, to come by water to Rouse's Point, and of that 5,000 tons we got in before the close of navigation about 3,600 tons out of the 5,000 we had contracted for at the close of navigation on Lake Champlain, and the scarcity of coal prevented us from getting it all in.

Q. Where did this coal come from? A. From New York. It came by water from Rouse's Point. From the time we started to furnish that coal there were objections raised to it by the Ottawa men on the grounds that it was inferior coal and everything that they got was unsatisfactory. At the close of navigation we were short of what we agreed to furnish of about 1,000 tons or 1,500 tons. I told the Rathbun Company that they must fill that contract, no matter what the loss was, as we had agreed to furnish 5,000 tons of coal and they must fill it and we would stand in with them at any loss. They then looked around and purchased 1,000 tons at

Ogdensburgh, and they were under contract, of course, to sell this coal in Ottawa at the same price as the other company, which, I think, at that time was \$5.75 per gross ton on the cars. They bought 1,000 tons of what they were short at Ogdensburgh at \$5.25, leaving a difference of 50 cents per ton to get the coal from Ogdensburgh to Ottawa, and then they would get it without loss, but, of course, without profit. They brought that coal from Ogdensburgh to Rouse's Point over the Ogdensburgh & Lake Champlain Road, and we brought it from Rouse's Point into Ottawa, and we brought it in free anyway. I don't know whether we have got a settlement with the Ogdensburgh road yet. They offered to bring it for 60 cents a ton from Ogdensburgh to Rouse's Point. As the difference between the prices only left 50 cents a ton, we would not only have to haul it for nothing, but pay 10 cents per ton, too.

Q. What is the distance from Ogdensburgh to Rouse's Point? A. 118 miles.

Q. One half cent a mile? A. Yes and that would just be 60 cents. I wanted them to make it fall to 50 cents to let Rathbun and ourselves out without losing cash, but that is not decided yet and we bring it free from Rouse's Point to Ottawa. That left us only 500 tons short. That 500 tons was furnished by the Rathbun Company over the Canadian Pacific by agreement, that was some coal that they had over for parties in Brockville and by that means we filled our contract with these men for 5,000 tons. This year we proposed to have it and possibly two dealers independent from these men here. We are in better shape this year. Last year we had not the ground to give out for coal yards which we have arranged to get for this year, and the Rathbun Company I understand and one other dealer that I know of are going to retail. We felt that we were prevented in a certain way, and we have not any evidence of it except what I have said. We feel morally sure and certain that everything was done that could be done to prevent our bringing of coal into Ottawa, but we brought it in.

Q. You didn't know the plan of their organization at the time? A. I hadn't any idea whether it was an incorporated company or what. Of course, all I had to look after was simply to get a certain amount of coal tonnage over our road.

By Mr. Guillet:

Q. This contract that existed between the Utica and Black River Road and the Delaware and Hudson Company would not prevent them carrying all the coal they chose over their own lines? A. Well, according to what they said it would prevent them carrying coal to competing points over their own lines to Ottawa and Ogdensburgh, about the only two points where they could come into competition with each other.

Q. It seemed to be a contract made against their own interest? A. At the time the contract was made the Canada Atlantic road wasn't opened, and therefore Ottawa wasn't looked upon as a competing point. The contract I understand was of some years' standing.

Q. How long was it for? A. It seems to be an indefinite one. My own opinion is that there is no contract, but it is simply a working arrangement. If they saw it was to their interest to change it I don't think that contract would bind them. There is one point I want to bring out in regard to this coal business. As I said just now, all the coal that we brought in was objected to on the part of these Ottawa men. Every possible fault was found with it and of course that was done with an object; but they have stated to me since, that they would now like to bring coal in over our road, but inasmuch as we could not bring in all rail coal—the only coal that we can bring has got to come by water to Rouse's Point—they must have all rail coal here, and that that is the only reason why they cannot patronize our road this year. They said that this was much superior to the coal which breaks bulk; that is, there is less handling. We overcame that in this way: all coal that is taken out of the boats at Rouse's Point and loaded into our cars was screened there at the expense of the Pennsylvania Company. This put it in the same position as all rail coal when the cars started from the mine. Now another point I would like to establish is this: I think that, roughly speaking, there was about 20,000 tons came into Ottawa by way of Prescott and the C. P. R. I am certain that of that 20,000

tons of coal that came into Ottawa by that way, not over 8,000 tons came all rail from the mines. I know that a very large quantity—and we will say 60 per cent., roughly speaking—came by water from Oswego or Fairhaven to Prescott. That coal came in by cars here and these men are selling their coal, making no difference at all in the coal that came by water, *via* Prescott, and the coal that came all rail from the mines.

By the Chairman :

Q. They might not know it? A. I do not see how they could possibly help knowing if a man orders all rail coal from the mines and it comes by water to Prescott.

Q. They ordered it from a certain company and they got it delivered in Ottawa at a certain price. Ottawa is different from other places. A. They knew well enough that ours did not come all rail.

Q. Did you test the quality of your coal as compared with theirs? A. I used it in my own house and found it fully as good, my people say better. We used identically the same coal, taken from the barges, in our passenger offices, and found it fully equal this year. The point that I want to get at is this: These people are now crying down to consumers (the direct consumers, the householders) the coal coming over the Canada Atlantic on the ground that it is not all rail coal, while the coal that they are selling is only 40 or 50 per cent. of all rail coal. That is the point. I have told them this, that in regard to this year's business that as far as we can control the salesman selling coal to agents to bring it over our road, that if they find that when they go round to take orders our coal is being decried on the ground that it is not all rail coal, we will do this: For instance, if Mr. Butterworth makes the statement that coal coming over the Canada Atlantic is not as good to the consumer as theirs because theirs comes all rail, I have arranged with people who handle coal over our road to sell their coal at just as much less as Mr. Butterworth says it is worth; that is to say, if he says that Canada Atlantic coal is inferior by 50 cents per ton from having come by water, to sell it at 50 cents a ton less than Mr. Butterworth's price; if he says it is worth \$1 a ton less we will sell it at \$1 less. The railway company is to stand by them as we are working to establish ourselves as a coal route into Ottawa.

By Mr. Guillet :

Q. Does not the screening of coal obviate the difference in price? A. Yes; I think it more than overcomes it, for this reason: the coal is screened at the mines and put on the cars. There is a good deal of shaking in a journey of 250 or 300 miles, much more than by boat. If our coal is screened after it comes out of the boat, it is only subject to the shaking of 135 miles as against 250 to 300. It seems to me, therefore, that coal that comes in by boat will be in a better condition than theirs, or at any rate equally good.

By Mr. Bain (Wentworth) :

Q. You are handling the Pennsylvania Company's coal this year? A. We did so last year, and it is our intention to do so this year. They also send some coal here by water; that is, by the Richelieu River and up that way.

Q. Your object is to give them better facilities than to send it round? A. Yes; and it is more convenient to receive their coal by rail as the boats have to be discharged immediately.

Q. They have the disadvantage of twice handling? A. Yes; but that is taken care of in the selling.

Q. They make concessions on the other side? A. Our arrangement in regard to prices with the Pennsylvania Company is just exactly the same as last year. That is, when the circulars are issued by that company for the month—which are open—that the Pennsylvania Company will sell coal to any of our dealers at the same price as stated in the circulars of the other companies and allow us 68 cents a ton for freight. That is the only arrangement we have with them.

By Mr. Wood (Westmoreland) :

Q. What is the arrangement again? A. The only arrangement we have with the Pennsylvania Company is, with regard to the prices, that they will furnish coal

to any dealers in Ottawa, who wish their coal over the Canada Atlantic. They will furnish what coal they want at the same prices as are named in the circulars of the other companies for that month, and allowing us 68 cents a ton for freight.

By Mr. Guillet :

Q. Would there be any other dealers besides those established by yourselves?
A. Any dealer. Our rates are the same to anybody.

By Mr. Bain (Wentworth) :

Q. Your object is freight? A. Yes; that is the only interest we have.

By Mr. Guillet :

Q. Are they willing to do that? A. Yes; that is our arrangement with them.

Q. Then there is no disposition to dictate who shall have coal here? A. No; the more coal dealers here the better suited we are. The Pennsylvania Company has sold very little coal here, the only quantity being that which came by water, by way of the Richelieu River and Sorel and Montreal.

Q. Has that coal a good character? A. The Pennsylvania Company is about the largest in the market. The only reason that they have not sold coal in Ottawa is that they are not geographically situated so well as others.

Q. What will they lay down coal for? A. I do not know. They have not opened yet for the season. May is the first month we get prices. I understand there has been an advance over last year, but I do not speak positively. Our position, as a gentleman remarked just now, is purely one of freight. All the stipulation, I may say, was that we were to have a contract for so much coal, and last year I told the Rathbun Company to get that much coal.

By Mr. Wood (Westmoreland) :

Q. You guaranteed them against loss? A. They lost money on some of the coal they brought in here, but we helped them out when they were not able to get their full 5,000 tons that they had guaranteed to furnish, they only got 3,600 tons of it. When they had to buy that coal at Ogdensburgh and bring it round by Rouse's Point we carried that coal for nothing. They lost something, too.

Q. I do not know whether I understood you. You said if this coal did not sell by as much as 50 cents a ton, what then? A. In that event we would reduce our freight rate in proportion to what they had to reduce. For instance, if they had to reduce their prices 50 cents a ton, I should feel inclined to stand half of that on behalf of the railway company. It is to our interest to stand behind them in the matter.

By Mr. Bain (Wentworth) :

Q. That is on the supposition that the existing company tries to crowd you out?
A. Yes; we have no distinct basis of understanding with them, but for that fact that we hauled 1,000 tons for nothing last year. They are satisfied that we will help them out. I have told them that we are decidedly against this combination. That is a matter which we have nothing to say to them. We cannot control it. My advice to them, especially during the last few days, is to keep out and go in on that basis.

By Mr. Guillet :

Q. You draw coal for anybody? A. Yes; for anybody at the same rate.

By Mr. Wood (Westmoreland) :

Q. You would not draw coal for nothing? A. No; only under circumstances similar to last year.

By Mr. Guillet :

Q. Do you cart this coal? A. No; they take it from the cars.

Q. You would put it into any other yard? A. We would just as leave switch it into the C.P.R. yard.

Q. You have an arrangement for cartage? A. Yes; but not for coal.

Q. Coal is different from any other freight? A. It is handled separately and some of the larger roads such as the New York Central and West Shore, have coal agents. It is always handled separately. We brought in some coal last year for the use of our own employees, to get it cheaper and we had to hire carts.

By Mr. McDougall (Pictou) :

Q. Is the coal sold here screened? A. What came in over the Canada Atlantic was screened at Rouse's Point.

Q. But not here? A. It may have been screened after leaving the cars, but it was not screened when in our possession except at Rouse's Point.

By Mr Guillet :

Q. If they sold your coal without being screened, and screened the coal from other sources, it would make their coal appear superior? A. I do not know; but I notice that they charge the same prices for our coal as for theirs.

By Mr. Wood (Westmoreland) :

Q. Would you make a similar arrangement with regard to standing behind any other company but the Pennsylvania? A. Yes.

Q. That is to bear part of the loss? A. Yes; exactly. We have one other dealer and perhaps two who are going in to bring their coal over the Canada Atlantic Road. If they are going to bring in their coal exclusively over our road, they have a good deal of trouble ahead, but we are going to stay with them.

ELIAS ROGERS, coal dealer of Toronto, recalled, sworn.

By the Chairman :

Q. I have a letter here from you, Mr. Rogers, and a statement of the case by the Toronto dealers with eight statutory declarations attached to it, swearing to the correctness of the statements that are made here. It is a document containing eleven pages besides eight pages of statutory declarations. It is pretty largely a repetition of your evidence given before the Committee before. I may also say to the Committee that Mr. Rogers has a letter here, but as he is here himself I do not think it is necessary to read the letter. Mr. Rogers is here himself and can make his statement. His letter is largely in regard to Mr. Bell, which is perhaps a personal matter, and also refers to Mr. McConnell. He refers also to a statement that I made at Seaton village. Did you hear me make that statement? A. No, but I have a report of your speech.

Q. You swear to the correctness of this statement, I believe? A. I attested to that.

Q. What knowledge have you which enabled you to make this statement, to swear to it? Did you hear me make this statement? A. I have a report here.

Q. Do you swear to the correctness of the report? A. No; I simply say to the best of my belief.

Q. What knowledge have you? A. Newspaper reports. It was reported in other papers.

Q. What paper did you quote from? A. I think it is the *Mail*.

Q. Well, I have a similar report said to be taken from the *Globe*? A. It was reported in both papers.

Q. The same word for word? A. In substance.

Q. These two reports, I have a report here taken from the *Globe* and it is just word for word with the printed slip which you have? A. I see that the *Globe* is not marked on it, and the same statement was made in fact on several occasions during the election campaign.

Q. I just want to refer to the matter, to refer to the statement I made at Seaton village. This is the statement that Mr. Rogers swears to as being correct, that I had "recently bought a carload of coal from Messrs. Keys & Hallett, at Woodbridge, for which you paid \$5.60 per ton, and that Keys & Hallett bought it from us at \$5 per ton in Toronto." I may say that that statement is not the statement that I made, but I will refer to that later. You stated that this "was entirely wrong and misleading. The car referred to was ordered by you 12th August, received 27th August and paid for 3rd September, 1887. At that time our price on the cars both

to Toronto and country dealers was \$5 per ton." What I want to ask you is, is that what you sold that coal to Keys & Hallet for? A. Yes; \$5 per ton.

Q. I want you to tell me what was the price at which you sold that particular lot of coal at? A. If you will give me the number of the car.

Q. You have sworn to this statement, you have given all the particulars about this, and I want to ask you if you know them of your own knowledge, "ordered by us on August 12th, received August 27th, and paid for September 3rd, 1887." These things you could not know of your own knowledge, but you could know what was done? A. I will read you Messrs. Keys & Hallet's letter.

Q. No; give us a statement? A. Well, if it was stove coal—

Q. I want no ifs. You will please answer my question. You have given the particulars. I have read the whole of that letter referring to this transaction? A. No; you have not.

Q. The whole referring to this transaction? A. Not since I have been here.

Q. I will commence and read it over again. "Even your friend Keys & Hallet, of Woodbridge, paid us \$6 per ton on the cars at Toronto for nut coal shipped the 3rd and 7th of December. Your statement to the electors of Toronto on the 28th of December that you had recently bought a carload of coal from Messrs. Keys & Hallet, of Woodbridge, for which you paid \$5.60 per ton and that Keys & Hallet bought it from us at \$5 at Toronto was entirely wrong and misleading. The car referred to was ordered by you August 12th, received August 27th, and paid for September 3rd, 1887. At that time our price on the cars both to Toronto and country dealers was \$5 per ton." Now there is the whole statement, you have the full particulars. You are able to give us the full particulars when we ordered from somebody else, when that car arrived in Woodbridge and when we paid for that car, and you make an affidavit swearing to all these statements? A. Yes.

Q. Now these are things that you could not possibly know of your own knowledge, it was something that was told you? A. I had every reason to believe that it was true. If you will allow me—

Q. I am asking you a plain question and it is proper that you should answer. You do not know of this transaction of your own personal knowledge? A. I know it the same as I know all other transactions in my business.

Q. These were not transactions with you at all. These were transactions of Wallace Bros., with Keys & Hallet? A. If you will allow me—

Q. I will allow you to answer my question. Do you know of your own personal knowledge about this transaction? A. I had their letter to that effect.

Q. Do you know of your own personal knowledge? A. I know it in that way. I had their letter giving those facts.

Q. We are not disputing the statement. Do you know it of your own personal knowledge? A. I know it in that way.

Q. Do you know it of your own personal knowledge? A. I know it in that way.

Q. I will ask the Committee if they think this is fair treatment. I am asking Mr. Rogers whether he knows that of his own knowledge? A. I made that statement believing it to be true.

Q. Do you know of this of your personal knowledge? A. I know it only in that way.

Q. You have stated that a good many times. Do you know these facts of your own personal knowledge or by communication from some one else? A. I have Keys & Hallet's letter.

Q. But I ask of your own knowledge or communication from others? A. I have Messrs. Keys & Hallet's letter so far as their transaction between you and them are concerned.

Q. What did you sell that car load of coal for? A. I will tell you what they bought from us last fall.

Q. I am asking you a straight question, and I must insist on an answer. Now here is a matter, Mr. Rogers, that you should know all about, what you sold that

car load of which you gave all the detailed particulars and which I am not now disputing. There is one fact that you should know of your own personal knowledge. You should know what you sold that carload of coal to Keys & Hallet for, and I am asking you that. What did you sell it to them for? A. \$5 per ton.

Q. You swear to that? A. Yes, that is as I have it in my books.

Q. I am asking you what was the actual price that you sold it to them for? A. That is the price entered in our books and paid for.

Q. They paid you \$5 per ton? A. Yes.

Q. It is remarkable that they should ask us \$5 per ton and make 15 cents per ton profit? A. In their letter, dated Woodbridge, 30th December, they say:—"In reference to Mr. Wallace's speech at Seaton village the other evening, the car of coal he spoke of as having purchased from us at Woodbridge Station for \$5.60 per ton was ordered on the 12th of August, received on the 27th August, and paid for on 3rd September. We know nothing about his going to quote prices of coal, and were surprised when we saw the report in the *Globe*. The freight he spoke of was correct, as he had as good knowledge of that part of the business as ourselves."

By Mr. Bain (Wentworth):

Q. What was the date of that letter? A. 30th December. The speech referred to was on 28th December. Keys & Hallet had a car from us on 25th August, car No. 4518, at \$5 per ton; on 30th August they had two cars at \$4.75, and on 20th October—

By the Chairman:

Q. August 25th. Was that the date when the shipment was made? Would that be when it was shipped? A. It was received on August 25th, and shipped on August 27th.

Q. That was the car before that? A. I do not know. On December 3rd, car No. 5703 was shipped to them at \$6, and on December 7th, car No. 457 was shipped to them at \$6 per ton.

Q. Did you sell them any other cars in December? A. I could not say, I do not think so.

Q. I think this witness should be compelled by the Committee to answer these questions. He comes with certain information and then he says he cannot tell. Did you bring your books and papers with you? You are prepared with certain transactions with Keys & Hallet. Are you prepared to give us all the information? Did you receive the summons? A. I did not receive the summons.

Q. Did you not get it the second time? A. I heard of the first one and I received the second.

Q. The telegraph message did not reach you? A. It came in the evening.

Q. Did you not get it the next morning? A. I received a message that I was wanted to go to Ottawa; it was a telephone message.

Q. By telephone? A. Yes, and then I received a second message on Monday to defer coming until to-day.

Q. Did you look at your books to see your transaction with Keys & Hallet? A. This is a memorandum that my book-keeper made for me and which he took from the books.

By Mr. Bain (Wentworth):

Q. Between what times? A. August 25th, and December 7th.

By Mr. Macdougall (Pictou):

Q. Long or short ton? A. Short ton, 2,000 lbs.

By the Chairman:

Q. Do you know of any further transactions with Keys & Hallet in December? A. Yes.

Q. I think you said, Mr. Rogers, that you did not know much of the affairs of the coal exchange? A. I said I had not attended many meetings last year.

Q. Did you not mention that you had attended only two or three meetings? A. I said very few meetings.

Q. Did you not say only about two or three meetings? Have you not looked over your evidence as stated in the papers? A. I have read it.

Q. Is that not a good report? A. Yes; a very fair report.

Mr. BAIN.—Am I entitled or am I not entitled to ask: If you are going to raise the question of the witness' evidence, I ask that the original evidence be produced?

The CHAIRMAN.—I have said that the evidence should be submitted right here. I say that Rogers made the statement at the last meeting, that he did not attend more than two or three meetings of the Committee. (Addressing witness.) Did you make some such statement, Mr. Rogers? A. I may have made the statement that I had not attended very many of the meetings last year, very few of the meetings.

Q. Would you be surprised to learn that you had attended 20 meetings? A. I know I did not.

Q. You are sure you did not attend 20 meetings? A. Yes; I am quite sure I did not attend 20 meetings. I may possibly have dropped into some meetings just for a moment.

Q. We have a certified copy of the minutes here? A. I didn't remain through a dozen meetings during the year.

Q. This is something else. We have a certified copy of the minutes of the meetings here at which Mr. Rogers was put at the beginning of the meeting as being present on the 21st January, 1887, 14th May, 21st May, 30th May, 6th June, 11th June, 18th June, 2nd July, 9th July, 19th July, 23rd July, 29th July, 10th August, 11th August, 17th August, 23rd August, 1st October, 29th October, 1st November, and the 15th November. There is a certified copy of the report if you wish to dispute any of these statements, just turn up any one of these? A. There were a number of meetings at which I simply called to ascertain whether anything important was coming up but did not remain.

Q. There are 20 meetings on which your name is put down on the first of the list? A. I don't know anything about that.

Q. At which you proposed resolutions, a goodly number of them? A. There are not 20 meetings at which I proposed any resolutions. I don't think there are a dozen.

Q. Because a large proportion of the resolutions the minutes do not give the proposer and seconder but simply says resolved, but a number of them do give proposers and seconds and your name appears largely. Your name appears there as being present at 20 meetings. If you wish to object to any of these dates just turn them up. I don't think it will be necessary to turn them all up but just enough to confirm these dates? A. There were some 50 meetings throughout the year and I am quite certain that out of these 50 meetings I did not sit through a dozen meetings.

Q. What is your address in Toronto? A. 20 King Street West.

Q. Your residence? A. Jarvis Street.

Q. Not Charles Street? A. No.

Q. We have a list of 20 meetings at which Mr. Elias Rogers is present. Now you have been carefully looking after the statements that I made in Toronto. Did you see a further statement made in the Toronto papers such as this: "Mr. Wallace also said whatever might be the truth about the invoices quoted by Mr. Rogers of the 3rd and 7th December, he knew that since that time Messrs. Keys & Hallet had bought coal from Rogers at \$5.50 per ton."

Q. I presume you were interested in the election at that time? A. Is that from the *News*?

Q. That is taken from the *News*, yes? A. I didn't read the *News* during that time.

Q. You seem to know all the information or contents of the *News* when you can make statements to contradict statements made in the *News*? A. I referred to statements reported in the other papers.

Q. There was a statement that was damaging to you and if you didn't read it perhaps some of your friends did. The statement is made that you had sold coal to Messrs. Keys & Hallet on the 7th December for \$5.50 per ton. Is that true? A. I have no record of it here.

Q. That is not an answer to the question. Answer that question: Did you sell, on the 7th December or the month of December, coal to Keys & Hallet for \$5.50 per ton? A. I have no knowledge of any such sale.

Q. Did you bring your books and records as your summons orders you to do? A. No, sir; all I have brought is here. I suppose you would want a special train to bring up all our books and records.

Q. They were referring to these transactions? A. I simply mentioned that in connection with Mr. Bell's statement.

Q. You brought the matter up. Surely you might have expected to have brought records in connection with that matter as it was referred to by yourself. A. I have.

Q. Did you look over the sales to Messrs. Keys & Hallet after receiving the summons? A. No.

Q. You didn't look over them? A. No.

Q. Then you didn't obey the summons. You didn't either look over the papers or bring them here for us to look over them? A. I have spent about all the time on it that I can spare.

Q. What are the records you have brought here? We don't want to read them. What records have you brought down? A. I have brought papers here with reference to —

Q. I want you to say whether that statement that is made there whether Keys & Hallet have bought coal from you at \$5.50 per ton is correct? A. I have no knowledge of any sales to Keys & Hallet excepting those mentioned that I have already given.

Q. What did you ask your bookkeeper to do? A. To give me the cars and prices shipped to Keys & Hallet.

Q. All of them? A. Yes.

Q. Did you ask him to give you all the sales? A. I told him to put on the back of that letter the cars shipped to Keys & Hallet and the prices.

Q. Didn't Keys & Hallet buy more than that or buy cars from you this year? A. I don't know that they did.

Q. I understood that they have bought more than 20 cars? A. It might be possible that they did.

Q. And there is only a record of five or did they buy more than five cars from you? A. I could not say.

Q. You don't know the amount during last year? A. I don't know.

Q. You don't know? A. I could not say.

Q. You don't know how many cars they bought from you? A. No.

Q. You have no knowledge of it? A. I haven't looked at their account specially. That memorandum was put on the back at the time of the election, immediately after the letter was received, and it has reference to the cars shipped between these dates, the car that was shipped to you the time of the election.

Q. This is the date of the cars shipped, but these are not all the cars shipped to them. Did you ask your bookkeeper to make out a list of all the transactions with Keys & Hallet? A. No; I cannot remember it quite clearly just what I told him.

Q. When did you get this? A. I think that was put on at the time of the election.

Q. This was put on that letter at the time of the election? A. I think so.

Q. Since you got your summons? A. No. I handed the letter to the shipping clerk and told him to put on the cars shipped to Keys & Hallet. I may have said that the time referred to was when that car was shipped.

Q. Keys & Hallet sold us a car at \$5. That is all the money they asked for, and they said they cleared only 15 cents per ton, which would make the purchase

from you at \$1.85, but still you swear they paid you \$5 for that? A. These are the prices paid by Keys & Hallet for these cars.

Q. And you have no knowledge about the cars that were sold to Keys & Hallet during the month of December after that? A. No; I do not know that there were any shipped to them during the month of December. I think they had some in January.

Q. Well, suppose that we prove that there were cars sold, and sold at \$5.50, what would you say to that? A. I suppose it might be possible.

Q. It might be possible? A. It might be possible.

Q. You came down here after that —? A. There might be some special reason. We sometimes have customers to whom we allow special reduction on account of some special reason.

Q. You would not be surprised to hear then that they had bought coal from you at \$5.50 during the same month of December that they quoted certain cars having been sold at \$6? A. In the latter part of December the difficulty which had existed during the previous three months was to some extent removed in regard to the rail shipments. During the months of September, October and November and the early part of December, some of the United States' roads were not allowing their cars to come to Toronto at all, and there was very little coal coming to Toronto by rail during these months. In December sometime, I don't remember the date, those restrictions were removed and coal began to come in again, and consequently the prices would be easier.

Q. But Mr. Bell, you say, purchased some from you in that same month of December, and you charged him \$6? A. \$6 per ton. At the same prices we were charging other dealers at that time.

Q. You were loading on cars for Keys & Hallet? A. I could not say whether it was loaded on the cars or through cars.

Q. You didn't load it on the cars in your yard, of course William Bell took it from your yard? A. I think the cars to Keys & Hallet were through cars. Of course we always ship through cars if we can obtain them, though if we could not we always took care of our customers.

Q. What is the capacity of the through cars? A. They would be from 12 to 25 tons.

Q. Varying very much? A. Yes.

Q. If it were a car marked C.P.R. on it, that would be loaded at Toronto, would it? A. I think they have some 15-ton cars.

Q. If the C.P.R. car had the name C.P.R., showing that it belonged to the C.P.R., what would that mean? A. It would probably mean that they were loaded at Toronto. It might possibly be a through car, but very likely it would be loaded at Toronto.

Q. How would it be a through car, how could it be a through car, if it were C.P.R.? Do C.P.R. cars go down there empty and load up there sometimes? A. Some of their cars go to the mines. I think they supply a number of cars that run into the Ohio coal district.

Q. If it had the C.P.R. name on it, it would probably be loaded at your place in Toronto? A. It is more than likely it would.

Q. Do you know the number of tons that were on that car No. 4518? A. Not unless it is given there (witness looked at paper); no.

Q. You don't know the number of tons? You have no means of identifying it? Do you say there were no cars sold to Keys & Hallet before Aug. 25th.? A. I don't say that. There may have been.

Q. You don't know of any transaction. You didn't hunt it up after you got the summons? A. No; I didn't look.

Q. You didn't look for any facts at all? A. No; I had the facts all ready, so far as my statement was concerned.

Q. I think we are entitled to have the full particulars. Mr. Rogers came down the last time and was heard and gave it as a reason and a plausible reason, too, that he

hadn't an opportunity of getting his papers because he was summoned while he was in Ottawa on other business. Now, he has had a fair notice and received a summons to bring down books and papers, and we find that his memory is as defective as it was and he has not the papers by which we can prove these things or have them disproved. I don't think that is very satisfactory to the Committee myself. It is not satisfactory to me I know? A. What would you like to know?

Q. I would like to know the transaction with Keys & Hallet which you have brought up in your letter and you should be able to give us information about this? A. Keys & Hallet received their coal at the same price we were charging other dealers unless in some special case there was special reason why their prices should vary and that price would be from \$5 to \$6, according to the time they got it and the condition of the markets.

Q. Or less than \$5. Did they buy any coal for less? A. The egg coal, all that they got early in the season was \$4.75.

Q. Was the car that cost them \$4.75 that which they sold to us? A. I think the car you got, from the date here, would be, without a doubt, No. 4518 car.

Q. There are a number of contracts let in Toronto. Do you know of anything in 1886 of the Hospital contract being let? A. I know that the Hospital bought their coal in 1886 and 1887.

Q. Who got it in 1886? A. Bailey & Co.

Q. For how much a ton? A. 25 cents under the general price.

Q. What were the prices Mr Bailey got? A. I think they were 25 cents under the general prices.

Q. These were the prices, were they not (pointing to the minutes)? A. I do not know anything about the minutes.

Q. You were a member of the association? A. Yes.

Q. That contract was auctioned off? A. It was handled in the way these contracts were handled.

Q. Answer my question: Was it sold by auction among the members? A. You can call it that, if you like.

Q. What do you call it? A. I call it pooling.

Q. We will use that term then. This contract was pooled? A. Yes.

Q. And Mr. Bailey was the pooler or the pooled, which? A. He was the party who was to fill the contract.

Q. Did he get the pool, or was he to pay out the pool? A. He was the party who paid into the pool the amount that was paid out.

Q. How much? A. I cannot say.

Q. Look at your minutes? A. I do not know anything about the minutes.

Q. These are certified copies? A. The minutes here say \$900. I would like to explain to the Committee about this contract.

Q. If you will answer my question shortly, it will give the other gentlemen who have questions to ask an opportunity, and we will save time. If you wish to explain I insist that you will give a straight answer? A. There are special reasons why that should be explained.

Q. There was another contract, the Parkdale Waterworks; do you know anything about that? A. I do not know anything special about that.

Q. Refresh yourself by looking at the minutes? A. The minutes record the transaction that was supposed to have occurred on the 21st of June. This contract was awarded to the Conger Coal Company, for \$380.

Q. And the prices? A. \$5.70 and \$5.95.

Q. What was the \$5.70 for? A. Egg.

Q. There were some other contracts let on the 29th of June. Will you tell us what contracts were let then? A. Knox College and the House of Industry.

Q. The House of Industry contract was awarded to whom? A. The Conger Coal Company.

Q. For how much? A. \$296. I am simply reading these minutes.

Q. These are certified copies of your minutes? A. Well, I cannot swear from my own knowledge.

Q. You have sworn to things you got letters for. These are certified reports of your proceedings. How many tons were supplied to the House of Industry? A. 545 tons apparently.

Q. Knox College, to whom was that awarded? A. C. J. Smith.

Q. For how much? A. \$195.

Q. How many tons in that? A. 217 tons of coal, and 21 cords of wood.

Q. For which they gave how much? A. \$195.

Q. Are there any other contracts that you know of? A. (Reading from the minutes) "Resolved that the prices of the Government contract be 25 cents less per ton than the retail prices of anthracite coal."

Q. To whom was it awarded? A. Elias Rogers & Co.

Q. For how much? A. \$1,500.

Q. Is that correct? A. I believe it is.

Q. What quantity was there? Was this the Local Government or the Dominion? A. I cannot say. I think it is the Local Government.

Q. What institutions did you supply them to? A. I think they went to the Government Buildings, the Government House, and the Normal School. There are quite a number of institutions.

Q. That would be the Local Government then? A. Yes.

Q. How many tons did you supply for them? A. I think about 2,500 or 3,000 tons.

Q. Could you give us a little more definite information than that? How many tons were there that you supplied? A. That is my recollection.

Q. Do the minutes give any record of it? A. I do not think that they do.

By Mr. Gillmor:

Q. For that contract you paid how much? A. \$1,500. Before leaving this I wish to explain in regard to all this.—

By the Chairman:

Q. How did you get that contract? What was the *modus operandi*? A. We offered to pay more into the pool, which has to be divided.

Q. Did you put it up at auction, or was it by sealed tenders? A. It is open. Each one offers so much.

Q. Who asks for the offers? A. The secretary.

Q. He puts it up and says: "Now; how much?" A. Each one is asked what they are willing to put into the pool for the privilege of filling this contract. It was understood, of course, that they were to have their share back.

By Mr. Guillet:

Q. Do they make more than one offer? A. Yes; as many as they like. They can go on all day.

By the Chairman:

Q. Yours was the highest offer made? A. Yes.

Q. How did it lead up to \$1,500? A. If you will allow me to explain, I will do so in regard to all these. The hospital contract and this contract, and one or two others, there was a good deal of feeling about. In regard to the hospital contract, we can fill it cheaper than any one else. We have better facilities and are nearer. We had supplied the coal before, and we wanted to supply it again, as we knew we could do it cheaper than any one else.

Q. How? A. We had better facilities and less cartage.

Q. Is there no coal company as near to the hospital as yours? A. No; no large company.

Q. How much nearer is yours? A. Nearly half a mile. Perhaps not so far, but more than a quarter of a mile. Bailey & Co., although I did not know it at the time we were bidding, were determined to have the contract, as during the year they had supplied it, a year or two ago.—

Q. Which contract are you referring to? A. The hospital. There had been something wrong, and the hospital people were dissatisfied, and would not have given Bailey another contract unless there was considerable difference in the price. For that reason, Bailey & Co. were determined to have it, no matter what the price was; but, knowing our position, that we were better able to fill it, we ran the price up. They, in retaliation, ran the price up in their own defence. The price was fixed for all these institutions on the basis of the cost of coal, the freight and handling, and the item of general expenses included, such as office and yard expenses, and a margin of profit. In no case to my knowledge was there a price fixed for one of these institutions where there was a clear margin of profit of over 25 cents a ton.

Q. You fixed the prices for the Government contract at how much? A. Twenty-five cents less than retail prices. That would be \$5.50 and \$5.75.

Q. Were you satisfied with that? A. It was a fair price.

Q. You were quite satisfied with that? A. I was satisfied to fill the contract at that price,

Q. Look and see what motion you made afterwards. Read it out, please. This was on the 16th July. Did you make a motion that the prices be raised higher for that contract? A. I do not think so. Possibly, I might have moved for the advanced price for delivery after a certain date, but not for immediate delivery.

Q. You paid \$1,500 for the contract. For how many tons? A. I think 2,500 or 3,000 tons. It must be borne in mind—

Q. Wait a moment. That would be 60 cents a ton that you paid into the pool. Then, if you paid 60 cents to your brother dealers for the privilege of getting that contract, you must have made that 60 cents out of the contract? A. I explained when I was here before—

Q. Your answers are not explanations. We have those. Now answer the question: For the 2,500 tons contract you paid a bonus out to the others—or into the pool, rather—of 60 cents a ton? A. Yes.

Q. You must have made that on the price of the coal? A. No.

Q. No? You must have thought that there was a margin to pay that out, or you would not have paid it. How do you make out that you only charged them 25 cents more profit? A. There is no doubt that in some of these cases we did not get value for our money.

Q. That does not touch the point. You say you paid 60 cents a ton to get that contract; not to the Government, but to other individuals. You got your share back? A. Yes; and in this case it would be 20 cents per ton.

Q. But in the case of other smaller dealers it would be only 5 cents? A. Yes; he could not compete.

Q. You paid 60 cents a ton to get that contract; we will satisfy ourselves about the profit. You made 25 cents profit after paying this 60 cents? A. No; I know of no contract put up in this way in which there was a clear margin of 25 cts. over all expenses.

Q. You have gone over all that before? A. I want that distinctly understood. If you will give me a chance, I will explain all that.

Q. You are good at explaining theories, but not at answering direct questions. You got this Government contract, and paid \$1,500 for it. Was there any other contract that you know of in that year? But before we go on, was there any arrangement made how other tenderers were to do? You were to put that into the Ontario Government as the lowest tender; what were the others to do? A. It was understood that they would not tender as low, but at higher rates.

Q. Was there anything more than an understanding? A. That was the agreement.

Q. It was an agreement. It was more than an understanding. Read that resolution? "Resolved, that Elias Rogers & Co., being the successful bidders, all others tender for 25 cents a ton higher on coal, and 25 cents per cord on wood." That appears to be the resolution passed.

Q All the others were to tender 25 cents higher on the coal and 25 cents higher on wood, and it was done so as to make the Ontario Government believe that the tenders were *bonâ fide*? A. No, sir; I do not think there was any understanding of that kind.

Q. Why did they ask for tenders—why did they go to the expense of asking for tenders? A. I suppose it is their own business.

Q. Do you think they knew or that anybody knew that you gave \$1,500 for getting that contract? A. I do not think they did, but they knew that the price was fixed.

Q. Was there anything specially done about secrecy being observed? A. There was nothing special about that. I was surprised when I saw in evidence that there was to be something secret. It was passed at no meeting when I was present.

Q. Would you please turn to page eleven of the minutes? A. I want to make an explanation.

Q. You have made a statement in regard to these contracts? A. I made part of it. The Government contract, I think the price then was \$5.50 for egg and grate. The price is not given here. It says 25 cents under the retail price and I believe that was the retail price at that time.

Q. But with regard to the distribution of the money there on page eleven. How was the money to be distributed? A. The money was to be distributed among the importers on the basis of the custom house returns.

Q. Did the retail dealers not get any of this at all? A. One-sixth of this went to the exchange, and the balance was divided up amongst the importers.

Q. One-sixth went to the exchange. What was done with the money that went to the exchange? A. It went towards paying expenses. The insurance of the members was paid sometimes as long as the money lasted.

Q. And what else? A. The expenses of the association.

Q. And what else? A. I do not know of anything more.

Q. Was there any sum for calls of the Board of Trade besides the insurance calls? A. Not that I know of.

Q. Do you not know of any calls? Was there not calls for membership fee? A. No, not that I know of. That is paid by the individual.

Q. There are references here to the calls of members being paid up by the coal exchange. Have you any such arrangement?

By Mr. Guillet :

Q. You say you took the amount of each member's business from the Custom house returns? A. Yes.

Q. Why not take it from their own invoices? A. Well, the Custom house returns are impartial and correct returns, and satisfactory to all parties.

Q. You get invoices? A. Yes.

Q. Can you state whether there has been any rebate or not in any case for the last two years? A. No; as a rule they have been straight prices.

Q. There are rebates in some cases? A. Yes. I said before that the prices fixed by the Western Anthracite Committee are not always strictly adhered to, and I stated here that sometimes advances were made on those prices as well as reductions allowed. That was the case in September, October and November of last year. There was as high as \$1 a ton premium paid for coal going to Chicago and the west.

Q. Were rebates made last year? A. There is no such a thing as any general rule with regard to rebates. It is a matter of private arrangement.

Q. Still you have made private arrangements? A. No; the only arrangement we make is at the fixed price. Some dealer might put it as so much off association prices or he might put it at a specific sum.

Q. Well, the rebate would be in proportion to the quantity I suppose. A. That depends on circumstances. It does not follow at all.

By Mr. Bain (Wentworth) :

Q. Do they sell 10,000 tons at the same rate as 2,500 tons? A. Sometimes they sell it at less price.

By Mr. Guillet :

Q. 10,000 tons would be less for what reason? A. Sometimes a jobber would not undertake an order for 2,500 tons when he would take it for 10,000 tons.

Q. Did you ever get a rebate of 50 cents a ton? A. I do not know what you mean by a rebate.

Q. A reduction from the quotation by circular? A. I do not remember. It is quite possible that there may have been sometime in the past.

Q. Does your invoice give the straight price? A. As a rule there would be no rebate, but in some cases where there was something wrong with the coal, excessive screening or so, there might be an allowance made.

By the Chairman :

Q. An allowance, a trade discount? A. No, there is no discount.

By Mr. Guillet :

Q. Although the invoice might show the circular price, would there not be a rebate granted sometime by private arrangement that would not appear on the invoice? A. Well, I do not know what is the understanding about it. It is possible that it might be.

Q. In your case? A. No; I do not think so. I think as a rule the parties who ship send you your invoices at the straight price.

Q. And you do not get any rebate? A. Not unless there is some special reason.

By the Chairman :

Q. Give your own experience? A. That is what I am saying.

By Mr. Guillet :

Q. You have stated that that is sometimes done, but in some cases would not the quantity being ordered have something to do with it? A. This is a matter of special arrangement?

By the Chairman :

Q. Give us your special arrangement? A. There would be no arrangement as to special discount. If the price was fixed it would be a straight price.

By Mr. Guillet :

Q. But if some such arrangement was made by which if it was shown that you bought a large amount at the end of the season, say 100,000 tons? A. I do not think so.

Q. Did you get two invoices? A. Yes; in most cases.

Q. Do you deposit it in the Custom house in Toronto? A. Not in most cases. I could not just say, but I do not think we do in anthracite coal. We do in bituminous coal.

By the Chairman :

Q. But how do the Custom house have a record of that, to show what the duty was say in 1886? A. Well, it does not make any difference to them as to the price of the coal, as it is a specific duty. It has been the custom in Toronto to put the coal at one price without reference to invoices or anything else.

Q. But you do not put your invoices in? A. I do not think so.

By Mr. Guillet :

Q. You said invoices were put in? A. Yes; the invoices of bituminous coal, but I do not think the invoices of anthracite coal are put in. There is a statement put into the Custom house.

By the Chairman :

Q. Is that statement not sworn to? A. Yes; I think it is.

Q. Have you sworn to the same price all the year round? A. I was surprised some time ago —

Q. Give us your own experience? A. I was surprised some time ago to find that the prices had been reported to the Customs as one throughout the year, and when I enquired about it the Custom house people said it did not make any difference as it was a specific duty.

Q. You would be surprised to learn that the prices have not been given throughout the year, would you not? A. I think, so far as ours is concerned and some of the other dealers, I think that the Custom house clerks put the prices in at one

figure. That is as regards last year. I think it was some six or nine months ago that I—

By Mr. Guillet :

Q. What object would he have in not taking these invoices? The law requires the invoices to be filed? A. It has not been so in our case that I know of with anthracite coal.

Q. What object would there be in duplicate invoices? A. It would be an immense amount of work and useless paper for the Custom people to handle.

Q. But the anthracite coal that is sent in, I mean the screenings—? A. The screening is *ad valorem* duty and of course it is necessary to have the price in that case but in bituminous coal it is a specific duty for the lump size.

By Mr. Bain (Wentworth) :

Q. Then you really do not know about that part of the business? A. It is simply a matter of detail that I do not go into personally.

Q. It is a matter which the clerks attend to? A. Yes.

By Mr. Guillet :

Q. Would you be surprised to learn that the Custom house Collector, in Toronto makes the statement that you get no invoices? A. I do not think that is so. That statement was never made by us.

Q. Would you be surprised to learn that they are not filed? A. I do not think they are.

Q. You stated in the first instance that they were? A. I spoke from memory.

Q. The Collector of Customs in Toronto writes on the part of the Customs to say that he has no coal invoices and that he has been informed that the importers stated that they get no invoices. At other ports, Montreal, Kingston, Hamilton and other places the importers filed their invoices, but I suppose the declaration is made that they get no invoices? A. There is no such declaration asked.

Q. Do you know that the object was to keep from the public the knowledge of the prices at which you imported? A. I do not know I am sure. I do not think we would like everybody to know at what prices we purchase coal.

By the Chairman :

Q. Do you pay the duty on the gross or net ton? A. On the net ton.

Q. The Custom house report in Toronto shows that the sworn price of anthracite coal for 1886 was \$1.85. That is at the American port, the average for the whole season for the four quarters of the year, March, June, September and December. The average price for 1887 was \$4.61, making 24 cents less that year than it was the year before. Then there was 50 cents saved in duty, not all the year. That ought to make a difference in the price of coal of 74 cents? A. I can give you the facts with regard to that. So far as the statement is concerned I do not think there is anything reliable at all.

Q. You did not tell us that they had been swearing falsely all the year? A. I did not swear to it.

By Mr. Guillet :

Q. I presume your object was to keep the public from knowing the price you paid for the coal. It is likely that you would give them lower rates? A. They might start at the opening of the season and remain the same during the rest of the year.

Q. But they vary in different quarters? A. I do not know.

Q. I think we might assume that these statements are all higher not lower? A. I find from investigation that the Custom house returns are not correct at all.

By the Chairman :

Q. Since then I suppose you do swear correctly? A. I told my Custom house clerk that he must see to it, that it must be put in correctly. That was 9 months or a year ago.

By Mr. Bain (Wentworth) :

Q. Then are all kinds and classes of anthracite entered at the Customs?

The CHAIRMAN—Yes.

Q. Could Mr. Rogers give us the actual figures from month to month in 1886 and 1887 at the American ports? A. I will give you the prices for stove and nut sizes only at the American ports per net ton. The opening price in 1886, that is the price that was made in April for April, May, June and July, \$3.44 per ton, at Oswego, Fairhaven, Charlotte and Sodus Point. In 1887 the price was \$3.79 per net ton for the same dates.

By Mr. Guillet :

Q. Any discount off that? A. In some cases I say these prices were not strictly adhered to.

By the Chairman :

Q. What price did you pay? A. I could not tell you.

By Mr. Bain (Wentworth) :

Q. These are circular prices? A. These are the prices fixed by the Western Anthracite Joint Association. I can say this that I think there was more variation from the circular also in 1886 than there was in 1887.

Q. Let us have the rest of the quotations now for the balance of these two years? A. In August, 1886, the price was \$3.57; in August, 1887, it was \$4.02.

By Mr. Guillet :

Q. You take these prices from your own invoices or circular? A. These were circular.

Q. You could ascertain by looking at your invoices what you actually paid—

By Mr. Bain (Wentworth) :

Q. Finish the invoices first? A. September, 1886, \$3.79; October, 1886, \$4.02. That was the price for the remainder of the season, October to December 31st.

By the Chairman :

Q. Now 1887? A. I should mention that in 1886 coal was sold for future delivery, while in 1887 it was not to any appreciable extent at all.

By Mr. Bain (Wentworth) :

Q. Then the September prices for 1887 —

By the Chairman :

Q. In 1887 coal wasn't sold for future delivery? A. No, sir; not at wholesale, but at retail it was sold throughout the year.

Q. Not throughout the year? A. Yes, throughout the year.

Q. You didn't offer it throughout the year? A. Yes; we did.

Q. Go on; we will argue that again? A. September, 1887, was the same as August, \$4.02; October, \$4.24; November, \$4.51. December was the same price, \$4.51. There was very little coal shipped in December.

Q. You got it by rail or from Suspension Bridge? A. Yes.

Q. Was it the same price at Suspension Bridge as you quote here? A. No.

Q. What was it? A. It was \$5.30 at Suspension Bridge, gross ton. That would be \$4.73 net ton. It could not be bought at that price in September, October or November. I would like to give you the prices in New York for these two years.

Q. Never mind we have as many as we can digest just now? A. These other prices show that there was nothing special about this.

Q. These were the prices on their circular. I want to know what price you paid? A. We bought it at different prices.

Q. Well, now, I submit that this is trifling with the Committee? A. I have no memorandum with me of the prices we paid. I know we paid different prices throughout the year, different prices from different companies.

Q. These were circular prices. A. Yes.

Q. You didn't pay the circular prices? A. In some cases we did and in some cases we paid more than the circular prices.

Q. And in some other cases? A. And in some other cases we paid less.

Q. Mr. Hargraff swore here that 25 cents per ton on his smaller purchases was allowed off the price list all through the season? A. What time was the coal shipped?

Q. All through the season I understood? A. He got his coal in May and June.

Mr. GUILLET.—They gave him rebates in various years. He was conducting business for his father.

By the Chairman :

Q. He swore that in these months, May, June and July, he got a rebate of 25 cents a ton. Did you get in these months 25 cents per ton rebate? A. I daresay we got that much. We got very little coal in these months.

Q. Did you get a rebate of more than 25 cents per ton? A. I don't think we did.

Q. What was the rebate you got. Let us see what was the rebate you got? A. We don't make any arrangement about rebates. Our prices are specific prices.

Q. What were the specific prices that you paid? A. I cannot tell just from memory, off hand.

Q. Hunt up your papers and tell us? A. I haven't anything here.

Q. This last year? A. You mean 1887?

Q. Yes, your last deal? A. We might possibly have got 25 cents.

Q. What prices did you pay? Now, that is a straight question. In every plain question that has been asked you have trifled with the Committee. You have either wilfully evaded the question or refused to answer. Now, this is a matter of which you should know and we should have an answer from you what you paid in these months of last year, what was the actual money you paid? A. In the month of May, I think, you paid \$4 per gross ton.

Q. In the month of May you paid \$4 per gross ton. Well, what else after that, in June what did you pay? A. We got very little coal in May, June, or July.

Q. We are simply asking the prices, we are not asking the quantities now? A. After that the prices continued on the same for these three months.

Q. You can give us the exact information, these are your own transactions? A. I can give you no positive information on this point, because I haven't got the figures with me.

Q. \$4 per gross ton is \$3.57 net. You paid \$3.57 net in May, 1887? A. Yes.

Mr. GUILLET.—The prices you gave us quoting off the circular was \$3.44.

By the Chairman :

Q. That is in 1886. You paid \$3 57 which corresponds with Hargraft's statement of 25 cents a ton taken off that list price. Now, in June, what did you pay? A. This was, of course, for the best quality of coal. I think for these three months the prices were the same, but there was very little received by us during these months.

Q. We will take the quantity afterwards; in August, what did you pay? A. In August the prices had advanced. The prices at wholesale had advanced.

Q. Gives us the prices per net ton? A. I cannot remember net tons. I have to work it out. We buy in gross tons altogether.

Q. Well in August? A. I think in August we paid as high as \$4.30 gross, that would be \$3.84 net.

Q. You paid \$3.84 and as low as—? A. I think we bought some at 10 cents less.

Q. It would be then just about an average during the season. You got 25 cents a ton off card prices? A. No; we did not.

Q. For these months you have mentioned you got 25 cents? A. Yes; but we had some coal in the months when the price was higher. We could not get vessel transportation in the early part of the season at all. That is for the quantity we required. We were about 30,000 tons behind our orders on the 1st of August.

Q. Well by the returns given here there were in the months of July, August and September 108,000 tons brought into the port of Toronto? A. In the months of which?

Q. In July, August and September—anthracite? A. Yes.

Q. That is in the months of July, August and September. In April, May and June there were 54,000 tons, and in the last quarter of the year 88,000, showing that the larger quantity was got in during the season of navigation? A. During the season of navigation?

Q. Before the 30th of September? A. Before the 30th of what?

Q. Before the 30th of September. There were 108,000 tons in one quarter and 54,000 tons in another.

Mr. BAIN—That covers both by rail and water.

The CHAIRMAN—I suppose it would be by water at that time.

WITNESS—No; there was a large amount coming in by rail during the summer.

By Mr. Bain (Wentworth):

Q. They deliver it by rail all the year around, do they? A. Yes all but September, there was none in September.

By the Chairman:

Q. These were the prices; now we want to get back to these contracts. There were city contracts let in 1886: who got them? A. I have a statement here of the freights paid throughout the season.

Q. We will ask you about that later.

By Mr. Guillet:

Q. You gave us the quotation for May, June and July at \$3.79 and if the rebate was 25 cents it would be \$3.54?

The CHAIRMAN—The rebate on the net ton would be 22 cents, that would leave it at \$3.57.

By Mr. Bain (Wentworth):

Q. I understood you to say that they bought it at \$3.57.

The CHAIRMAN—25 cents is the rebate on a gross ton.

WITNESS.—It must be borne in mind that freights advanced from 30 cents to 79 cents and more coal came in at the higher rates than the other.

By the Chairman:

Q. Who got the city contract in 1886? A. I think McConnell & Co. got it.

Q. Sure? A. I think so, he filled it anyway.

Q. Who was it that it was disposed to by the pool or Coal Exchange? A. I could not say.

Q. Just look at the minutes and see who it was disposed to? A. E. Rogers & Co.

Q. For how much? A. \$500.

Q. That is the city contract? A. Yes.

Q. What were the prices to be? A. They were to be 25 cents off the retail prices.

Q. What were the prices? A. Briar Hill \$5.50, stove and nut \$5.65 and 40 cents a ton extra for bagging.

Q. You got that contract for how much? A. \$500.

Q. Did you fill it? A. No.

Q. Why? A. It was taken by some one else.

Q. Who else got it? A. McConnell got it, I think.

Q. What became of your \$500? A. It was returned.

Q. Was that an improper thing for McConnell to do? A. It was a violation of the rules of the association.

By Mr. Gillmor:

Q. He tendered less than you? A. Yes; in some way.

By the Chairman:

Q. You expelled him for such an improper act? A. He was afterwards expelled.

Q. Do you remember what date he was expelled? A. In the fall of 1886. He was a member of the association at this time, and had agreed to maintain prices.

By Mr. Guillet:

Q. You said in your former evidence that McConnell was expelled and you were asked: "What does expulsion mean?" And you answered: "Expulsion means— The next question was: "Does it deprive him of buying from American dealers?" And your answer was: "No, if they like to sell to them. He was expelled a year and a half ago." Now you enclose a letter with regard to the stoppage of his supplies. You go on to say: "I have no knowledge of any attention being paid to T.

McConnell & Co. Now I find in the minutes of September 22nd, 1886, this motion: "Resolved, that having regard to the McConnell matter, and the city contract, a sub-Committee, consisting of Messrs. Rogers, Bailey, Crane and the Chairman (John Keith), be appointed to proceed to Buffalo, to confer with the members of the Committee, with a view to stopping supplies of non-members." So it appears you yourself were actually engaged in stopping supplies? A. I speak in my letter of 1887. I make no reference to 1886.

Q. Then, of course, I would wish to find out whether you took action, and proceeded to Buffalo. Did you proceed to Buffalo, with a view to stopping Mr. McConnell's supplies? A. Not for the purpose of stopping his supplies.

Q. Did you go on that committee? A. No; I did not go with that committee. I do not think that committee ever went to Buffalo.

By the Chairman:

Q. Did one of them go with you? Did anyone go? Rogers, Bailey, Crane, and the chairman; did any one of them go? A. I do not think that instruction was carried out.

Q. Do you know anything about it? A. I do not, from memory. It was not my motion.

By Mr. Guillet:

Q. You were present at the meetings? A. I may have demurred, and may have been overruled.

Q. Here I find that you received your expenses to New York and Buffalo? A. I was in Buffalo on one or two occasions.

Q. Evidently in pursuance of this motion? A. No; I do not think that resolution was ever carried out. I think I was there on other business.

By the Chairman:

Q. Did you go to Buffalo on this business of McConnell's? Do you know whether you went or not? A. I do not think I did on that business.

Q. Did you see anything about it when you were there? Did you see this man Parish and the other man? A. I was continually seeing these men on the other side. I was in Buffalo probably on an average once every two weeks.

Q. Where were your expenses paid to? A. I think on one occasion I went to Buffalo on association business.

Q. What was the business? A. I do not remember, but I do not think it was in connection with McConnell.

Q. Do you swear it was not? A. I do not think it was.

Q. Give us a straight answer, once in a while? A. I am not here to be talked to in that way. I am quite willing to give information, but I want to be treated in a proper manner.

Q. You have not been giving your answers in a candid manner. I think you have been trifling with the Committee? A. There may be a difference of opinion about that.

MR. GILLMOR.—It appears to me that this is a question that we ought to understand. Here is a combination that we are investigating, and here is a man who violates the rules and is put out. That is all very proper, but then, does the combination pursue him, and use their influence to prevent him purchasing coal? I think that is a question that the witness or any member of this combination ought to know. It is a pretty important question, and it would not be forgotten. This is an extraordinary occasion. It is not simply dealing with a man who has violated the rules, but did they pursue him and prevent him getting supplies?

By Mr. Guillet:

Q. This statement shows that you made two trips, and got expenses on both? A. One was to New York and the other to Buffalo.

By the Chairman:

Q. As Mr. Gillmor says, this is a vital matter. Here is a resolution:—"Moved by Mr. McGill, and seconded by Mr. Gibson, that having regard to Mr. McConnell's

matter, and the city contract"—that is, as you have explained, Mr. McConnell had gone under your tender? A. Yes.

Q. The tender was awarded to you by the exchange? A. Yes.

Q. For a certain amount of money, and McConnell bid under that, and in consequence of that this committee was appointed? A. That appears to be the case.

Q. "A sub-committee consisting of Messrs Rogers, Bailey, Crane and the chairman, to proceed to Buffalo to see the committee with a view to stopping the supplies of non-members." Did you consider McConnell a non-member at that time? A. I cannot say whether he was in default at that time or not.

Q. We are trying to get at the important fact whether you tried to stop the supplies from non-members. A. I have given a letter with a statutory declaration on the matter from the man who supplied him, and stated in my former examination—

Q. No; answer the question with reference to this resolution. You have read this resolution, and you were present at the meeting. You were appointed to go to Buffalo, and confer with the members of this committee to stop supplies. You were present at the meeting? A. That instruction was never carried out.

Q. You were present at the meeting? A. I do not know. It was not my motion. I suppose if the minutes say so that is correct.

Q. You went to New York and Buffalo on association business although you were not the president? A. No.

Q. You were not the treasurer? A. No.

Q. You were not the secretary? A. No.

Q. Then you could not go on official business unless appointed on a special committee. Now, what was the special business? Turn up the minutes and show some other business. A. I do not know anything about the minutes. It is quite possible that I might go to Buffalo or to New York at the request of a number of dealers or on a resolution, and the association afterward pass a resolution to pay my expenses, which I think was the case.

Q. Did the New York man, or Buffalo man, Gilford Smith, send word back that he did not want to receive the deputation? A. I cannot say now.

Q. There is another resolution that the secretary telegraphed to Mr. T. Gilford Smith, advising him that a deputation from the association has proceeded to Buffalo, &c.? A. I do not think there was any word sent from them that they would not receive the deputation. I think the deputation did not feel like going.

Q. Did any of them go? A. I do not think that instruction was ever carried out.

Q. I see two put in bills, one for \$36.50, and another for \$38.50? A. That was to New York.

Q. It is for New York and Buffalo, two trips? A. No; one trip to New York, and one to Buffalo.

Q. Mr. Rogers for two trips, and the other gentleman for one trip. Do you know that you did not go to the United States to see about this matter? A. I think at the meeting I attended in New York I represented to the Western Anthracite Joint Committee the facts of the McConnell matter.

Q. You know that? A. I am quite certain I did.

Q. Why did you go any further than Buffalo on that motion? A. On what motion?

Q. About this McConnell matter? A. I do not know that I went on the McConnell matter at all. I think there were other matters of interest to the association.

Q. But you were not appointed on other matters, and you sent in your bill for \$38.50? A. That was on a resolution of the association that I should be paid.

Q. Not for going on your own private business? A. It was their proposition and it was carried out.

Q. You went there and represented the case? A. There was nothing done as far as the resolution to go to Buffalo was concerned.

Q. Then you went to New York instead? A. There was a meeting of the Western Anthracite Joint Association sometime after that, and I was present. I went down partly on my own account, and partly on association business.

Q. You took pay for that from the association? A. That was through a resolution.

Q. You did their work? A. Yes. I presume they were satisfied to pay it. The committee of the Western Anthracite Joint Association came here in the spring of 1886, and forced us to come into this association, and told us if we did not come in, we could not have coal; and when others did not come in, or disputed its resolutions, and yet were supplied with coal, we were aggrieved. We did not feel like being bound to the association, after having been forced to join it.

Q. You had an association before that? A. There has always been, as long as I can remember, meetings of the dealers, but I do not know that there was an association before this.

Q. I have here reference to the constitution and by-laws of the Coal Exchange of Toronto, 1885? A. I think this was copied from an American affair, and there were things of this kind being agreed to continually.

Q. Then this McConnell matter? A. I stated at this meeting in New York the facts of this matter, and that this committee appointed by the association had compelled us to go into an association. I also stated that McConnell—

By the Chairman:

Q. I must insist when I ask a question in getting a straightforward answer. Mr. Rogers generally wants an explanation. I have no objection to Mr. Rogers making the fullest explanation but when I ask a question I think it is unfair to let him go off into a long explanation without any particular reference to the case? A. You cannot get at the facts.

Q. I want to ask you if you presented a case of your association before the association in New York? A. Yes. I do not know that I presented it for the association, but I stated the facts.

Q. Did they take any action in the matter? A. I do not think they did as an association. I do not think they passed any resolution or anything of that kind.

Q. Was their action satisfactory to you, the course they took or did not take or whatever might be done? A. I do not know that it was.

Q. Do you mean that you do not think it was? A. I did not ask them to take any special action. I simply stated the facts and we felt that we had not been properly treated. We were forced into an organization and our hands were tied and another person was allowed to get coal and allowed to sell it at any price he chose on our own market.

By Mr. Bain (Wentworth):

Q. Was there no other reason? A. Yes, it was a well known fact—

By the Chairman:

Q. That is a matter between Mr. McConnell and the parties he was buying from. The question was that the association tried to interfere with Mr. McConnell's liberty and may have decided the action of Parish & Co.? A. They say distinctly they did not. Chisholm & Parish have stated to me personally, as well as giving me this information in this letter, that they did not stop his coal on account of any action of the Toronto Association, or of any association on the other side. Of course they have given me the reason why they did stop.

By Mr. Guillet:

Q. Were they disposed to stop any supply in 1886 after he had been expelled? A. They did not stop it at all.

Q. But there were negotiations in reference to that? A. Yes; I think they on one or two occasions came to the meetings of the association in Toronto and offered to become responsible for his maintaining the rule or something of that kind.

Q. How did they happen to come to arrange to have Mr. McConnell recognized as they appear to have done? A. I think that pressure was brought to bear on them on the other side.

Q. Against the pressure brought by the association to stop the supplies? A. I think there was pressure brought to bear by the company controlling their supplies on the other side.

Q. To sell to Mr. McConnell? A. To make Mr. McConnell maintain the prices.

Q. But there must have been some information or representations made to them to the effect that he had not done that? A. I stated to the full meeting in New York all the facts of the case.

Q. It seems they came over to endeavor to get them recognized, and were indisposed to supply them until the matter was settled by the association? A. They continued to supply him right along. The opinion I formed myself was——

By the Chairman :

Q. At what date did they cease to supply him? A. I could not say.

Q. About what time? A. I could not say. I suppose until he failed. In 1887 he failed.

Q. The point is that the American association did not do what the Toronto association asked them to do, to stop his supply? A. The Toronto association did not ask them.

Q. Look at that resolution. You were present when the resolution was adopted for their sending you and some others over to induce the Americans not to sell to those who were not members of the Coal Exchange of Toronto? A. I do not think that resolution was read out in the meeting or read in my presence.

Q. But you went to New York on business and represented the company? A. Just as I said, both in regard to the coal trade in New York and in regard to McConnell.

By Mr. Bain (Wentworth) :

Q. I understand that Mr. McConnell continued until some time last year? A. Until sometime in 1887.

Mr. GUILLET.—He was fined \$100 and expelled in the latter part of 1886 and reinstated at the instance of these men Chisholm & Parish.

Q. Was he a member of the association at the time he failed? A. No.

Q. Then he was expelled in 1886? A. I think in the fall of 1886.

By the Chairman :

Q. Did he get coal then outside of the association? A. Yes; he got coal from the same source as he had been getting it.

By Mr. Guillet :

Q. "The secretary read a copy of the bill of lading for 254 ton of egg and stove for schooner "Ariadne" shipped by Butler, Call & Co., for H. C. Springer & Co., per Gooderham & Worth, and he reported that he had sent a copy of this bill of lading to Mr. A. G. Yates and Mr. T. Guilford Smith."

"Resolved that the Secretary telegraph these gentlemen asking if these shipments cannot be stopped and a heavy fine imposed on the shippers."

"Resolved that the Secretary ascertain from whom Bowman (Stinson's successor) is obtaining his coal and if necessary purchase a ton to obtain the information." Were you present at that meeting? A. I do not think I was.

Q. This date is the 26th of October, 1884? A. Was I present?

Q. You were not named among those present. You do not appear to have been present. That was the action taken to prevent parties shipping to parties outside of the association and to impose a penalty on the shippers was it not? A. Whoever moved that resolution did not understand the matter very well, because it could not be carried out. There is no provision for the imposing of fines on shippers.

Q. They must have assumed that there were fines? A. That is what I say.

Q. That was the action of the association to stop supplies to the non-members? A. Yes.

Q. About this resolution: "Resolved that the Secretary ascertain from whom Bowman (Stinson's successor) is obtaining his coal and if necessary purchase a ton to obtain the information"? A. The constitution provides that the members of the association shall not sell to dealers outside of the association, and Bowman, I suppose,

is a small dealer outside of the association. I do not know him. There is a great deal of that that I know nothing at all about.

Q. I see you were present at 20 meetings, and in your answer you said you were present at only two or three? A. I was not present all through these meetings.

Q. But as a matter of fact, how often have you met during the past season? A. Well, I have not been present at more than two or three meetings during the past year. I was not present at twenty meetings. I simply called and enquired what business was coming up.

By the Chairman :

Q. The question was asked how often have you met, and you said — ? A. I do not know how often. The secretary could tell you about those matters.

Q. You said there were over fifty meetings, but by the minutes it shows that there were forty meetings, and you were present at half of them? A. I was not present at half of the meetings. I know that.

By Mr. Gillmor :

Q. But you were a member of the association? A. Yes, certainly.

Q. And as a member you are responsible? A. I do not deny any responsibility, but I just want things to go down as they are.

By Mr. Bain (Wentworth) :

Q. Has the pooling of contracts gone on since? A. No, sir.

Q. You have dropped that? A. Well, no —.

Q. Is there any contracts let this year, yet? A. The waterworks contract; tenders were asked for that, but it has been re-opened.

By the Chairman :

Q. Were you present at that meeting? A. I was not present at the meeting at which the tenders were to be opened. A. I got a notice.

By Mr. Bain (Wentworth) :

Q. No prices were to be fixed? A. Yes.

Q. All dealers were to tender at any prices they please? A. Yes.

Q. At what price did they tender for that contract this year? A. Our tender was \$4.15 in the shed, and the next highest tender was \$4.60 in the shed—the waterworks shed.

By the Chairman :

Q. That is on the wharf? A. Yes.

Q. What quality of coal is that? A. Egg coal, unscreened, in the shed. It comes in as cheap as in the dealer's yard. The waterworks dock answers the same purpose as the dealer's yard.

Q. What was the retail price of that coal? A. \$6 per ton.

Q. And you offered it at \$4.15? A. Large egg coal at \$4.15.

By Mr. Bain (Wentworth) :

Q. You said just now that your tender was \$4.15 and the next man was \$4.60 and I understood you to say that the contract was not let? A. Yes; it was awarded to us by the committee and afterwards by some manipulation by the committee it has been withdrawn.

Q. About what quantity was that? A. 13,000 tons. In regard to these contracts and the premiums which are paid on them, in many cases the competition forces the premium up to beyond what their coal was in the contract, so that the amount paid did not at all represent their profits or the item of general expenses. The intention was in this arrangement originally that something should be secured for these contracts towards paying the item of general expenses of the importers' business. That is 40 cents per ton, which is a low estimate in any dealer's business and includes office expenses, yard rent and so on, and coal which comes through his yard, it is considered by the general trade, ought to pay its fair share of those expenses whether it is on contract or to private consumers. Now the dealer in bidding for these contracts not only takes into account the amount of money which he is to receive back, which, as I said, in our case was one-third or 20 cents per ton

on the contract. We were paying 60 cents. This item of general expenses is also left out of the calculation in bidding, because, of course, that is what this premium is intended to cover. It is intended to help him on his general expenses and to help the other importers who do not fill the contract, and as a matter of fact, as I said, there is not a contract that has been handled in that way where there was a clear profit of 25 cents per ton.

The committee adjourned.

HOUSE OF COMMONS, 26th April, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

ELIAS ROGERS, coal dealer, of Toronto, continued his evidence.

By the Chairman :

Q. Will you state again the price at which you bought coal in 1887? A. Have you reference to the circular prices? I gave you both the circular prices and then afterward from memory I gave the prices at which we bought.

Q. Give us the prices at which you bought? A. What month?

Q. During 1887, commencing April or May, give us the price for the net ton? A. You understand that I can only speak from memory.

Q. Have you not a record of the price? A. No; I have no record of the price. I think we paid \$3.57 per net ton in the month of May.

Q. \$3.57 per net ton? A. Yes.

Q. In May, June and July? A. I think there might have been some variation or advance in the price in June or July.

Q. But in August? A. In August there was an advance of 30 cents I think on some coal and 20 cents on others per gross ton.

Q. Making an average of about \$3.79? A. That would depend on the quantities that were bought.

Q. What quantities did you bring in at that price? A. I could not tell from memory.

Q. That was 30 cents advance per gross ton and 20 cents, which would make it \$3.75 and \$3.84; A. Yes \$3.75 and \$3.84.

Q. That is the September price? A. There was no change in the circular prices in September. I think prices advanced though. I think more was paid in September than in August.

Q. But you cannot give the price? A. I cannot give the exact prices we were buying at in September.

Q. Could you give us the prices that you paid in October? A. We were very much behind with our orders.

Q. It is a curious thing that a gentleman dealing in one article cannot come down here and give evidence on that one article? A. I did not come down here to give evidence especially as to our private matters, the prices at which we bought, and I must say that I do not think—it is hardly a fair thing that I should be singled out and asked to reveal all our private affairs for the benefit of our competitors, which it certainly is. I have given definite statements as to the profits there were in the business, but I do not think it is a right thing that I should be asked to give information which would result in benefiting my competitors.

Q. I have a letter here inviting yourself down to give further information? A. Yes, and I have been quite willing to give it.

Q. And when we ask you for the information you tell us that you do not know? A. I am quite willing to give any information that will help the Committee to get at the true facts.

Q. And this is the information we ought to know in order to arrive at a conclusion? A. I have not the figures with me, and I do not think that it is right that I should be singled and made a target for the benefit of my competitors.

Q. You should not say that. In your last letter you stated that you would be happy to come down any time and give further information? A. I would be very glad to do so if I had an opportunity.

Q. And then you sent us another letter? A. Yes; that letter to yourself.

Q. That was not in the evidence? A. There is no personal feeling about it.

Q. That letter was largely called out by the evidence, and you said that you would be glad enough to come down. Then you were down and you said that at any other time you would be glad to come down and give the Committee full information, and so when you are asked to come down I do not think there is a grievance on your part? A. I have given you information on these points.

By Mr. Guil et :

Q. We have not received definite information on these points. Being the largest dealer in Toronto, and having expressed a willingness to the Committee to come back and give further information, I think you ought to be prepared to give us all the facts in reference to these cases in order that we may see that there has been no undue profit resulting from this combination? A. As far as I am concerned I am willing to give every information in my power which will enable the Committee to arrive at a conclusion, and which I suppose they are aiming at. As I understand it, they want to get at the true facts of the case with reference to the organization of this Coal Exchange and its workings.

Q. Of course there is nothing personal? A. I do not think there ought to be, but if I am asked to give information which is going to result in our injury and be a benefit to others, I think I am right in refusing to give it.

Q. We want to get at the effects which have resulted from the forming of this combination? A. I have not the slightest objection.

Q. It is essential to the objects aimed at by the Committee that we should get this information? A. Yes; but it is not right that you should pry into private affairs of a firm.

By the Chairman :

Q. All the investigations are into private affairs or private business? A. So far as I am concerned I have not the slightest objection, and I would be quite willing to have a law passed to-morrow that will prevent this organization being continued. I think it would result to our benefit, but I do not think I should be asked to give information which is going to be an injury to my own personal business.

By Mr. Bam (Wentworth):

Q. Have you ever thought in your own mind as to what direction that legislation should take? A. No; I cannot say that I have. I think they have in New York an Act which prevents parties agreeing upon the prices which shall be charged.

Q. Is it a recent Act? A. Yes; it is a recent Act. The reason I know it is that the Western Anthracite Joint Association instead of pursuing the course which they formerly did now make their action entirely recommendatory. Instead of saying that their prices shall be so and so, they say we recommend that prices shall be so and so.

Q. Have you one of their circulars? I suppose their circulars do not reach you. That would come from parties that are recommended? A. I have not the minutes of the meeting in New York last Wednesday at which prices were fixed, the opening prices for this season.

Q. Now they recommend that certain prices shall be the price? A. I might say further that during the last year, 1887, I have no knowledge of any interference on their part with dealers in Toronto or any part of Canada.

Q. The fact of the legislation being passed has shaped their subsequent action? A. That is the only effect so far as I know, that instead of making a positive direction as to what the coal prices shall be they simply say we recommend that the prices of coal shall be so and so.

Q. Formerly they fixed the prices and said this shall be the price? A. Yes.

Q. And now they recommend that this shall be the price? A. Yes.

Q. Then the association still exists as it formerly did? A. Yes.

Q. That is they have an organization? A. Yes; but I do not know whether they have any constitution or not. I do not think they have.

Q. They meet together? A. Yes; and the minutes of each meeting are printed and sent to the shippers. I do not know that they have a minute book even.

Q. And this is called? A. The Western Anthracite Joint Association, composed of the representatives of the leading railways and coal shippers.

Q. Railways that are interested in the coal trade? A. Yes.

Q. I suppose all those railways that are interested are also proprietors of coal mines—the most of them? A. I think they all are to some extent. I am not sure whether the Pennsylvania Railway operate any anthracite mines or not; they are operators of a bituminous mine, but I know the others are.

Q. Do you know from your experience anything about the average rate per ton for carrying coal over there? I am only asking it so far as you may know? A. They claim that they ought to have at least three-quarters of a cent per ton per mile. Of course they do not always get that.

By Mr. Boyle :

Q. Are you able to give that evidence? Have you the figures referring to the prices for coal? A. No; I have not the prices. I could not speak with regard to that except from memory.

By the Chairman :

Q. Do you know what you paid for coal in August last? A. I gave it yesterday to the best of my knowledge.

Q. \$3.74 and \$3.84 per net ton. What did you pay for it in September? A. I could not tell you. The wholesale price for September, I mean the circular price, was the same as in August, but I think the prices actually obtained by the shippers was higher. I think we paid a higher price in September.

Q. Than you did in August? A. Yes.

Q. You think that, but you do not know? A. No; I cannot speak positively.

Q. What did you pay for coal in October? A. I think my objection should hold in regard to these matters and not be persisted in further. I stated yesterday that we bought in advance of the circular and in others we had less prices.

Q. Well, I think the Committee will agree with me that this investigation is for the purpose of making a full enquiry into these matters, and in order that our enquiry may be full and be of any value, we will have to insist upon the questions being answered that have been asked in regard to prices. I think that is the vital point in this enquiry just now in reference to coal. We have made that enquiry about all other commodities that we have examined into and I don't see why coal should be an exception? A. I have made a definite statement and I believe that I would be borne out by all the principal importers in Toronto that the profits have not exceeded 25 cents per ton, and that ought to cover that point it seems to me.

The CHAIRMAN.—We do not think that touches it at all. The sense of the Committee is, unless I have misunderstood their views, and if not, any member of the Committee can rise and express his dissent, is, that the prices should be given.

By Mr. Bain (Wentworth) :

Q. There has really been nothing done except the mode pursued. There was no laws fixed, that is the Committee did not settle any definite line of action? A. With reference to my letter in which I said I had other letters and papers, I have them here, and would be glad to give this information, which I think will assist the Committee in arriving at the true facts.

By the Chairman :

Q. You are not willing to give the information which the Committee wants? A. I do not think I ought to be asked to give this. I am the only large importer who is brought down here, and I am asked questions about private affairs, which would result to our injury, and the benefit of our competitors. The same might be said of any one else who might be summoned and asked the same questions.

By Mr. Guillet :

Q. It is not a question as to your willingness, but as to your ability? A. As a matter of fact I cannot give you the information, if I were disposed to do so.

By the Chairman :

Q. You said yesterday that the cost of coal for August was \$4.20. That was the price without the rebate being taken off. It is now, according to what you state, \$3.75 and \$3.84? A. You must be careful not to confuse the two. I gave you circular prices yesterday, and state now what I think we actually paid.

Q. The circular prices for September was the same as August? A. Yes.

Q. Do you swear you do not know how much you paid for coal in September? A. No; we paid different prices.

Q. Do you believe it came to more, or less? A. I believe the price paid in September was higher than the price paid in August, although the circular was the same.

Q. You have full particulars in the book with you? A. I have all the circular prices.

Q. Can you tell what additions to or subtractions from were made to these circular prices? A. I know that in the months of October and November especially coal could not be obtained by rail at all, except at an advance on circular prices. I am talking of first-class coal. There is a matter that I want to explain in that connection, when I have an opportunity.

Q. We have asked you for prices in September, and you have said you do not know what you paid. Now for October do you know? A. I do not.

Q. You do not know what price you paid. Have you any idea, something near the price? A. I know there was a very large advance.

Q. Do you know what you paid? A. There was over a dollar advance in the cost of our coal at Toronto from May to November, and in the month of November we imported more coal than in any other month in the year.

Q. What was the price list of coal in October and November, or December, or September. Can you give us the prices you paid in November? A. I cannot.

Q. Do you know? A. I do not at present. I have not the information with me. I know we paid different prices.

Q. You are always paying different prices. Do you know what prices you paid for good coal in November? A. No; I would not undertake to say.

Q. Do you know it? A. I might make a guess at some of the prices.

By Mr. Guillet :

Q. Tell us what you believe you paid? A. I do not think I would care to do that.

By the Chairman :

Q. There are two things to consider; whether you know the facts, and whether you want to give them to the Committee. Mr. Rogers has said that he does not think the Committee has a right to ask him this question, and expresses a hesitancy in giving the answer. We want to know if you know the prices you paid? A. I have stated once or twice that I cannot state positively.

Q. For what cause? Because you do not know? A. Because I have no memorandum, nor record. I know we paid different prices, and that prices advanced very largely in the latter part of the season.

The CHAIRMAN—I think that is an evasive way of putting it.

By Mr. Bain (Wentworth) :

Q. Did I understand you that there was an advance of a dollar in the price of coal between May and November, and that it was owing to coal prices advancing, or was it the increased freight? A. Both.

By the Chairman :

Q. I have a statement here about the prices. This is something about which you do know. The expenses of handling is given as follows:—Say a ton of coal cost in 1887 (the statement here gives the same prices as you gave) \$3.57 for the begin-

ning of the first four months. That is, the net price was \$3.57. Now, the freight was then 25 cents? A. What month was that?

Q. May. The prices in 1887 were \$3.57 for April, May and June. What did you pay for freight in those months? A. In the month of May I think there were no vessels at less than 30 cents.

Q. What did you pay for freight? A. I think there were no vessels less than 30 cents. We paid that.

By Mr. Boyle :

Q. Did you pay any more than that? A. I do not think so.

By the Chairman :

Q. Handling at the dock is given at 20 cents? A. That is the amount paid to the heavers.

Q. And you have a contract at 15 cents? A. No.

Q. What do you pay? A. 20 cents.

Q. Harbor tolls, 4 cents? A. I believe that is right, it was formerly 5 cents.

Q. Hauling to the yard 5 cents? A. I do not think it can be done for that.

Q. Freight, July and August, that will cost 30 to 35 cents? A. Until the last of July we could not obtain vessels at all. We only had one, and that was the last of July, and the rate we paid was 39 cents.

Q. What did you pay in August? A. 38, 38½, and 37½. The majority of the vessels were 38 cents. In some cases I think we paid about 35 cents.

Q. Then what did you pay in September? A. We paid 38, 40, 43, 39, 40, 43 and 43.

Q. What was the lowest amount? A. The lowest in September was one vessel at 37½.

Q. For screening and loss on screening 10 cents. Is that about correct? A. That is about correct for the labor, without anything for the loss. That might be about right for the labor; it would depend a little on how it was done. If it is thoroughly screened that would hardly do it for the labor alone.

Q. Does it cost you 10 cents to screen your coal? A. Yes; we screen it all. Coal is better screened in Toronto than in any other city I know of.

Q. Does it cost you 10 cents for labor on vessel coal? A. Yes; about that on vessel coal. I reckoned the labor at that in our estimates of general expenses. The loss, however, on coal alone is fully 15 cents.

Q. What are screenings worth? A. \$1.50 to \$2 delivered. You have to take off the cost of delivery. We have over 2,000 tons of screenings in our business last year; nearly 2,500.

Q. Both from bituminous and anthracite? A. Anthracite alone. There is about 5 per cent. of screenings in vessel coal. In many places they screen very coarsely, and in others very finely.

Q. The delivery is put down at 40 cents? A. That is a low estimate. We have to deliver over an area of over five miles, and I think it averages fully 40 cents.

Q. Expenses of office, yard and interest, 25 cents? A. It cannot be done for that. You cannot pay your clerk hire and yard expenses for that.

Q. In Ottawa they have done it for less? A. I do not know anything about Ottawa.

Q. Carts cost as much, and interest is about as high? A. I only put our interest at 6 per cent, and I know what our yard rent, clerks and interest cost us, and as I figured it, it comes to 44 cents.

Q. This estimate is made up at \$4.91 for stove and nut, and \$4.60 for egg and grate. The prices at this time were \$5.75 and \$6? A. It is a remarkable fact that the men who figure in that way are the men who go into insolvency.

Q. We do not know whether these men go into insolvency or not? A. I know that the gentleman whose evidence I have, as reported here, as stating that his office and general expenses only came to 25 cents, is short some \$50,000.

Q. I can say this, that the men in Ottawa who have given a sworn estimate at 46 cents of all expenses have not gone into insolvency, but have divided a 220 per

cent. dividend for the year. A. Their coal in Ottawa cost about the same as in Toronto, and they have been obtaining \$8, while we have been obtaining only \$6.

By Mr. Guillet :

Q. Mr. Hargraft, at a net cost of \$4.68, and selling at \$5.25, has made a net profit of 57 cents? A. The whole of that coal was received before prices advanced.

Q. That was the spring quotation according to circular, and he showed a net profit of over 50 cents. He had the same freight to pay, and 25 cents for wharfage, instead of 5 cents, and has to haul it a considerable distance to his yard, perhaps 300 or 400 yards. He delivers that into his yard and to his consumers at a profit of 50 cents? A. What does he estimate his insurance and office expenses at?

Q. He allowed a certain amount for interest. A. I saw those figures, and I saw no allowance for yard rent, nor clerk hire, and he only allows cartage at 25 cents. The whole of his coal, which is a very small quantity, is imported early in the season, before prices have advanced. The conditions are not parallel. You must average the cost of the coal.

Q. The 20 cents wharfage would go to make up any difference in the cartage, and there is a clear difference of 75 cents, after allowing for office expenses.

By the Chairman :

Q. More than that, you say that the coal and freights go up. Well, your price goes up to correspond? A. Excuse me, but it does not. It did not in Toronto.

Q. What? Didn't it? A. Four-fifths of the coal in Toronto was sold at the same price. You can make no comparison with these small places, unless you take all the circumstances into account. The ground rent is more valuable in Toronto, and the distance for delivery is more than double what it is in these small places.

Q. You have a statement there of the retail prices in Buffalo? A. Mr. Hargraft runs his coal business in connection with the grain business, and I understand he don't figure anything for these expenses, and allows nothing for bad debts.

Q. I am pointing out that we will take off that 25 cents from his profit, and he will still have 52 cents and the increase in price to \$6, would make it \$1.07? A. It is very unfair to make any comparison unless all the circumstances are taken into account.

Q. In Buffalo now they have these incidental expenses? A. Yes; coal sells less in Toronto on the average than it does in Buffalo, and it has for the last ten years if you take into account the cost of transportation between the two places.

Q. What is the cost of transportation? A. The lowest rate on the average from Black Rock on anthracite coal last year was 65 cents. Of course that don't include any baulage from Buffalo to Black Rock, putting the prices at Black Rock the same as at Buffalo.

Q. The rates here are the same as on the cars at Buffalo or Suspension Bridge? A. That is the case sometimes.

Q. That is given here in that way. These are the rates on the cars either at Buffalo or Suspension Bridge. What were the prices at Buffalo in November or August? A. You can take our coal. The Toronto coal for the season of last year, stove and nut, was \$6 per ton.

Q. What was the price in August? A. \$6.

Q. What was the price in October? A. The prices advanced sometime later in the fall, but the orders had all been taken previous to the advance.

Q. The prices were June, \$6; October, \$6; December, \$6.75? A. But there was very little coal sold at any advance above \$6.

Q. The prices in Buffalo on these dates, the highest prices, were \$5, \$5.25, \$5.50, November the 1st, \$5.75, and December 1st, \$5.75, and 70 cents freight, which would make \$6.15. Was that the highest price in Buffalo, \$6.15, and Toronto \$6.75? A. In Buffalo no coal was sold in advance. Coal was sold as delivered, and not as in Toronto.

Q. Did you sell coal in advance all summer there? A. Well, we did, to a certain time.

Q. You had a rule against it up to a certain time? A. Yes.

Q. So you didn't sell it all through the summer for future delivery? A. All orders taken previous to the 1st of July, the same rule applied, but the bulk of the orders, however, were taken in the months of August and September; they always are.

The Chairman:

Q. I think you are spending a good deal of time explaining and you don't answer the questions you should answer.

WITNESS.—I will explain in the first place—

The CHAIRMAN.—You will allow me to ask questions and you will answer. There are other witnesses here and if you take up the whole time of the Committee—

WITNESS.—I am prepared to state the facts in this connection and it is important. The matter has been brought up. I didn't bring it up. I would like to make an explanation in this case, it is important it should be understood.

The CHAIRMAN.—You will answer questions now.

WITNESS.—I ask the Committee. I think witnesses should have some rights before the Committee.

The CHAIRMAN.—I think we have dealt fairly and honestly. I don't think you have given your evidence as fairly and honestly as the Committee have a right to expect.

Mr. BAIN.—I object to have to fight every statement that you make.

WITNESS.—If the Committee will allow me two minutes to explain that matter I will put it straight. It is very important I should have an opportunity of doing it. I am referring to the difference between Buffalo prices and Toronto prices.

The CHAIRMAN.—If you go into that. I have the whole statement here it will take all the next two hours.

Mr. GUILLET.—You make that statement afterwards and it will go before the Committee.

WITNESS.—I want it distinctly understood that the coal in Toronto is sold at one price and is sold throughout the year at one price, while in Buffalo it is sold at the prevailing prices; and the average prices in Toronto are less, the difference in the cost of freight taken into consideration, than the average prices in Buffalo.

By the Chairman:

Q. On the 11th of August, 1886, there was a meeting of the Coal Exchange in Toronto. Will you look at this statement here and see how much money has been received from contracts. From the Toronto Waterworks how much money did you receive on the 11th August, 1886, or how much did the Treasurer receive from the Toronto Waterworks contract? A. That was explained before that that fine of Mr. Burns was allowed to be put as a premium and that represents that fine.

Q. It was put in the pool? A. Yes.

Q. From the Hospital you received how much? A. The reason that that was done was that as large a proportion of that fine should be returned to Burns as possible.

Q. The Hospital contract, how much was paid? A. \$900.

Q. Knox College contract? A. \$195.00.

Q. Local Government contract? A. \$1,500.

Q. Who got that contract? A. We got it. I said that yesterday. I do not see the object of going over these matters over and over again.

Q. This money was divided up among them in proportion to the importation of anthracite coal was it? A. Yes.

Q. How much did you receive yourself? A. I could not say from memory, I suppose that is correct. Our tonnage was 6,740 tons and according to this we received \$896.31.

Q. Of this money? A. Of that money, that is, what we received back out of what we paid in, \$1,500, we received back \$896.31.

Q. You paid in \$1,500. Did you get any other contract besides the Local Government? A. I don't think so.

Q. You said a few minutes ago that—?

WITNESS.—If you will allow me—I notice in the report of my evidence before, I think, of Mr. Wood's evidence, that the amount put down for the Hospital contract is \$2,550, it should be \$225. (It was explained that this was a typographical error.)

Q. This was in 1886. In 1887 did you auction any contracts for public institutions and charitable institutions too? A. In 1887 the contracts for public institutions were treated in the same way as in 1886. In most cases the contracts were pooled.

Q. They were sold to the highest bidder? A. That is not a fair way of putting it. In this case it is necessary that an explanation should also be considered in connection with it. It is not a fair way of putting it to say that they were sold.

Q. We are not compelled to agree with you in endorsing the explanation? A. It is not a fair way of putting it as if they were sold.

Q. As a matter of fact they were given to the one who paid the highest price? A. To the one who gave the highest premium.

Q. The highest premium got the contract? A. In all cases these contracts were put at 25-cents or more or less per ton than the regular prices.

Q. What were the prices fixed last year for the waterworks contract? A. I have no personal knowledge of the waterworks contract how it was managed last year and I cannot say anything more about it than I said in my first examination.

Q. Who got the contract for the waterworks in 1887? A. I can give no further information in regard to the waterworks contract than I gave in my first examination.

Q. What did you say then? A. I said I didn't know personally anything about it. I gave what my belief was.

Q. What were the prices for the waterworks contract? What were the prices agreed on to be asked? A. I have no personal knowledge, I am not responsible for the minutes. You have the minutes here and I think it is exceedingly unfair that I should be forced to read these minutes for which I am not responsible.

Q. You are a member of the association. Your memory is defective. We have a number of contracts we want to ask you about, the Public Schools, Knox College, and the Hospital tenders. Who got the Hospital tenders in 1887? A. I gave you that before. We got it.

Q. For how much? A. \$255 was the premium which we paid.

Q. Who got the Ontario Government contract in 1887? A. I think the Conger Coal Company got it.

Q. Sure? A. I think so.

Q. Did you not get part of it yourself? A. There are two Ontario Government contracts, I think we had the asylum and perhaps one other institution.

Q. How much did you give for that? A. I don't remember.

Q. Just look here and refresh your memory, how much did you give for it? A. We paid in \$721.60 into the pool.

Q. Who got a portion of the Ontario Government contract, who got the other part? A. C. J. Smith.

Q. For how much? A. \$677. That is he paid \$677 into the pool and we paid \$721 into the pool.

Q. You said yesterday you got the Ontario Government contract for \$1,500, but there was a little competition? A. That was in 1886. That was the other contract. That was the contract for Government House and the Parliament Buildings.

Q. The Local Government contract? A. This is the Local Government contract too, but it is for other institutions.

Q. You see you paid nearly as much last year as the year before, it comes to \$1,399.20? A. That is a different contract.

Q. Was there more coal in this. A. Yes; a good deal more in this.

Q. How much more? A. Well, perhaps, I ought not to say that. I am just speaking roughly.

Q. You think there was a good deal more coal in it? A. I think there was more coal. I know the competition was keen in both these cases.

Q. How was it the year before? The contract was somewhere between 2,500 and 3,000 tons? A. Yes.

Q. You would be surprised to learn that it was between 2,500 and 3,000 tons this year, would you not? A. It may be, but in this case there was heavy competition as well.

Q. What were the prices that the coal was to be changed to Knox College? A. In this case I see the price was just 41 cents per ton, which is only one cent more than the item of general expenses alone without allowing for profits.

Q. Then you charge that to them at 41 cents a ton and give 41 cents out of it away to somebody else; they didn't get the advantage of that 41 cents? A. I don't know that they would have had any less price if this hadn't been done at all. This is simply an arrangement by which each of the importers gets something towards his general expenses. It is simply a matter of internal arrangement and the prices were as low as would warrant it at the prices of delivery.

Q. What did you charge to Knox College in 1887? A. That is the full card price.

Q. What was the price to Public Schools? A. That was just the same as for the retail trade.

Q. What were the prices fixed for the hospital? A. They were 25 cents less than the current rates.

Q. Why was Knox College put at the full card price? A. Because it was a long haul and the cost is the same.

Q. What about Public Schools? A. The tender for the Public Schools was open. The coal was full price and the wood was left open.

Q. Present retail prices? A. Yes. The cost to deliver to the schools is about the same as to the retail trade.

Q. Then there was the Dominion Government contract, who got that? A. I could not say from memory.

Q. Just look at page 76? A. That was at 25 cents per ton less than the retail price, namely:—Stove and nut \$5.75, egg and grate \$5.50, soft coal \$5.25 per ton.

Q. Who got the contract for that? A. The Conger Coal Company. \$610 was what they paid into the pool.

Q. And the House of Industry contract? A. That has all been gone over before I think. I do not see the object of going into again.

Q. Who went over it? A. Mr. Wood. It is in Mr. Wood's evidence.

Q. We have not gone over the half of it before? A. "Resolved that the prices for the House of Industry be \$5.75 per net ton for stove, and \$5.50 for egg, and \$5.25 per ton for soft either for present delivery or at yard during winter."

Q. Who got that? A. John Keith. It was awarded to him.

Q. For how much? A. \$160.

Q. And the profits, how were they divided last year? Were they divided last year the same as the year before? A. The profits were divided in the same way with the exception of the waterworks.

Q. And the city contract, what were the prices for the city contract, 25 cents a ton less than the retail price? A. "Resolved that the prices be left open for each one to tender at any price they may choose." That is the Parkdale Waterworks. "Resolved that the prices be left open for each one to tender at any price they may choose."

Q. But the city contract? A. The prices were 25 cents less than the current prices.

Q. Who got the contract for that? A. That is something I do not know anything about. I was not present at this meeting and I do not know anything about that.

Q. Who got the contract for it? A. I can give what is hearsay, but of course I have no personal knowledge of it all. I was not present at the meeting and cannot say anything about it.

Q. But these are the minutes and are correct? A. You can read them as well as I.

Q. Who got the contract for the city supply? A. I do not remember.

Q. You do not know anything about it? A. No; I do not remember who was to have it. I had nothing to do with it.

Q. You cannot tell who got the city contract last year, who was supplying the coal for the city offices? A. McConnell was the party who got the contract. I voted myself for him to get the contract. I was on the committee in the City Council which awarded him the contract.

Q. And the arrangement that was made? A. I have no personal knowledge of what was agreed upon by the association.

Q. But the prices stated in the minutes? A. The prices were 25 cents less than the current prices. His tender was 25 cents more for anthracite on his contract for coal, and I myself awarded him the contract, but as a matter of fact he did not supply the coal he contracted for, and the city would have been better off if they had taken the association contract. I remember that he tendered for the best Briar Hill coal which is a superior coal at about the same price that the association had tendered for the medium grade, and I told my colleagues of the committee that of course the coal he had tendered for was a superior coal, and on that account he should be awarded the contract, but afterwards it was ascertained that he had not supplied the coal that he had contracted for, in fact he put in a coal inferior to the coal which would have been supplied by the association.

Q. What coal did he agree to supply? A. Briar Hill coal.

Q. Is that the best quality? A. The best quality of stove coal, a higher priced soft coal. There are other coals of a different grade that are sold under different name of the same or equal quality.

Q. You spoke about selling coal for future delivery. Had they permission to sell coal for future delivery during the whole season? A. In 1887?

Q. Yes? A. No; in the forepart of the season the association decided that coal should not be sold for future delivery inasmuch as it could not be bought in that way but it was found that competition was such that some dealers took orders and took the chance, and this prevailed to such an extent that it was thrown entirely open and everyone was allowed to sell at the then prices for delivery at any time throughout the year if they saw fit to take the chances, which they did.

Q. And they took the chances? A. Yes; and the bulk of the coal was sold at those rates.

Q. When was that resolution come to. Had you anyone hauled up for making contracts for future delivery during the season? A. I dare say there may have been.

Q. But were there any hauled up? A. I have no recollection of anyone being hauled up. I attended but very few meetings in 1887, but I think it is quite possible that there may have been.

Q. I see a resolution here with reference to Thomas McConnell & Co. being still in default. It reads: "The secretary was instructed to notify the shippers on the other side that this firm is still in default and request them to govern themselves accordingly." This is a resolution passed by the association of which you are a member?

Q. Are you a member of this association? A. Yes.

Q. And you were present at 20 meetings according to the secretary's minutes? A. I was not present at 20 sittings.

Q. Do you swear that you were not at 20 meetings? A. I did not sit through 20 meetings. I may have called at the door and asked what was going to come up and then went away.

Q. The secretary's report says that you were present at 20 meetings. How were they to govern themselves accordingly? A. I explained in my first examination and again yesterday that the association on the other side sent a committee to Toronto in the spring of 1886,

Q. You explained it twice? A. I do not think there is any necessity for asking it.

Q. What do you mean by governing themselves accordingly? A. I suppose that means their original action. They distinctly told us that they would not supply any dealer who would not go into this association and who did not abide by its resolutions. We were, all of us, compelled in that way to join the association.

Q. The meaning of this was that they were not to sell coal to McConnell? A. To carry out what they first intended to do when they first came to Toronto.

Q. Does it mean that? A. It may mean that. I suppose that was the principal intention of the Committee.

Q. Now all those tenders that were received, the money was put into one pool you say and divided among what class of men? A. The importers.

Q. The importers only? A. Yes; because they are the only men who have large yards and much expense, and the intention was as I explained, that this money should go towards paying their general expenses. The intention was that the contract should pay their share and only their proper share of this office and yard expenses.

Q. You told us last time that you were interested, as part owner of a coal mine? A. I was the part owner originally and afterwards the exclusive owner of a bituminous coal mine in Jefferson County, Pa. and operated it for some years.

Q. Are you the owner now? A. No; I sold it.

By Mr. Guillet :

Q. How long ago? A. Two years ago.

By the Chairman :

Q. Are you interested in any coal mine at present? A. No.

Q. You are not interested in any coal mine? A. No; but my partner is.

Q. But you have no interest in it? A. No.

By Mr. Guillet :

Q. Are you a partner with him in the business of mining? A. No.

Q. Who is your partner? A. Mr. Dininy.

Q. He is a partner with you in your coal business in Toronto? A. Yes.

Q. Do you get much of your coal from him? A. Last year we did, but we sometimes bought outside. Last year we bought from the Delaware, Lackawanna and Western and other parties.

Q. About how much did you get from your partner? A. About 25,000 tons probably.

Q. Are the rates the same? A. That is going into a private matter. As I explained before, I think it is a private matter which I do not think I should be asked about. If I were to give information it might injure our business. In our business we get nothing but the best quality of coal and we pay the highest rates less of course the advantage which we naturally have of being large dealers and as being able to pay for our coal.

Q. You sold about 100,000 tons last year, that is within the twelve months you sold that quantity? A. Yes. Of course our business has been increasing steadily every year since we first started. The increase last year over the previous year was 20,000 tons. I think we handled in the neighborhood of 80,000 tons during 1886.

Q. Your office expenses would run lower than a dealer who sold only 10,000? A. Not necessarily.

Q. But a large business is more economically managed than a small business? A. It depends how it is managed. We manage our business very systematically. We keep a perfect record of every transaction and a perfect check on our business throughout. Now some gentlemen conduct their business without that system and take chances.

Q. Of course the principle holds good that a large business like that is conducted on a smaller percentage than a smaller business? A. No; not if the small business is conducted in the same way.

By Mr. Guillet :

Q. You stated the same thing before about this Buffalo and New York? A. I have not stated this before.

By the Chairman :

Q. The insurance men are waiting here, and your explanations are largely repetitions of what you have already stated? A. Mr. Chairman, you stated some time ago that I was subpoenaed here because I could give some further information, and I have not had an opportunity of giving this further information which I proposed to give.

Q. You have been here for two days? A. Yes; and I have been badgered and cross-questioned—

Q. You have no right to say that? A. I think I am quite right in saying that.

Q. I think we have been quite easy with you?

Mr. BAIN.—I would like to see the man who would not call it badgering, if it was not.

WITNESS.—I want to give this information, because it is important that it should be understood. It is with reference to anthracite coal. I want to show you that there are different qualities of anthracite coal which come to all these markets.

The CHAIRMAN.—Wait a moment. This is simply a conversation, the reporter will cease writing.

MICHAEL DWAN, SWORN.

By the Chairman :

Q. Give your name, occupation and address? A. Michael Dwan, Coal Dealer, 78 Queen Street East, Toronto

By Mr. Guillet :

Q. Have you been long in the coal business? A. Only about a year on my own account.

Q. You were not in business a year ago on your own account? A. Not a year ago.

Q. You were carrying on business in Toronto as agent, or in some capacity? A. I have been connected with it for years, but I commenced last year on my own account.

Q. You made a statement to one of the Commercial Agencies in February last, did you not; 29th February, 1888? A. I do not remember.

Q. Did you not call at the office of a Commercial Agency in Toronto, and make some statement with regard to your business when you bought out Mr. McConnell? A. I made a statement with regard to my standing.

Q. You remember what you considered your coal and stock and plant worth then? A. Well, I do not remember exactly what I did tell them, but at the time I bought out McConnell, his place was very small and he had no stock of any consequence. I bought it out for some \$600.

Q. You had some plant of your own? A. Not at that time, but I added.

Q. Was that your full capital? A. No.

Q. What did you represent your full capital to be then? A. I do not know that I represented my capital to the Mercantile Agency.

Q. You made a statement to them at the time, February the 29th, 1888? A. Yes.

Q. As to the value of your capital and plant? A. I think I stated to them that I was worth \$10,000.

Q. Did you state that you were then worth \$3,000, exclusive of your wife's property? A. I think I mentioned to them that I had horses, carts and harness which cost me \$3,000.

Q. Excluding stock on hand? A. I do not think I made any such statement as that.

Q. You stated when you called on them that you had bought out Mr. McConnell; that he had only a small stock, but now you have 10 carts and horses and other equip-

ments which cost over \$3,000? A. I remember calling there in consequence of the rating they had given me. The Commercial Agency rated me, I think, at \$500 or under.

Q. That was after you commenced business, after buying out McConnell? A. I did not notice the rating until about the time I called on them in February, a friend having called my attention to it. I called on the Mercantile Agency and they explained then, I think, that they had given me the rating on account of the rate of purchase I had made from McConnell, intending to make enquiry from me afterwards what my rating was; but they did not happen to do so and the matter got printed in the book.

Q. Do you swear that you were worth \$3,000, in your own right when you bought out McConnell? A. Yes, and more too.

Q. That was less than a year ago; last June? A. Yes; it was last June.

Q. How much coal have you sold since then? A. About 7,000 tons.

Q. You are now worth \$10,000, you claim? A. I do not consider I made it out of coal.

Q. Do you buy your coal all outside? A. Chiefly in the city. Some from Bailey & Company, some from Crane and some from Ray & Company.

Q. You bought principally from Bailey? A. Probably more than half; the balance from the other two parties.

Q. Have you a yard? A. No; I do not deliver it from my yard. I deliver it from their yard. I take orders and deliver it from their yard.

Q. What did you pay for it? A. It averaged me \$5.

Q. Your retail prices were the same as theirs; are you a member of the association? A. Yes; I could not sell coal without being so.

Q. You sell at association rates? A. Yes.

Q. Do you deliver it yourself? A. Yes, I deliver it myself.

Q. It averaged you \$5; sometimes less, I suppose? A. Yes; sometimes less and sometimes more.

Q. What was the average retail price during the season? A. The principal part of the coal was sold at \$6 per ton.

Q. You sold, however, at the association rates? A. I took a considerable number of orders at \$6, to be delivered from time to time during the winter.

Q. When did you take those? A. During the early part of the year.

Q. Any before July? A. I do not remember what time the association allowed parties to take orders for future delivery.

By the Chairman :

Q. In the early part of the season they did not allow that? A. No; but I think it was after July.

By Mr. Guillet :

Q. You would not take it after July at these prices. You would take orders for delivery in August, or if you were selling in August for delivery in the future, association prices would govern? A. Yes.

Q. How much was the price in August? A. I really do not remember what the price was in August. Not being an importer, I do not know.

By the Chairman :

Q. In August the selling price was \$6. The next price was given in October. It was \$6 in both cases. You say you were selling for future delivery and that after a certain period it was not objected to. Do you remember putting an advertisement in the paper offering to take orders for future delivery in July or thereabouts? Have you any recollection of it? A. Yes, sir.

Q. I see here in the minutes the following:—"Mr. Dwan's advertisement. The secretary submitted a copy of an advertisement to which his attention had been called in which Mr. Dwan offered to take orders to be delivered during the winter. The secretary was instructed to notify Mr. Dwan to withdraw that portion of the advertisement immediately as it is against the rules. (Exhibit 34a). You withdrew that advertisement, did you? A. Yes.

By Mr. Guillet :

- Q. What other business have you? A. Wood business as well as coal.
- Q. Prices are regulated for wood by the association? A. Not altogether. Probably they might be fixed but not so binding as coal.
- Q. Were you interfered with, or did you attempt to sell coal for future delivery after that? A. Not until we had permission from the exchange.
- Q. When was that promise given? A. I do not remember exactly when it was.
- Q. In August? A. I would not be certain, I think it was.
- Q. I see that a Mr. Daniels was charged before the association. "A charge was brought against Mr. Daniels for selling," &c., &c. (Exhibit 34a.) That was against the rules to sell for future delivery? A. Yes.
- Q. What was done with Mr. Daniels? A. I do not know. I only attended two meetings.
- Q. You were not a member of the Executive? A. No.
- Q. Did you get any share of the profits realized from the sale of these tenders?
- A. No.
- Q. Except that your share of the insurance or gratuity was paid out of that fund by the Board of Trade? A. I am not insured.
- Q. You receive no benefit then in any way? A. No.
- Q. Your business has been fairly prosperous during the year? A. Yes; fairly prosperous.
- Q. You say you have not imported any; you bought from the importers?
- A. Yes.
- Q. You are not in as favorable a position as those who import—import to sell again? A. I suppose in fact the small quantity I handle would account for that.
- Q. You succeeded Mr. McConnell? A. Yes.
- Mr. ROGERS.—I would like to ask whether the importers have the largest profit or the retailers?

WITNESS.—I think I can buy from the importer just as cheap as I can import myself.

Q. You have not had experience in importing? A. I was engaged in the coal business years ago, I have had considerable experience.

By Mr. Bain (Wentworth) :

Q. Were you in the coal business with anybody else? A. I was employed by others.

HOUSE OF COMMONS, OTTAWA, 27th April, 1888.

The Committee on alleged Trade Combinations met this morning; Mr. Wallace in the chair.

WILMOT D. MATTHEWS, grain dealer, of Toronto, sworn :

By the Chairman :

- Q. You are President of the Board of Trade at Toronto? A. Yes.
- Q. There are sections of that Board, are there not? A. Yes.
- Q. Has your Board of Trade any special control over these sections in any way?
- A. Yes.
- Q. What control have they? A. The by-laws and rules under which they work are subject to the approval and dictation of the Council of the Board.
- Q. All the by-laws that they pass and their constitution? A. Yes; and their constitution.
- Q. Are they submitted to the Council for its approval? A. Yes, they are submitted for the approval of the Council.
- Q. Have you seen the constitution and by-laws of the coal section of the Board?
- A. Yes.
- Q. Did you read them over? A. I have.

Q. Do the Council of the Board of Trade approve of the oath to be given to the members of the Coal Exchange? A. No, sir.

Q. Was it submitted to them for their approval? A. No.

Q. Had you seen the oath? A. I had not seen it until your Committee met.

Q. Had you seen it before the proceedings of this Committee? A. No.

Q. Did you know that there was a further oath which the employees were compelled to take against their will? A. No.

Q. Compelling a man to swear against his will? A. No.

Q. I have here a certified copy of the minutes of the Toronto section of the Coal Exchange. Now just turn to page 13 and see what that says about a special meeting called to take the affidavits of members. Do you see that? A. Yes.

Q. That is a certified copy of the minutes. What does it say there? (Exhibit 34.) A. "That \$5 per member be paid out of the fund of the Coal Exchange Branch as initiation fee for the gratuity scheme of the Board of Trade. After some discussion the motion was withdrawn."

Q. Taking the affidavits of the members? A. That is about the initiation fee for the gratuity scheme.

Q. Turn to pages 15 and 16? (Exhibit 34.) A. "Resolved that the salesmen be requested to attend a special meeting to be held on Thursday, 29th inst., at four o'clock, to sign an affidavit relative to past and future, beginning 1st May last. The affidavit to be prepared by the solicitor in the meantime and printed."

Q. That affidavit is to refer not only to his future conduct, but to his past conduct. What do you think of that resolution? You say these were never submitted to the Board of Trade? A. No, sir.

Q. I see that this statutory declaration is for the members and that they have one altered to suit the salesmen? A. I see that it shows that. It is under a special rule of their branch. The others were called the rules and by-laws.

Q. There is a constitution first? A. Yes.

Q. Comprising 14 articles and nine by-laws? A. Yes.

Q. And then there are the special rules? A. These special rules have not been submitted to the Board for approval.

Q. The special rules have not but the by-laws have? A. Yes.

Q. Those special rules, had you seen those special rules before? A. No, sir.

Q. But had you seen this book? (Exhibit 34b.) A. No; this is the only book I have ever seen, the one that I brought with me. (Exhibit 33.)

Q. What one is that? A. There is no date upon it, but it says "Constitution and By-laws of the Coal Trade Branch of the Toronto Board of Trade." The by-laws are at the end.

Q. When did you get this? A. That has been in the possession of the Board of Trade since the constitution and by-laws were confirmed.

Q. When were these confirmed? A. At the time that the Coal Trade Branch was formed.

Q. That was in 1886? A. Yes; about two years ago.

Q. And they furnished you with this. In this copy that this Committee have been furnished with, it states that the amount that shall be paid as an initiation fee shall not exceed one hundred and twenty dollars, but the "one hundred and" is struck out, leaving it that the initiation fee shall not exceed \$20 (Exhibit 34b), but in yours it says that the amount of the initiation fee shall not exceed \$100. (Exhibit 33). That does not agree. Mine says \$100 and \$20, but this one says \$100. Now this one you have been furnished with (Exhibit 33), and which your Board approved of as the constitution and rules of the Coal Trade Branch the constitution includes 13 articles, while the one that I have been furnished with (Exhibit 34b), has 14, but the special rules are not in yours (Exhibit 33) at all, and they are really the important part of it as you will see, more particularly special rule No. 1. (Exhibit 34b.)? A. Yes.

Q. You had not seen that before? A. No; I have not read this over.

Q. That was deposited with me by Mr. Wood? (Exhibit 34b.) A. Yes; I see it is under the heading of special rules. It is probably for the guidance of their own trade section.

Q. But the whole of their by-laws is for the guidance of their trade section? A. Yes.

Q. But the most important thing for the guidance of the coal trade section are the special rules which they did not submit to you and which they wished to be bound by? A. Yes.

Q. The chairman himself signed the affidavit, relative to past and future? A. I saw that.

Q. And I have the affidavit here which I do not think the members of the Committee have heard. We had it before the Committee but I do not think the members have heard it read. This is the affidavit to be made by the salesmen. It is like the affidavit to be made by the employer in some respects, and then it goes on to say. It was to be relative to the past and to the future. It says:—"And I do further solemnly declare that I have in the course of my said employment since the first day of May last, and at all other times with reference to this year's business, truly, faithfully and honestly observed, performed and kept the said provisions and terms of the said constitution, by-laws and special rules of the said branch, and that I have not since the said date or with reference to the present year's business committed or attempted to commit or induced others on my behalf or on behalf of my said employer, or on behalf of any person, firm or corporation, to commit or attempt to commit any secret or other evasion or violation thereof." That was passed in July and referred to their previous conduct for three months, May, June and July? A. Each one could have refused to take that affidavit.

Q. No? A. These special rules (Exhibit 34b) are *ultra vires* according to their constitution.

Q. Yes, but the salesman does not know their constitution; the salesman is not a member of their association, and he does not know. He has not a copy of this. The resolution says (Exhibit 34a.) the date of the meeting being the 27th of July, 1886: "Resolved that the salesmen be requested to attend a special meeting to be held on Thursday, the 29th inst., at four o'clock, to sign an affidavit relative to past and future, beginning first May last. The affidavit to be prepared by the solicitor in the meantime and printed." Now we will turn to the 29th, where it is stated: "The agents were present relative to the signing of the affidavits and the following refused to sign in the meantime: Breckenridge (S. Crane & Co.), G. Whiton (Conger & Co.), Knight (P. Burns)."

"Moved by Mr. Rogers, seconded by Mr. McGill, and resolved,—That a form of affidavit relative to past business be prepared by the solicitor for signatures of the principal, and that any members who refuse to take the affidavit already prepared by Monday next, 2nd August, be declared in default." We are informed, in fact we know, that some of those whose names are mentioned, and who refused to sign at the first—Mr. Breckenridge, for instance, refused to sign, he objected to sign—but afterwards he signed. Then further it was resolved (Exhibit 34a) on the 30th of July, that,—“Ten days from date be allowed to make necessary changes to comply with the above, and the secretary gives notice to all dealers at once. Resolved that dealers have all salesmen swear their affidavits and have them ready by Monday night, 2nd August, according to printed forms, and that the affidavits of principals be in at the same time.” There was no discretion left with the salesmen. His employer must get him to swear whether he wanted to or not. The affidavits must be got as to the past, and as to the future conduct that is an entirely different matter, but as to their past sales,—you do not know anything of these affidavits? A. I have heard of them lately.

Q. But not as President of the Board of Trade? A. No.

Q. You were a member of the Council before? A. Yes.

Q. And were vice-president? A. Yes.

Q. And were taking an active part in the working of the Board of Trade? A. Yes.

Q. The affidavits required to be taken not only by the members of the association, who voluntarily became members, but by their servants, the men who were working for them, and those affidavits referred to the past transactions of three months, and the President of the Board of Trade states that none of these things were done with the approval or knowledge of the Board? A. Yes.

By Mr. Bain (Wentworth):

Q. This is the action of the coal section? A. The special rules are not in the constitution and by-laws.

Q. They are supposed to make them separately? A. They have made them separately.

By the Chairman:

Q. What is the difference between the special rules and the by-laws? A. One is lawful and the other is not.

Q. Why is one lawful and the other not? A. They have no right to expel a member by a special rule.

Q. But they have expelled members? A. But they have no right to.

Q. In passing those special rules they have exceeded their powers? A. Yes.

By Mr. Wood (Westmoreland):

Q. They have violated the general rules of the Board of Trade? A. They are not allowed to work under any by-laws without the consent of the Council of the Board of Trade, or to have any by-laws without the consent of the Council.

Q. I understand that these rules are *ultra vires*, that they are not binding on any of the members but are they a breach of the rules of the Board of Trade? A. Yes; because the constitution provides that they shall not amend or add to the by-laws without the permission or approval of the Board of Trade.

Q. Without the permission of the Board of Trade? A. Yes.

Q. Is there no course of action which the Board of Trade is required to take or should take when a branch violates the rules in that way? A. If it comes to their knowledge and objection is made to the work of the branch in any particular, the matter may be referred to the Council of the Board of Trade and then investigated.

Q. You have power to deal with it? A. Yes

Q. In what way would you do it? A. Well, the section is formed and can be discontinued at any time if the Council make a deliverance thereon and their deliverance is approved by the general board

Q. What do you mean? Do you mean that it could be dissolved? A. Yes; it could be dissolved.

By Mr. Bain (Wentworth):

Q. That is that they would simply cease to be affiliated with the general board? A. They hold their charter subject to the approval of the general board.

Q. I suppose that is really the only penalty you could impose? A. Yes.

Q. Have you had any occasion to deal in that way with any of your branches? A. No.

Q. There are several other sections connected with the Board? A. Yes; we have seven sections connected with our Board.

By the Chairman:

Q. Article five of the constitution of the Board of Trade says: "It shall be the duty of the Executive Committee to pass such special rules and resolutions as may, from time to time, be deemed necessary in the interest of the trade." How do you make out that these special rules they have passed are *ultra vires*? A. The rule on that is that the constitution or by-laws of the Branch shall be amended, but such alteration to the constitution or by-laws must be subject to the approval of the the Council of the Board of Trade.

Q. I see that is article 12? (Exhibit 34b.)" A. It is article 11 in mine. (Exhibit 33.) It reads: "The constitution may be altered or amended at any of the Executive Committee meetings on notice to that effect having been given at a previous

meeting, such alteration or amendment to the constitution or by-laws being subject to the approval of the Council of the Board of Trade."

Q. Have you article 5? "It shall be the duty of the Executive Committee to pass such special rules and resolutions as may, from time to time, be deemed necessary in the interest of the trade (Exhibit 34b.)," and they have passed these special rules. The special rules and by-laws are precisely the same thing under two different names? A. Yes, I suppose so. Rule 5 in my book (Exhibit 33) says: "It shall be the duty of the Executive Committee further to fix the prices for coal and change the same, from time to time, as in their judgment the best interests of the trade demands, and to instruct the Secretary to notify all members of the Branch promptly of such action, and the price so fixed shall be the price at which coal shall be sold by all the members of this Branch, and not otherwise, and the Executive Committee comes under the obligation of submitting at any time at the request of the Council of the Board of Trade for its consideration, a statement showing the percentage of profit being made by members of the Branch, and the Council may make a deliverance thereon."

Q. That is the same as article 6 in my book (Exhibit 34b). By this article 5 then they have the power to pass special rules and regulations as they may think proper in the interests of the trade. This article 5 (Exhibit 34b.) is left out of the constitution (Exhibit 33) that is submitted by you? A. It would appear so.

By Mr. Guillet :

Q. The article is: "It shall be the duty of the Executive Committee to pass such special rules or resolutions as may, from time to time, be deemed necessary in the interest of the trade." And therefore, they have passed these special rules and have not put them in the book which they furnished to the Board of Trade, and these are the important ones regulating the buying and selling of coal and the affidavit to be made? A. Is rule 11 embodied in that book?

Q. Yes; rule 11 is the same as rule 12? A. I was astonished to see that the special rules or by-laws are not in this book (Exhibit 33) which I have in my possession.

By Mr. Guillet :

Q. When did you become aware that they were taking these extraordinary powers? A. Mr. Wallace was the first to mention it to me.

Q. What action has your Board taken? A. Well, we discussed the matter in Council and decided to leave the matter in abeyance until you finished your enquiry.

Q. Then I suppose the rules are still in operation? A. According to the constitution we don't recognize them, they are *ultra vires*. We have never allowed them to pass these special rules.

By the Chairman :

Q. That includes affidavits?

By Mr. Guillet :

Q. Were any by-laws made providing for expulsion? A. Never any.

Q. Expulsion was carried into effect in some cases? A. Not that I am aware of.

Q. Oh, yes; Mr. McConnell was expelled and reinstated, and then expelled, according to the evidence of Rogers, and you never heard of it? A. No, sir. He has never made any application to the Council. He has the right of appeal from the Branch to the Council of the Board of Trade, and the decision of the Council as to whether he has been expelled shall be final. It overrides the section.

Q. What clause is that? A. Rule 13.

By Mr. Guillet :

Q. Of course these are *ultra vires*? A. Yes.

Q. You have a Grain Section of the Board of Trade, of course? A. Yes.

Q. And there are certain standards adopted by the Board by which grain is valued? A. Yes.

Q. The standard of Manitoba grain is fixed by the Government? A. The standard for all grain is fixed under the inspection law.

Q. Including barley? A. Yes.

Q. In so far as your American market is concerned, how is the standard value there regulated? A. By their own grades or our grades. Our grades are usually taken there.

Q. They have no standard adopted? A. They have in their different cities. They have no general inspection laws as they have in Canada.

Q. Do you obtain standards from them? A. Yes.

Q. Have you any voice in the selection or regulation of these standards? A. No.

Q. You are a large buyer of barley, I believe? A. Yes.

Q. How does the price of Canadian barley compare as a rule with the price in the English market? A. Oh, well, the variety of barley grown in Canada is entirely different from the barley grown and used in England. They use what they call the sugar ear barley, and our barley would be unsaleable.

Q. The same as the American barley? A. Our barley is more adapted for liquor and light ales, and in England it is the heavy ales that are got from English barley.

Q. I suppose there is no barley practically shipped to the English market of late years? A. Very exceptionally.

Q. There was a few years ago? A. Yes; but the attempt to do business there has never been satisfactory.

Q. If the quality was satisfactory would the price allow shipment? A. No; we have once or twice made shipments there, but it has always been at a loss.

Q. It is not likely ever to offer as a field? A. No; I don't think it, we have always found the American market more agreeable, very near at home and more easily handled.

By Mr. Guillet :

Q. How has the relation of the prices in Canada to the English markets assumed? A. Our prices do not admit of exportation, so they must be higher relatively here than there.

Q. Do you meet the American representatives on the other side or do they come to you to regulate the price? A. To regulate the price?

Q. Yes? A. We meet them to make sales. There is no regulation of prices.

Q. Have you any association in connection with that? A. None.

Q. None whatever? A. Oh, no.

Q. You don't go there before the barley season commences to arrange with reference to the market? A. It would be impossible.

Q. Have you any arrangement to control the barley trade in any one section of the country? A. No.

Q. There is no ring then in barley buying? A. I have never found it.

Q. In reference to buying, you have several buyers sometimes in one town and in one locality? A. No; not in one town. We have in some sections, different cities.

Q. For instance you buy I suppose in the central part of Ontario A. From what points, Toronto?

Q. Yes; Toronto as far east as Peterborough and north and west? A. Yes; we buy a very large quantity of barley in that section.

Q. Practically you govern the prices in that section? A. No.

Q. Have you competitors? A. We may govern the prices from the fact that we buy a large quantity of barley and our prices will govern what the others will pay in that sense.

Q. You have large competitors? A. Yes; large competitors.

Q. Who are the competitors in that market? A. There is Dundas and Flavelle of Lindsay.

Q. Are they not your agents? A. No.

By the Chairman :

Q. Do they sell to you? A. Not very often; occasionally.

Q. Do they consult with you about prices? A. Oh, no.

Q. There is no arrangement made by local buyers by which they agree to pay the same price? A. They may occasionally come to terms as to what they shall do, but we have never found it to work very long. Probably they get into ill-temper or bad feeling owing to some little dispute and that dispute is settled, but there is no combination.

Q. There is no pooling of the receipts? A. There is no pooling of the receipts.

Q. Or profits? A. No.

By Mr. Fisher :

Q. Any division as to territory for doing their work? A. Not that I know of. Sometimes one grain man will take a joint account with another in a particular transaction but beyond that there is no further connection.

By Mr. Guillet :

Q. Of course we get a great variety of information before this committee apparently from reliable source. For instance this statement—that there are leading barley buyers who combine together in Toronto and these men meet the representatives from the United States and settle upon the price to be struck and details are arranged generally? A. I don't know it; if it is true we are not included in it.

The CHAIRMAN—It says meeting in the fall there.

MR. GUILLET—Yes; or before the barley season commences.

WITNESS—I don't think it has ever been done. I don't think it could be done without my knowing it.

By the Chairman :

Q. You have no knowledge of it?

Q. Do you make an arrangement to sell your barley before you purchase it?

A. Not as a rule.

Q. Are you interested in malting houses in the United States? A. Yes.

Q. Whereabouts? A. At Legroy and Utica.

Q. Both in the State of New York? A. Yes.

Q. Do you send your barley there to be malted? A. What we require for that purpose.

Q. What is the capacity of these? A. We malt about 600,000 to 700,000 bushels.

Q. In the two places? A. Yes.

Q. These are the capacities of the houses? A. Yes.

Q. You sell this malt to the American brewers? A. To the American consumers, yes.

Q. Do you ever pay a special tax to raise any special fund over there for legislative purposes? A. Occasionally. I do not know what it is used for; it is for general expenses for trade interests.

By Mr. Bain :

Q. I suppose that is practically an association amongst the maltsters? A. There are the brewers and maltsters.

Q. Have you a brewers' and maltsters' association over there? Are you a member of the brewers' and maltsters' association over there? A. No.

Q. Are you a member of the firm? A. My father was, and he died about a month ago.

By the Chairman :

Q. Is this an ordinary yearly tax you pay? A. No.

Q. Just a special tax for special occasions? A. Yes.

Q. Is it quite a large amount assessed on you? A. No.

Q. It is a pretty large association? A. Yes.

Q. Money spent in Washington? A. I could not tell you where it was spent. It is under the control of the Executive.

Q. Does that Executive include the whole of the United States or the State of New York only? A. There is a national association as well as a state association.

Q. This Executive is a national association? A. Yes; a national association.

Q. Then do you take part in regulating the prices? You say there is an association of maltsters there, they are the men who buy the Canadian barley? A. The maltsters and brewers.

Q. How is the price fixed in the United States? There is this association there? A. The price of barley?

Q. Yes? Do they largely fix the price? A. Oh, no. The question of barley I never knew it to be discussed.

Q. What are the objects of this association? A. It is a joint trade association merely.

Q. Barley is the raw product and beer the manufactured article? A. Yes.

Q. You discuss and arrange for the purchase of the raw material and the sale of the manufactured article? A. I never attended but one meeting. The discussion at that time was the mere fact of recommending changes in the manufacture and general information that would be useful for the trade generally.

Q. Of course an association formed would naturally attend to the purchase and manufacture and sale and purchase of barley? A. I don't know of any rule applying to the purchase and sale of any grain ever having been discussed by any of the associations on the other side.

Q. And you were present at only one meeting and that meeting was devoted to a special object? A. Yes.

Q. Had you the constitution of the association? A. Yes; I have read it over.

Q. Have you a copy of it? A. No; I was not a member, I am not a member.

Q. You have contributed to the funds? A. Our firm has.

Q. The members of your firm? A. My father was a member.

By Mr. Guillet :

Q. Then as to the duty on malt and barley; when was the duty on malt and barley changed in the United States? A. On malt about four years ago, I think.

Q. You had representations made by the maltsters? A. Yes; there was an agitation. The money was used in this agitation.

Q. Were you maltsters on the other side at that time? A. Most of our malting was done on this side.

Q. You had stock in these malting establishments? A. We had no stock.

Q. You are a part proprietor? A. Not at that time in the United States.

By Mr. Bain :

Q. What effect had the change on the malting trade here, was it decreased in quantity? Yes; almost entirely. A. We do some malting business on this side, but not very much.

Q. The tendency then of these changes was to take the malting over there and ship the barley? A. Yes; entirely.

Q. Then I suppose in speaking of the recent changes placing barley and malt—will that change be likely to operate, supposing it was carried out, to the loss or gain of the maltsters, or would it be to their injury? A. It would materially benefit every farmer and manufacturer in this country engaged in barley. There seems to be something superior in the quality of our barley, particularly with regard to Lindsay and round there, for making lager beer, and they will take it.

Q. Is it of greater value? A. Yes.

Q. The beer is of better shade? A. It is more brilliant.

Q. You say it would be in the interests of the producers and manufacturers of barley? A. That would be the maltsters, yes.

Q. They would gain? A. Yes.

Q. The malting trade is very large in Canada, and I was anxious to know whether it would be to their loss, because I would be sorry to see the malting trade lose.

By the Chairman :

Q. Do the Americans come over here to buy barley? A. Not as a rule, we go there to sell it.

Q. Are they anxious to have our No. 1 barley? A. Yes.

By Mr. Guillet :

Q. The supply is insufficient over there ? A. Yes.

Q. They must have it ; the fact is they must have it ? A. They buy it.

By the Chairman :

Q. Is it your experience that if they cannot get it less than 75 that they will pay that ? A. Yes ; our price is regulated here entirely upon the extent of the crops and at a reasonable difference between their own and ours they will take it ?

Q. There is always a demand for as much and more of No. 1 barley than we can raise ? A. There is always a demand for it.

Q. I understand there is not enough barley produced to make malt enough for all the beer that is made over there, they frequently make it from corn and rice ? A. Well, that is to make it cheaper.

Q. It is not equally as wholesome as beer made out of barley ? A. No.

Q. Has the consumption increased or decreased ? A. In the United States it is increasing.

Q. Have you handled any of their barley ? A. New York State barley has been very high.

Q. Chemically as well as in appearance ? A. So I have considered. Our limestone soil in Ontario seems well suited for it.

Q. How will it be in our Canadian North-West Provinces ? A. We have handled a good deal of that this year and malted a good deal and I have heard the expression made use of by a good many brewers that it gives satisfaction. That brilliancy however that I spoke of before is lacking.

Q. There is a shade in the color ? A. It gets cloudy, as they call it.

Q. Otherwise it is strong ? A. Yes.

Q. That may be overcome as the land gets works down ? A. That is not the experience of the Western States.

Q. That they do not improve by cultivation ? A. No.

Q. The soil retains these peculiarities ? A. Yes.

Q. Your opinion is that there will always be a brilliancy about Ontario barley that will make a demand for it ? A. Yes.

By Mr. Guillet :

Q. I understand that ale made from Canadian barley will keep longer than ale made from American barley ? A. That is generally accepted as being correct.

Q. It improves with age ? A. Yes.

Q. Then they practically must have our barley for their best quality of ale ? A. They buy it.

Q. They cannot do without it as long as they make the finer qualities of ale ? A. Yes ; they buy it for that.

Q. It is not a matter so much for the light qualities of ale ? A. No.

By Mr. Bain (Wentworth) :

Q. What is the appearance of ales made from corn and rice ? A. That is one reason why it has grown to be so popular on the other side. Corn and rice give it a brilliancy which counteracts the cloudiness of their own barley.

Q. Then they mix to secure that ? A. Yes.

Q. Are there any drawbacks in other respects ? A. I do not know.

Q. That is a chemical question ? A. Yes.

By the Chairman :

Q. One question I would like to ask is this:—You say there is no arrangement by which prices are regulated between the Canadian buyer and the American buyer in Canada ? A. No, sir.

Q. Do two or three or more meet together to your knowledge to make any arrangement about prices ? A. No.

Q. So as to control the Canadian market or a large portion of it ? A. It would be impracticable. It would be positively impracticable.

By Mr. McKay :

Q. Is there any understanding before the barley buying season commences as to what price the Americans will import for? A. No; there may be a matter of opinion only.

Q. Is there any discussion about it? A. Nothing more than by persons meeting informally in business.

By the Chairman :

Q. Then you do meet informally? A. We happen to meet although there is no meeting called particularly to discuss that point.

Q. You certainly have some discussion before the season commences? A. Each man may have his own opinion and give expression to it.

Q. That opinion is given? A. I would have no objection to stating it at any time.

By Mr. Bain (Wentworth) :

Q. Every time you meet a customer over there you talk about prices? A. Yes.

Q. But you do not meet to discuss prices? A. No.

By Mr. Guillet :

Q. You discuss what quantity of barley the crop will probably yield? A. Yes.

Q. Do sellers go over to meet buyers in Oswego and New York to obtain information of that kind? A. Yes.

Q. And prices are based on that? A. Yes; on the supply and demand.

By Mr. Bain (Wentworth) :

Q. Do you find the estimates of the Bureau of Industry to be of any use in this case? A. No.

By the Chairman :

Q. Not accurate? A. They give a larger quantity of barley than the exports over the consumption will show. We cannot rely on them.

Q. How many bushels of barley would your firm handle last year? A. I have not made it up accurately, but I should think about 2,000,000 bushels.

Q. Did you sell any of that in Canada? A. Yes.

Q. What proportion? Q. To dealers in Canada probably 250,000 bushels—the shippers.

Q. But to brewers? A. To brewers, that would not amount to—

Q. What do you mean by shippers? A. Other shippers.

Q. Then one-third of your product goes to malt houses in the United States? A. Yes.

A. What portion of the States do you get the balance from? A. All the way from Missouri eastward.

Q. You send some to New York and Boston? A. Yes, and Philadelphia.

Q. Where does it go to? A. Chicago, Milwaukee and St. Louis, are the principal buyers. We send more to St. Louis than to any other city.

Q. In speaking of malting what proportion do you send west of Detroit? A. That varies very largely according to their own crop. This year our own sales in St. Louis would be small, probably not exceeding 100,000 bushels. Last year and the year before we sent a larger supply, probably 250,000 bushels to St. Louis alone.

Q. And Chicago? A. It is also a large buyer.

Q. Do you send as much to Chicago as you do to St. Louis? A. No.

Q. What about Milwaukee? A. It usually takes large quantities, but during the last year it has taken a small quantity.

Q. What about your brother dealers? A. Three years ago there was quite a large quantity of Canadian barley went to Milwaukee. We sent some ourselves; but they seemed to be better situated for getting the superior quality of North-West barley than other states. Wisconsin produces very fair quality of barley, and, since the introduction of corn and rice, although not desirable, they are used.

Q. They mix rice and corn? A. Yes.

By Mr. Guillet :

Q. They are growing barley to some extent in Michigan? A. Yes.

Q. Yet Canadian barley goes there? A. Yes.

Q. The American farmers objected to the duty being taken off Canadian barley from 15 to 10 cents? A. Yes; they sent petitions to Congress against any reduction of duty on Canadian barley.

Q. But the brewers wanted it? A. The brewers made some attempt, but still they are an indifferent class in that respect.

Q. I saw by the evidence taken before the Tariff Commission in 1882, that brewers objected to the duty on malt being raised and urged that it be removed? A. Yes.

Q. Do you know what rates are paid for barley on the north shore of the St. Lawrence at Gananoque and Brockville, and what prices are paid on the American side? A. No; we have never operated very largely down there. The great trouble with barley in that section is the want of attention by farmers in preparing for the market. It is inclined to be mixed with corn and grain.

Q. I am told that barley on both sides of the St. Lawrence is about the same price; that the same price is paid on the Canadian side as on the American, the barley being presumably of equal quality? A. I do not think that is correct.

Q. The buyers or operators in that section have stated so. Do you buy on the other side? A. No.

By the Chairman:

Q. Where do you find the best quality of barley in Canada? A. Immediately in the Toronto section.

Q. Better than the Bay of Quinté? A. Yes.

Q. Is it one of the brightest in color? A. Yes; as well as the barley immediately north.

By Mr. Guillet:

Q. What relation does the barley you speak of bear to the barley produced further west? A. I think the barley round Toronto and extending down as far as Whitby is the best grown in the Province of Ontario. You strike it very good in the Newcastle district and around Cobourg. The barley delivered around Toronto is the cleanest.

Q. Do you buy down in the neighborhood of Brockville? A. No; we do not go further east than Napanee. We used to, but not lately.

GEORGE TAYLOR, M. P., of Gananoque, Ont., grain merchant, sworn.

By the Chairman:

Q. Do you deal pretty largely in barley? A. Yes; in all kinds of grain. We handle about 100,000 bushels of barley in a season.

By Mr. Bain (Wentworth):

Q. At how many points do you buy? A. Just the one.

By the Chairman:

Q. I have a letter from a gentleman who writes and says that the barley men of Canada meet with the barley men of the United States and fix the prices, that is after harvest when the quality and quantity and so on are pretty well known, that they fix the price they are to pay for Canadian barley. Do you know of any such combination? A. I do not think any such combination exists in Canada, but I think the maltsters of the United States do meet together. The maltsters of the United States send men all through Canada just before the ripening of the crop; they go to the grain buyers and ask the probable output of that part of the country and take samples with them and then I know that they meet on the other side and the maltsters agree pretty nearly about the price.

Q. They gather pretty definite information all around? A. Yes; all around. They used to do so much more previous to the adoption of the Ontario Bureau of Statistics, but I think they are governed of late years by that report as to the quality and quantity and the probable yield.

By Mr. Bain (Wentworth) :

Q. You have not had so many calls of late? A. No; although I saw them last year in our part of the country in August.

By Mr. Fisher :

Q. Did they come to an arrangement by which they would decide what they would pay for Canadian barley? A. I do not know that there would be any arrangement except between the maltsters and brewers of the United States.

Q. Did you see any evidence. Were the prices at which you and other dealers selling the same? A. I know the first thing that they did was to fix the standards and send us over the standards and then we would see the market quotations every day, and the market quotations in Oswego are 75 cents for No. 1, we will pay 60 cents, 10 cents being allowed for duty and three cents for freight and two cents for profit, and perhaps by the time the cargo gets over there the quotations may be down two cents or up two cents.

By Mr. Guillet :

Q. Do you not deal with certain large buyers over there? A. They send us the circulars. We simply send a commission man over there.

By Mr. Bain (Wentworth) :

Q. You buy on your own responsibility? A. Yes; there is no combination among Canadian buyers.

By the Chairman :

Q. Do you live on the Canadian boundary line? A. Yes.

Q. How do prices range? A. We always pay as much to the Canadian farmers as the Americans do to their farmers. I have been buying for 25 years and I do not know of any difference. I have had to pay two or three cents more because I had competition with the Prescott brewery and I had to compete with their buyer.

Q. Are you the only buyer in Gananoque? A. Yes; but there is one about eight miles distant, and then there is Kingston, which is 18 miles on the other side. There are generally two or three buyers.

By Mr. Bain (Wentworth) :

Q. About how large an area do you draw your supplies from? A. Fourteen miles wide, east and west, by about thirty miles into the back country.

Q. How does the Canadian and American barley on each side of the river compare? A. I can never tell any difference. I know that previous to the duty being placed on barley coming into Canada I used to compete with the Clayton buyer, and I used to handle as much American barley as he did. I used to go over and look at their crops at harvest time and see that their quality was equal to ours. I sent a confidential man over and the result was that boatloads of barley would come over to my warehouse, and I paid for it in Canada money or gold on which there was a premium. I have had as much as 20,000 or 30,000 or 40,000 bushels of barley coming into my warehouse duty free. I shipped it back to the States the next day, and it had to pay at that time fifteen cents a bushel duty, and still it went in and sold for fifteen cents a bushel over American barley.

By Mr. Guillet :

Q. You made on it? A. Yes; or I would not have handled it.

By the Chairman :

Q. They paid more for Canadian barley than for their own? A. At that time in Oswego the quotations on the market price for Canada barley No. 1, was 75 cents, and for State No. 1 the price would be 60 cents.

Q. No. 1 Canadian barley and State barley No. 1? A. Yes. There was only ten cents difference last year because the duty now is only ten cents.

By Mr. Fisher :

Q. One 60 cents and the other 70 cents? A. Yes.

By Mr. Bain (Wentworth) :

Q. Are you familiar with the State barley in other sections, Mr. Taylor? A. Only in New York.

Q. Well, throughout the State generally? A. For about fifteen or twenty miles into the interior.

By Mr. Fisher:

Q. It is just as good in every way as Canadian barley? A. Yes.

By Mr. Bain (Wentworth):

Q. How is it that they make a difference of ten cents a bushel between Canadian barley and American barley? A. They draw three lines. There is a quotation for Western United States barley and another quotation for State barley, and another quotation for Canadian barley. Western barley means that it comes from that part of the United States that they call Western.

Q. Where do they draw the line between Western and State barley? A. I think it is east of Buffalo.

By Mr. Fisher:

Q. What are the prices of those three kinds? A. Western is cheaper than State barley.

Q. How much? A. Well, it varies from 5 to 10 cents. Western is that much less than State barley.

Q. And Canadian? A. The Canadian leads the State barley by the duty now. It used to lead it 15 cents. Of course, if you look at the trade and navigation you will find that the greater part of the Canadian barley goes to the United States. They require all the bright barley for their lager beer. Their western barley will not make lager beer, but is used for the heavy beer and ales.

By Mr. Bain (Wentworth):

Q. How far east does the line extend for State barley? A. State barley covers all the States growing it. I believe it is the maltsters that regulate the price, and that they say "we will pay so much for Western. We must have Canadian barley, but it will not do to let our people know we pay more for the same grade of barley because it is grown in Canada."

Q. How is barley cleaned in the United States? A. I think American barley is better cleaned than that from the east of Cobourg and Port Hope. I think west of Port Hope it is better cleaned. All that is sold on the Toronto market, which is east of these places, is better cleaned.

Q. Do you grade it? A. Yes; but our farmers do not clean it. Westward, however, is different, from the fact that if you go into the Toronto market there are inspectors who grade it instead of the buyer.

Q. Unless a sample is very bad you do not dock the farmer on the price? A. No; if it has the color.

By the Chairman:

Q. You make a difference between number one and number three? A. Yes; the color makes the difference.

Q. In the case of the farmer who sells on the Toronto market, there is no one inspects his barley. A. Yes; every lot that is sold is inspected. He sells on his grade ticket there.

Q. I understood it was only car lots? A. No; as I understand it every farmer gets his ticket when his lot is graded.

By Mr. Bain (Wentworth):

Q. You grade on color? Q. Yes; and weight.

Q. Then if the barley weighs lighter you pay him less. A. Yes; if it weighs under 48, because the standard in Oswego is 48. They use the Winchester bushel there, while we use the Imperial. If barley here would only weigh 46 it would be thrown into number three, no matter what the color might be.

Q. Do you clean it much? A. We generally handle 10,000 bushels to 25 or 30 bushels of blowings.

Q. That is what keeps the farmers up to placing nothing in but barley, because below that weight it would be docked? A. Yes.

By Mr. Guillet:

Q. Have you bought barley in Cobourg? A. No.

Q. Mr. Mathews gave evidence that in that neighborhood and in the County of Northumberland the barley would grade almost equal with Toronto? A. I do not know where the line is, but it is west of Kingston somewhere.

Q. You think the grading has something to do with the cleaning? A. Yes; I wish we had an inspector.

Q. There are a number of farmers who think if they get rid of a few pounds of dirt in their barley they are making money? A. Yes, sometimes they put the dirt in the centre of the bag.

Q. That system of buying prevails eastward all the way through? A. Yes, as far as I know. When I was speaking on this question in the House I gave figures from the quotations of the 8th November, 1881, when the duty in the United States was 15 cents, and if you will refer to that paper you will see that No. 1 Canadian was \$1.15, while No. 1 State was \$1. After that, the duty was lowered from 15 cents to 10 cents, and the official quotation was 75 cents for No. 1 Canadian and 65 cents for No. 1 State, just the duty difference. That is the New York quotation.

Q. That is the New York city quotation? A. Yes; and if you will look at the papers after the duty was reduced, you will find just what I say, that there was just 10 cents of a difference between all the grades of Canadian and State barley.

Q. Does the western barley find its way into competition with Canadian? A. Yes; I saw samples of western barley on the board at Oswego last year. It seems to be about as good but it does not carry the color as well, but for ales I do not think it would affect the quality of the malt any. Still I have been in Oswego when a man who had bought his barley at Clayton as bright in color as mine, so that you could not tell the two barleys apart on the board, yet mine sold for 15 cents more a bushel than his.

By Mr. Bain (Wentworth):

Q. It is quite possible if you took the whole production of the State and put it against the whole production of Canada, there would be some difference? A. I do not think so.

Q. How do you account for the price being reduced? A. The maltsters got the credit of reducing it. I think the maltsters and brewers regulate the price. They say we will pay so much; we will pay so much for our barley here which cannot get out unless it goes to England. We will buy it at export prices; but in place of allowing Canadian barley to go to England, we will say it is a better barley than State barley, because it is grown in a northern country. I think, however, it is only to satisfy their own people that they say the quality is better.

By the Chairman:

Q. If they could get a sufficient quantity of the bright barley there? A. They would not give us the duty.

By Mr. Fisher:

Q. If their barley was as good as ours, why shouldn't they buy all their own first? A. They do, and buy all of ours as well. They say: "we will buy our own as long as it is on the market," and they do buy State barley as long as it is there.

By the Chairman:

Q. The combination prevents prices going up there? A. Certainly.

By Mr. Bain (Wentworth):

Q. The duty on malt is per bushel? A. Yes.

Q. It is not so much per cent.? A. I think not.

Q. Yes; when barley came down maltsters had the advantage? A. I think it is per bushel on malt. They raised the duty on malt.

Q. At that time the brewers wanted malt free? A. I have paid as high as \$1.75 for barley.

Q. That was the time our maltsters had the good times. It is the time the malting business grew up in Canada? A. Yes.

Q. If barley came down to 60 cents and the malting duty was fixed at a percentage on the assumption that barley was \$1.10, maltsters had a decided advantage?

A. I do not think any better investment could be made than to buy up the Canadian crop and hold it; because the Americans must have it.

By Mr. Guillet :

Q. They use rice and corn to make up for it. A. Yes.

By Mr. Fisher :

Q. What proportion of Canadian and State barley is sold in Oswego? A. The great bulk of Canadian barley instead of going to Oswego goes direct to New York. If we cannot strike a customer in three days or in ten days in Oswego they charge us $1\frac{1}{2}$ cent for ten days in the elevator, and another five days 1 cent, while 3 cents will carry us to spring; generally if we do not get it at the first limit we put it on a canal boat and send it on to Albany and New York.

Q. Oswego is not a competing point, it is a point at which you meet buyers? A. That is it.

Q. You cannot tell what proportion of barley goes east? A. I have a table showing the receipts of Canadian and State barley, but still the great bulk of the Canadian barley goes to Albany.

By Mr. Fisher :

Q. Are all the maltsters in the United States in the ring or combination? A. I think so. It is to their interest to do so.

By Mr. Bain (Wentworth) :

Q. Can you tell what per cent. of other articles are coming into use on the other side? A. I think they malt a good many oats.

Q. I have understood that there is a growing consumption of other articles? A. Every year they are using more; but they cannot make the lager beer only out of our bright six rowed barley.

Q. Have you ever shipped any to England? A. We have sold to go to England; sold at Montreal. It is 10 or 15 years ago, however, when this section grew two rowed barley altogether. The English people prefer it. It makes the heavy ale, and for feeding purposes they like it best. We sell it in Montreal for export.

Q. Did you sell bright barley or dark? A. The great bulk of it was two rowed barley. We have got out of that however and grow barley suitable for the requirements of the United States.

Q. Were the shipments satisfactory then? A. Yes; we generally sold at a profit in Montreal, better than we could get by sending to the United States.

Q. But you have had no dealing direct? A. No.

Q. That business has died out? A. We had offers last year, but whether it was for the Montreal brewers or not I do not know.

Q. You could do better on the other side? A. I do not like shipping to Montreal. I do not like the boats. We cannot block; we must keep it going out at one end as fast as it is coming in at the other.

Q. I suppose your season is the year ending October? A. Well, practically. However we try it when freights are low and insurances low.

Q. It does not appear to have been the case this winter, I see the prices have gone up? A. They have gone away down now, the bottom has gone clean out of it, I think there was a corner and I think it was bust.

HOUSE OF COMMONS, OTTAWA, 8th May, 1888.

PATRICK KELLEY, Blythe, Ont., sworn.

By the Chairman :

Q. Is there much doing in the egg business in your part of the country? A. Yes; that is a business that we are taking a good deal of interest in as farmers.

Q. Could you tell the Committee what you know or have learned about the operations of an association in that business? A. Within the last 6 or 8 months a question has arisen as to a supposed combination that exists in the egg business in that western section of the country.

Q. There is a combination? A. That is how we understand it.

Q. How do you understand its operation? A. We understand it in this way: We see it talked about in the newspapers and articles written on it, and in fact, although I did not speak to Mr. Wilson, who, I believe is at the head of the combination—he is president if I remember right—I have been led to believe upon good information that a combination does exist, and that he is the prime mover in that combination. That is how I understand it. If I had thought you were going to call me here I should have brought some more definite information upon this question.

Q. What are the operations of this egg association. What are their objects as far as you know? A. Their object as far as I can learn and understand is to keep down prices, that is to keep the price to suit themselves.

Q. How do they accomplish that? A. I learned from a friend of Mr. Wilson's last fall. If I remember rightly it is either at Orangeville or Mount Forest that he has a branch and this man was in the County Council last fall and we were talking about it. He said: "I am going to attend to this business for Mr. Wilson." I was asking him, and I said: "Does he cover the whole section of the country?" and he said: "Yes; he runs over a greater portion of it." He has another man attending to it now.

Q. How do they regulate prices? A. I am led to believe that they do it in this way:—For instance in the city of Toronto they have an agent and he keeps a stock of eggs on hand and if eggs get scarce in the market at any time he suddenly throws a quantity on the market for that time and prevents the price from going up. I did hear about some other places but I cannot recollect it now. As I did not come here to give evidence I cannot tell.

Q. The fact is then that whenever eggs get scarce they send in a quantity and pull down the price? A. Yes; whenever a scarcity exists to keep the price at a certain figure.

By Mr. Bain (Wentworth):

Q. What is the object of that? A. I understand it in this way: if prices were allowed to go up in Toronto, when the agents went through the country to buy eggs from the farmers and their wives and daughters it would instantly raise the question with these persons who are buying for Mr. Wilson as to whether he was paying too low for the eggs as compared with the city.

Q. How do they make their profit on the eggs when they buy them? A. He ships them principally to New York and has done so for years and years.

Q. And the object is to keep the prices low so as to buy for the shipping market? A. That is the way I understand it. He told me several times where all he ships to and I know he does a very large business; certainly the largest in that section of the country. He takes in a whole section of the country and they ship immense quantities.

Q. I want to know the reason why they tried to depress the price? A. Well that is it.

HOUSE OF COMMONS, OTTAWA, 9th May, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

R. C. CARTER, of Kingston, Ont., sworn.

By the Chairman:

Q. What is your occupation, Mr. Carter? A. I am manager of several branch railways and steamboat companies, and am also in the forwarding and other business.

Q. You have had something to do with the coal supply of the city of Ottawa? A. Very little, sir.

Q. Not as much as you wanted? A. Well, we put a little in here last year.

Q. You have heard some statements made by the Ottawa coal dealers. I understood you wanted to dispute the statements that had been made by some of them? A. Well, with reference to what particular?

Q. Mr. Butterworth's statement? A. I might state briefly that last year we thought of selling coal in Ottawa and we were rather late in coming here to complete arrangements and I was also anxious to have some of the coal come over the Canada Atlantic. We had some other business with that road. I think word was sent to me by the coal association here that they would like to see me and they said that they would take a certain portion of coal from me if I was satisfied for the present to wholesale it.

Q. You were making arrangements before that to retail it to the citizens of Ottawa? A. I have explained that we were a little late in getting in, what with delays and one thing and another we had hardly time to arrange. As I mentioned, I waited on them, I think it was at their request, and it was proposed that for the present they would take a certain portion wholesale if we would be satisfied with that at that time. Well, I made certain arrangements then and that the coal was to come in over the Canada Atlantic. I think at that time the proposition was 7,000 tons of coal. It was understood, at least it was discussed, at the time that the coal would come from the Delaware and Hudson Company and I endeavored to arrange with the Delaware and Hudson Coal Company to take their coal as they are connected with the Canada Atlantic Railway, and for some reason or other, I really am not aware of the reason why, I did not get it. They made several statements to the effect that it was a long haul and that they were short of coal. I communicated this to Mr. Butterworth who represented the Coal Cartage Company and I told him that if they were still endeavoring to bring it from Delaware and Hudson I might not be able to get it at all and I asked him if it was not better for me to get it from other sources. He telegraphed me that it would defeat the object they were after. What I understood by that was that he was desirous of getting it from the Delaware and Hudson.

Q. Or the Canada Atlantic? A. What he meant was that perhaps we would not satisfy them. I do not know that that was what he meant but I think it was. I went again to the Delaware and Hudson to endeavor to make an arrangement to get coal in that way but I was unable to do so, and owing to Mr. Butterworth's telegram and my still looking out and endeavoring to get it from the Delaware and Hudson, it occupied a good deal of time and it became almost fall before anything could be done. I endeavored to see Mr. Butterworth, but he was not here. He was camping out or something of that kind, and I saw Mr. Ray, another member of the association, and I explained to him that I thought coal could be had by way of Rouse's Point from other sources than the Delaware and Hudson at a certain figure. He had a meeting of the company called, and told me it would be all right. I understood that I was to put the coal in according to the rules of the association on the other side, that should there be any strike or shortage at the mines they are not bound to supply any certain quantity. For instance, if you order 10,000 tons from the Pennsylvania mine and there was a strike or a flooding out or a scarcity of cars they would not be bound to supply any coal except for future delivery.

Q. Who are to be the judges? A. They are to be the judges. They have what they call a cast iron circular. Well, Mr. Ray told me the prices and I went on to supply the coal.

Q. What were the prices? A. The first lot came in at \$5.35 and \$5.60, that is for grate and egg coal \$5.35 per gross ton, and for stove and nut \$5.60.

Q. What date is this? A. I think that was for delivery in September.

Q. Was it delivered as a matter of fact? A. Well, we delivered a little later than that, but the prices were no more. I will explain more about that. That was intended for about September delivery, but I do not think it got here so early as that.

Q. \$5.35 and \$5.60? \$5.60 per gross ton is \$5 per net ton? A. I was going to explain that the first portion of the contract was supplied at \$5.35 and \$5.60. For the rest of the order I supplied it at \$5.50 and \$5.75; that was 15 cents advance on each of those other prices.

Q. That was about what date? A. Of the whole quantity supplied I think there was about 1,300 or 1,500 tons supplied at the first prices and the balance of it at \$5.50 and \$5.75. I was going to further explain that the delay in the decision of the Coal Cartage Company here at the time that they consented to take this coal, these boats were exceedingly scarce and it was very difficult to get them from New York for Rouse's Point, and immediately after, when boats were plentiful, coal was scarce and it was difficult to get the contract filled. I went on to fill the contract and I felt in the position of the coal companies, that they ought not to have exacted it from me. They asked me to fill it to the last cent, and it was delivered here in the cars at those prices, freight paid, and so you can judge what our difficulties were. We could not make any money out of it, and I thought, on the whole, that [their treatment was not generous, to say the least, but we filled the whole contract.

Q. They exacted the pound of flesh? A. They exacted it all.

By the Chairman:

Q. Have you any knowledge that anybody interfered to prevent you getting that coal from the States? A. Well, we were informed at a meeting with the Coal Cartage Company, that Mr. Butterworth had bought 1,000 tons of coal from the Delaware and Hudson Company; that is after the arrangement was made between us. The understanding was, so far as I recollect, that there would be no interference with that arrangement; that is, that we would go on and do what we could with the Delaware and Hudson. We were disappointed when we found that out; because if they were taking that by way of Brockville, there was no reason for bringing it over the Canada Atlantic. It seemed to me it was hardly fair.

Q. Mr. Butterworth brought it by the C. P. R.? A. Yes; not by the Canada Atlantic. I do not know to what extent he bought, but 1,000 tons was spoken of at that time.

Q. The C. P. R. route is shorter? A. Yes; I think so.

Q. By how much? A. I cannot without reference to the guides say, but it is a good deal shorter. Still, railways sometimes haul the coal over the longer routes for the same price. They have to in order to get the business. One of the natural connections of the Canada Atlantic is the Delaware and Hudson, and it was supposed they would receive coal that way. They have actually carried coal over the Delaware and Hudson this winter to do so. They would show they were apparently a good connection for that business and they ought to be a fair connection for this business here.

Q. Have you any knowledge of the interference of anyone with the getting of your supply of coal. You have mentioned that 1,000 tons were bought? But of course people are free to buy and sell where they like? A. I only mention that in connection with our arrangement. I do not think it was fair or generous; because we expected they would take that from us.

Q. Was that after you had failed to keep up with your understanding? A. As I remember now it was not; because a good deal of time was occupied with correspondence. I communicated with Mr. Butterworth, asking him if it would not be better to buy from some other source and he said no. And then I found he had bought 1,000 tons which would seem to disagree with our arrangement.

Q. What steps have been taken by the Ottawa coal dealers to prevent you coming in and dealing in Ottawa? A. I know of none. I think there is a natural indisposition on the part of dealers to let new men in; but I cannot point to anything they did. I might think so, but I cannot point it out.

Q. You have no evidence that you could give to the Committee? A. No, sir, I have not.

Q. Have you arranged to come into Ottawa this year to deal in coal? A. Negotiations have been had for some time, but nothing definite so far. I understand the high prices of last winter have induced several others to start in business.

Q. Have they offered you any inducement not to come in? A. No, sir.

Q. Direct or indirect? A. No, sir, they have not. The prices here I think were higher in proportion to any other town I know of; the difference I mean be-

tween the cost and the selling price. It is endeavored by most coal dealers to get a clear margin of 50 to 60 cents a ton; but it would appear that the margins were very much higher last year.

Q. Have you any further facts that you would wish to state to the Committee?
A. Nothing further that I know of. We made nothing out of our supplying the trade here last year. We ought to have made a few cents, but we made nothing. If we had been a little earlier we might have been one of the local dealers ourselves, but I do not think that we would have asked the prices that were asked here.

By Mr. Guillet :

Q. What quantity of coal do you handle? A. We handled last year nearly 60,000 tons altogether.

By the Chairman :

Q. You handled that? A. Yes; I think the actual figures were something like 56,000 or 57,000 tons.

Q. Where did you dispose of it? A. Various places throughout Ontario.

Q. Any in Toronto? A. No; Toronto has been a peculiar market and we have not had anything to do with it.

Q. Did you deliver this at Canadian ports in your own vessels? A. No; in some cases we did and in some cases we did not; just as they happened to be convenient.

Q. Did you at all the Lake Ontario ports that you sold at? A. Some went inland on the Midland Railway.

Q. What companies did you buy from? A. We buy from different people in the trade. Some years we might buy from one company and from others in the next. It does not follow that we always buy from the same.

By Mr. Guillet :

Q. You are not miners? A. No, sir.

Q. You have had no difficulty in obtaining your supplies in any quantity you require? A. No.

Q. Except in Ottawa? A. Yes; but that I explained may have arisen from the reason given me that there was a shortage of coal and a scarcity of cars and the destination being a long haul it kept the cars a longer time.

By the Chairman :

Q. There were other reasons. You had a good deal of difficulty in making any arrangement at all at first, I understood from Mr. Todd? A. Of course, I might not be able to state why these cases arose, but there were difficulties.

Q. You are not able to state what they were? A. No.

Q. Have you no idea at all? A. I cannot state anything positively and for that reason I would not say.

Q. Did you make any enquiries? A. I did.

Q. What was the result? A. It was given in this way: the same reasons came up that there was a scarcity of coal and cars and orders ahead and all that kind of thing. There are reasons that you cannot fathom and you are not in a position to do so. That is, an outsider is not.

The Committee then adjourned.

SECTION III.—MANUFACTURES.

HOUSE OF COMMONS, OTTAWA, 9th March, 1888.

Pursuant to adjournment of the morning sitting the Committee on Alleged Trade Combinations met at 7 o'clock this evening, Mr. Wallace, M.P., in the chair.

CHARLES STARK, SWORN.

By the Chairman :

Q. What is your place of residence? A. My residence is in Toronto, and my occupation that of a wholesale and retail jeweller, and manufacturer of gold and silver watch cases.

Q. How long have you been engaged in this business? A. I have been engaged 25 years in this business, that is the wholesale and retail watch business; 15 years in Chicago, and 10 here.

Q. Do you know of any combination existing in your business? A. There is a combination known as the Canadian Association of Jobbers in American Watch Movements and Cases. (Exhibit 9a.)

Q. Would you proceed now to state your grievance? A. My grievance is that prior to their organization I was enabled to buy the same as any other dealer, straight from the manufacturer, and to sell wholesale to the jobbers. That is watch movements and cases. Immediately after the organization of this association, although I had contracts existing, I was shut off.

Q. Did you buy from Waltham direct? A. Yes; and the Elgin Watch Company as well. These were the two principal factories. Although I had contracts existing with the Elgin Watch Company by which they owed me at the time in the neighborhood of 5,000 movements, I was shut off.

Q. What do you mean by that? A. They owed me that many movements to fill my contract. I had given orders dating back three and a-half years. The rule of the Elgin Watch Company is that when you put in your application you state what number of movements you want. You say, I want 200 or 300 low grades per month, and the entry for that number is made conditionally that I would take other grades which are of a higher character. Of the higher grades the condition was that I should take so many the first six months 12, 18, 24, 30, 36, 48, and so on, and that the lower grades, which were the desirable ones, and on which I made large money, those I could not get until I had taken so many high grades. I was on the eve of reaching these low grades at the time of the formation of this association, and that contract they annulled, and declined to give me the movements.

By Mr. Guillet :

Q. Why? A. Because my name was not in the association, my name was not on the list furnished by the Watch Association.

By Mr. Wood (Westmoreland) :

Q. Were they bound to deliver those? A. In honor bound.

By the Chairman :

Q. How is it they were not legally bound? A. I know I was legally bound to take them, and they agreed to sell them. The contract I was assured by one of the principal members of this association who was at that time one of my largest customers, was binding and was worth to me \$10,000. It was cancelled in consequence of the formation of this association.

By Mr. Wood :

Q. Was it a written or a verbal contract? A. The nature of the contract was that they filled out a legal form that was binding upon me, but gave me no contract in return further than the acknowledgment that they had received my order and would fill it.

By Mr. Boyle :

Q. Did you sign the orders? A. Yes; every time I signed them. The condition was that I was to place two orders a month. I have one of the forms here which will explain this. It is, Elgin Watch Company, Chicago, November 19, 1885, and reads as follows:—(Exhibit 9b.)

CHICAGO, 19th November, 1885.

MR. CHAS. STARK, 52 Church street, Toronto, Ontario.

DEAR SIR,—We are in receipt of your favor of the 17th inst., enclosing numbers of No. 13 movement for rebate, also your order for movements which you wish us to forward. You are doubtless aware of the formation of the Canadian association of jobbers in American watches, and also that this company is co-operating with that association which prohibits our continuing business relations with you, from the fact that you are not a member of that association. We have no jurisdiction as to who shall constitute its members. We are advised of its members, and your name is not included, therefore we must say that we cannot allow the rebate you refer to nor fill your order for movements. Our explanation to you may seem short and perhaps strictly to the point, but we cannot give an extended explanation from the fact that the organizing of that association there as well as the association in the United States, precludes our saying other than that we do co-operate strictly with both associations and we must abide by the resolutions of that co-operation.

Your truly,

ELGIN NATIONAL WATCH COMPANY.

Now, that covers that, I presume. They do not acknowledge there that there was a contract, but the contract did exist, and they knew it. During the time I was receiving the goods on this contract I was supplying members of this association, the principal men in it, in Montreal and Toronto.

By the Chairman :

Q. How was this contract worth \$10,000? A. They owed me 5,000 movements for future delivery. You see they entered for future delivery six months, 12 months, 18 months, and so on. The object was this, to make you buy high grades, on which they made a very high profit, and to make you push those until you could get to the low grades. Now it was on these low grades we made large money. It referred to what is known in the trade as movements 6, 7 and 13. I could have sold them at a very large profit, and was selling them.

Q. And you had taken a large number of the high grades? A. I had nearly \$10,000 worth of high grades and I was choked up; I was impoverishing myself in order to reach the low grades.

By Mr. Wood :

Q. If I understand you aright it was what we would call an order to the company, rather than a contract? They were not bound to deliver them? A. I did not say that they were, but I was obliged to take them. On failing to take them I would be immediately cut off. It was a penalty, and a very severe one. The penalty, however, that I refer to was that they would cut me off from their list unless I joined this association. These movements were so important to the jobber that he could not do his business without them. They were the sugar of the watch dealer's trade. I had made a specialty of the Elgin. I was in Chicago at the time of the formation of this company, and purchased nearly the first or second bill that they sent out, and have been with them always, and sold all their goods very largely.

By the Chairman :

Q. What is the next letter? A. Of a more recent date. They sometimes get out new styles, and if these are not desirable they are dropped. They are discon-

tinued, and then they are outside the company, and they will allow the jobbers to sell them. I thought possibly they would make some special movements for me, and I wrote them asking if they would accept an order for 5,000 movements, but they declined to accept the order, and assigned the same reasons as before.

Q. This letter you have read referred to movements, and not to cases? A. The Elgin Company do not make cases at all. Now here is a letter of recent date. I wrote them asking them if they would entertain a proposition from me. I wrote them making a proposition for 5,000 movements, grading them and sorting them so that they might suit my convenience, and this is their answer:—(Exhibit 9b½.)

CHICAGO, 16th January, 1887.

(Mr. STARK.—This date should be 1888.)

CHARLES STARK, Esq., Toronto, Ont. :

DEAR SIR,—Replying to yours of the 14th instant, would say that it would be impossible for us to accept from anyone an order for 5,000 movements to be specially engraved, from the fact that we are unable at the present time to produce in sufficient quantities to supply the demand. Considering your proposition from other standpoints, that we should manufacture this line of movements for your account, to be shipped through the jobbers' association, you greatly misjudge us if you think we would conduct our business in a manner which would necessitate the action being kept very quiet and confidential. We agreed to co-operate with the jobbers' association, and have in every instance lived up to our pledges of co-operation, and we fully believe all our customers can vouch for our adherence strictly to our pledges, and we fail to appreciate your inferences pertaining to a quiet and confidential business.

Yours truly,

ELGIN NATIONAL WATCH COMPANY.

I had good ground for writing that letter. I believe that they do clandestinely a good deal of business, and do not keep up to the contract; that they have branches outside, and sell to dry goods and other houses. I also wrote to the Waltham Watch Company, and here is their answer, dated 12th January, 1883.

By Mr. McKay :

Q. Have you your original letter book here? A. No, sir, not here, but I could send it to you. This answer will cover it. (Exhibit 9d.)

BOSTON, 12th January, 1888.

Mr. CHARLES STARK, Toronto, Ont.

DEAR SIR,—Yours of the 9th in regard to special named movements has been referred to us for reply.

We should be pleased to make the same for you, but as we are unable to sell you direct, it would have to be done through some jobber who is a member of the Canadian association, and as we deal with the following houses in Toronto, we would respectfully refer you to any of them.

Messrs. P. W. Ellis & Co.; Messrs. Lee & Chellas; Samuel Frenkel; the Goldsmith Company; Edmund Scheuer.

Trusting that we shall soon hear from you in regard to the same,

We remain yours truly,

ROBBINS, APPLETON & CO.

Both these houses have declined to accept my order. These orders meant \$30,000, and there is no jobber in the association to-day able to handle those goods. Their business is not large enough. Their contention is that I am only a small retail house, and am not entitled to the courtesies and privileges of a wholesale house. My sin is not that I retail, but that I publish a catalogue and establish prices for well-known numbers and styles: Broadway, &c. These are styles that I advertise and put the price on them, and they complain that the retail dealer cannot

get any price above the price that my catalogue establishes. So you see that my sin is not that I retail, but that I publish a catalogue.

By the Chairman :

Q. Have you applied to be a member of this Jobbers' Association? A. No, indeed; I do not want to be with them. I endorse what those gentlemen said who preceded me. I understand that when I buy and pay for goods I have the right to do as I like with them. I conduct my business on a fair and honorable principle. My business now is this: I have in my employ fifty hands, twenty-nine in the factory, five watchmakers, and with the clerks this fifty is made up. My present production is 150 cases a week, and up to the present time—and there is always some difficulty in starting a new factory—I have turned out between 3,000 and 4,000 cases. My present production is 150 a week, and up to the present, from the time of starting, I have turned out between three and four thousand cases. My production averages 150 a week, and with machinery which I contemplate getting I can turn out three times the quantity for the future.

By Mr. Guillet :

Q. Are you debarred from getting the cases at any time? A. Yes; they forced me into the manufacture after the formation of the Jewellers' Association. We have had one factory known as the American Watch Case Company in Toronto, and up to that date I drew my supplies from that. I was one of their largest customers. Then the case companies in America gave them opposition, as I understood, and said if they did not come into their combination that they would send over to Canada and manufacture and freeze them out. This is what they told me and I presume it is so. So they affiliated with the American combination of case makers and the members of this Canadian Jobbers' Association became members of the association in America, or in the United States rather, and they dovetailed the work into each others' hands, so I was then cut off from supplies there and it forced me into the manufacture. I had no alternative. My business was suspended unless I did so.

By Mr. Guillet :

Q. Was the duty increased on cases? A. Yes. It used to be 20. It is now raised to 25. The duty on movements has been lowered which makes it about the same thing. The duty on movements is now about 10.

By Mr. Boyle :

Q. The disability you are now under is in getting your movements? A. Yes.

Q. You have overcome the difficulty in regard to cases? A. Yes; I have overcome that, but they have given the screw another turn, and that is that a movement shall not be sold without the case, and this has placed my factory worthless. It destroys my business. They have destroyed it effectually.

Q. Who has done that? A. The association in America—in the United States.

By Mr. Guillet :

Q. What control could we have over that? A. Control these men that affiliated with them. They were going to carry out a measure for that purpose. I obtained an injunction stopping them from passing that law.

Q. If the association in the United States refused to send movements without cases. They have an association there? A. They have an association there.

By the Chairman :

Q. Established at the instigation of Canadian jobbers? A. No, sir. There is a man in Cincinnati named Duber, a large manufacturer, employing somewhere about 2,000 men, a man worth \$6,000,000. He made himself disagreeable to those men and it was to bring pressure upon him that this law was passed. They passed that law to freeze him out. The society's books here will give you all particulars and give you all the information about it. Now they write a letter which you have there to this association here asking them to pass the same. Now this is a letter-press copy that was sent by the National Association to the Canadian Association of Jobbers in American watches:—(Exhibit 9e.)

"SECRETARY'S OFFICE, etc., 20th February, 1888.

"A special general meeting of the association will be held on Thursday, 1st March, at 11 a. m., in the secretary's office in Toronto, for the purpose of considering what, if any, action shall be taken in relation to the following telegram received from James H. Hayes, secretary of the National Association:—'We have adopted the following new rule and recommend that your association take the same action, namely: No jobber shall be allowed to sell any American movements without cases or at least as many cases of same kind as movements, must be sold in each bill,' and also to consider other matters appertaining to the watch-case company." Now this meeting I obtained an injunction for stopping. (Exhibit 23a and b.) If that law is passed my factory is stopped and is rendered worthless.

By Mr. Wood (Westmoreland):

Q. That telegram is from where? A. The association in New York.

Q. To the Canadian Association here? A. Yes; Edgar A. Wills is the secretary of this association in Toronto.

Q. Your injunction prevented the passage of this? A. Yes, sir. They were sitting and debating when this injunction was served.

By Mr. Bain (Wentworth):

Q. Things stand at present under that injunction? A. Yes sir. I have been examined on this question and it has been postponed for further examination.

By the Chairman:

Q. The effect of this is to kill that manufactory in Canada? A. Yes, there are three case factories in Canada. Two are in the ring, and I am not, so it applies directly to me and does not affect anybody else. The retail jeweller, if he buys a movement, he has got to buy the case and I manufacture the cases.

By Mr. Guillet:

Q. You say there are two other manufacturers in that ring and they would be affected? A. No, not in case they are in the ring.

Q. They must buy as many cases? A. Oh, yes; they can buy movements.

Q. I understand jobbers must buy as many cases as movements? A. You will understand that the case factories here are not jobbers. They don't sell movements, I manufacture the cases and I deal in movements also. Now, the American Watch Case Company makes cases simply. They don't sell movements.

Q. What would be the use of the cases without movements? A. The jobber shall not sell. The case factory and the movement factory are two different things. The members of the Canadian Association can buy separately but they shall not sell the cases without a movement.

Q. Wherever they get their cases they get their movements? A. That is to say: "If you go outside to buy your cases, you cannot get movements from us."

By Mr. Wood (Westmoreland):

Q. If your injunction prevails then will you be in a proper position then? A. It is still in court.

By the Chairman:

Q. The injunction is temporary, pending examination? A. Yes.

By Mr. Wood (Westmoreland):

Q. Suppose the injunction succeeds and you prevent the association from carrying out this order? A. I am in just the position I was in before so far as the manufacture of cases is concerned. It does not give me the privilege of buying the movements from the factory.

Q. You would still be in no better position then? A. I cannot buy movements direct from the factory.

By Mr. Macdougall (Pietou):

Q. Any movements made in Canada? A. No, sir.

By Mr. McKay:

Q. You can buy movements from the wholesale men and jobbers, can't you? A. Yes; by paying their profits. They were my customers and they turn round

now and say you have to pay us. You are only a retail man. To-day I have more stock in my vault than a dozen of these men carry. There are also in this association men who could carry their stock of movements in their pockets.

By Mr. Guillet :

Q. They merely act as commission jobbers? A. There is no commission on movements, one jobber can sell to another.

By Mr. Wood (Westmoreland) :

Q. How do you account for American manufacturers of movements preferring to sell to jobbers rather than to you if your trade would be larger and worth more? A. They have cut me off. I am not a member of their association. Their contention is that a member of the association shall not publish a catalogue, so that if an outsider goes into a retail store he cannot be skinned beyond a certain amount. The complaint of the retailer is that he cannot get beyond my catalogue price. That is my offence—not that I retail, but that I establish a price.

By Mr. Wood (Westmoreland) :

Q. Why do they object to that? Can you give any reason for it? A. The reason is simply that they don't want a price established for the goods.

Q. They must have some reason? A. The reason is that the retailers object to that.

By the Chairman :

Q. I suppose the reason is if the retailers sell for a high price they have a better chance of getting their pay—a larger margin? A. Yes.

By Mr. Guillet :

Q. Did you say there was one manufacturer on the other side who would not enter into that combination? A. He was part of the combination, and has just withdrawn.

Q. Is he a maker of movements? A. No; he makes cases. This was got up for the purpose of freezing him out and punishing him for not stopping in the ring.

By Mr. Wood (Westmoreland) :

Q. How can this matter be righted? What is the remedy? A. One way is to do as these other gentlemen have explained, to make that illegal. It is conspiracy to form these associations. I would make them illegal—combines, trusts or the boycott. I have no objection to these gentlemen agreeing among themselves what they would sell their goods for. The objection is that they go to these jobbers and say: "You shall not sell to this man," or come into my place and say: "You shall sell these goods at certain prices."

By Mr. McKay :

Q. Can we make a law to prohibit the American manufacturers from selling as they like? A. They can make a law against combining here. They are making a law now in the United States and they are enforcing that in different States. The thing has got to be such an abuse and nuisance that they are taking it up, and it is only a question of time when it will be general in the States that these things will be squashed. These are the by-laws of the Canadian Jobbers' Association. Here are the conditions: An applicant for membership must be possessed of a good moral character and must make affidavit:

"(a.) That he is engaged or about to engage, legitimately, in the wholesale watch business.

"(b.) That he will make a first purchase of not less than \$2,000 worth of combination goods."

That is very arbitrary. That simply meant that a man cannot start business unless he buys \$2,000 worth of goods.

"(c.) That he will not use the goods so purchased in any way to defeat the expressed objects of the association, as set forth in the constitution and by-laws.

"Sec. 3. The annual dues of the association shall be \$25, payable in advance.

ARTICLE IX.

"Each and every member of the association convicted of a violation of the constitution or by-laws, shall forfeit to the association the sum of \$500, and shall be

expelled from membership; and that each member be required to sign an agreement embodying this by-law."

If a wholesale man violates the prices he is subjected to the penalty.

By Mr. Bain (Wentworth):

Q. Do they fix the retail prices as well? A. No, sir.

By the Chairman:

Q. They have to take an oath on joining the association? A. Not on joining it, but as often as they are called upon, and one man who has sold me goods, I am informed, has been called upon on four different occasions by this association and compelled to make oath that he has sold me at the price that the goods were charged in his book. Of course they have access to his books at all hours of the day, and that he has sworn four different times that he has not sold me the goods otherwise than at the prices charged there.

Q. Is it fixed what profit they shall have? 5 per cent. to the jobber? A. From the jobber to the retailer their profit is from 10 to 15 per cent. It depends upon the amount, whether a man buys for cash or time. In my examination for two hours in Toronto in the presence of these gentlemen who are here—I take it for granted their purpose here is precisely the same as it was there. I was examined for two hours and five minutes altogether, when they beat around till they came to a point to fix me on oath and say: Did I buy of any man at less than the combined prices? It so happened that I did not do it at all. I did not buy goods at all. I have three buyers who buy goods so I could not speak of my own knowledge. Then they asked if these men had at any time ever told me that they could buy at anything less. That I declined to answer after my counsel objected that I should answer. The purpose I take it that these gentlemen are here is—I am on oath and I know what I say—not to go against me but against parties who have sold me, so that the fine of \$500 could be enforced upon some one and cut off his business. When he could not get goods from the factory for his business, he is ruined.

By Mr. Guillet:

Q. The association combines on principle and buy these goods from the American Association exclusively with the exception of this one case manufacturer engaged in Canada. Does that exclude the members of the association from buying movements and cases in England or Germany? A. Oh, no. It applies to American only.

By Mr. McKay:

Q. Did you ever contract with these watch companies to supply you with a certain number of movements? A. Yes, sir.

Q. Did they fulfil the contract? A. No, sir; on the contrary, they refused to on account of my not being a member of this association. They acknowledged the receipt of the order. That is all.

By Mr. Guillet:

Q. This is the clause I refer to: "Section 11. It shall be deemed a violation of contract if any of the members of this association shall purchase gold filled, silver and nickel watch cases other than manufactured by members of the American Watch Case Manufacturers' Association, and the American Watch Case Company of Toronto?" A. Yes, that is plain enough.

Q. They are only to buy from American manufacturers, thus limiting the competition? A. Yes; that is the meaning of it. That only came into my possession quite recently.

Q. "It shall be deemed a violation of contract if any of the members of this association shall purchase gold filled, silver and nickel watch cases other than manufactured by members of the American Watch Case Manufacturers' Association and the American Watch Case Company of Toronto, or shall purchase movements manufactured by other companies than those in co-operation with this association and who shall sell silver cases or watch movements at lower prices than provided in article 9, section 1, of the by-laws." That means that no one should be allowed to purchase from any other manufacturer? A. Yes.

By Mr. Bain (Wentworth) :

Q. They would hardly be able to shut off the European trade? A. No. It simply means that they shall do business with the American association.

Q. As a matter of fact, Mr. Stark, watchmakers and jewellers deal in both kinds, do they not? A. Yes.

Q. Have you any examples of large dealers fighting these American companies? A. No.

Q. They wish to protect those who go into the association? A. Yes.

Q. It would be preposterous to go against? A. They do some very extraordinary things sometimes.

By Mr. Wood (Westmoreland) :

Q. It seems to be, as I understand the agreement between the manufacturers and this association, that the association should handle their goods exclusively, Mr. Stark. Are there no other persons in the business besides yourself, Mr. Stark, who are in the same position as yourself? Do you know of any? A. There is no other manufacturer. There is a retail house doing a large business which is not in the association.

Q. Retail business; they buy from whom? A. From the jobbers.

By the Chairman :

Q. Can the retail dealers be members of the association? A. Not unless they sell to the trade, the restrictions are that a retail dealer must have a man on the road and sell to the trade.

By Mr. Wood (Westmoreland) :

Q. These are called jobbers as distinct from the retailers? A. Yes.

By the Chairman :

Q. Can a man be a jobber and a retailer too? A. Yes. Until quite recently, within a few weeks in fact, the retailer and the jobber could buy direct from the factory by paying an additional 5 per cent. I think it was, but now they are cut off, so that a man who is a jobber has to separate his business. He cannot retail and be a jobber too. That is my understanding.

By Mr. Guillet :

Q. Could you not get these movements from English or Swiss manufacturers? A. English and Swiss movements would not take the place of these, but there are several small factories in the United States that are not in the association and which retail, and we are falling back on them. I am drawing some from them, but I must get these special lines I am advertizing. I make a specialty of them. I constantly take between 20,000 and 30,000 of the Elgin and Waltham watches. They say I have done more to introduce these goods and to push them than all the others in the trade put together.

By the Chairman :

Q. You are a jobber and a retailer? A. Yes.

By Mr. Guillet :

Q. Is the Rockton Quick Time Company in the combination? A. No, sir; the Aurora also are not in the combination.

Q. Do you buy from these? A. I do from the Aurora Company.

By Mr. Wood (Westmoreland) :

Q. Are there any other persons in the same position as yourself? A. I dare say there are a great many in the States who are in the same position.

Q. Do you know any in Canada? A. I do not know of any other.

Q. You are the only person affected by this, then? A. Yes. When I came here I had been a jobber for 20 years. I do not know of any other man cut off as I am.

By Mr. Bain (Wentworth) :

Q. I suppose they expect you to pay the higher price? A. Yes. The result of this combination is such that it will shut up my business. The difference between my price and the price in Canada is 25 to 40 per cent. in spite of the duty. I am selling them from 25 to 40 per cent. less than they are selling them.

Q. Thus every man that buys a watch is interested? A. Yes; every man.

By Mr. Wood (Westmoreland) :

Q. Is your price less than the price in the States? A. Yes. There is one of my manufacture—a 11 jewel American watch (witness hands watch to the Chairman) I send that watch out for \$5.

By the Chairman :

Q. What movement is this? A. Swiss-American.

Q. And you make the case yourself? A. Yes.

Q. Is it solid silver? A. There is no such thing as solid silver. The dome, the cap, is German silver, and there is a rim of German silver, but it is what is called a silver case.

By Mr. Guillet :

Q. The movement is a Swiss one, is it? A. Yes. There is coin and sterling silver. The sterling silver is 925 out of a thousand parts of silver and coin silver is 875 out of a thousand parts. The coin silver is so called being of the same quality as our silver coins.

By Mr. Mackay :

Q. Eighty-seven and a-half per cent. ? A. Yes.

By the Chairman :

Q. What is your retail price for that watch? A. \$5 and \$4.50 by wholesale, or in large quantities. I endorse what Mr. Lightbound said with regard to the sugar business, that no man has a right to come into my store and dictate to me how I shall sell them or what I shall do with them.

By Mr. Bain (Wentworth) :

Q. What remedy do you suggest? A. The remedy is right here. Here is a law that they have passed recently.

The CHAIRMAN.—(Reading from the *Manufacturing Jeweller*, Providence, R.I.) Here is an article headed "The Great Watch Convention; what was accomplished at the recent meeting; Retirement of Mr. Hayes; A case to go with every movement; numerous little jobbers dropped; new officers elected—" and it gives the following resolutions:

"Whereas, a number of dealers have made a practice of sending out price-lists, catalogues and circulars and in other ways advertizing watches for sale to the consumer at regular trade prices or at a very slight advance upon the same, be it therefore

Resolved, that the secretary shall send the name of any dealer he discovers advertizing the sale of American watches to the consumer at less than 25 per cent. in advance of the net cash price to the retailer, to each member, and after receiving such notice it shall be deemed a violation of the contract, with penalty of expulsion, to sell or furnish any American watches to said dealers until such notice is received from the secretary that they have given him such assurances as have satisfied him that they will not offend in future.

Resolved, That any jobber who has not purchased \$5,000 net of combination goods during the past year shall be dropped from the list and ceases to be a member of this association.

Resolved, That the Jobbers' Association heartily support the manufacturers in their efforts to meet competition and firmly oppose any attacks upon themselves or any of the manufacturers co-operating with them.

* * * * *

Resolved, That no member of the Jobbers' Association shall be allowed to sell any American movement without case, *i.e.*, that at least as many cases as movements must be sold on each bill.

Resolved, That the list of special retailers be abolished, the intention of the manufacturers being to work their product through members of the Jobbers' Association only."

"The American Watch Case Manufacturers' Association was formed three years ago at about the same time as the Jobbers' Association was organized.

"About twenty of the little jobbers were dropped.

“The Manufacturers’ Association have ten members who are case manufacturers and eight co-operative who are movement manufacturers.

“One hundred and fourteen jobbers were represented in person and sixty-two proxies were filed with the secretary, so that every section of the country was well represented.

“The report of the secretary and treasurer of the Jobbers’ Association showed a present membership of 239 as against 262 last year and a balance on the right side of the treasury.”

A. The association there represents some forty or fifty mills, so that they can smash up and freeze out any man they want to. Here is a by-law that is being introduced in the State of Maryland. It has not yet become law. (Witness produced *The Watch Dial* of February, 1888).

By Mr. Wood (Westmoreland):

Q. Do you know whether there are any such laws in existence anywhere else?
A. I do not think so.

Q. Have there been any similar combinations to this in the old country?
A. No. They are of recent growth and originated in the States.

Q. Still there are combinations in Great Britain?
A. I do not think there are any combinations of this nature, it is confined to the United States and Canada.

Q. Do you mean in this particular trade?
A. In this particular trade. There are a number of combinations in the States. There is a combination existing there to-day in cartridges, and they admit that they are making a profit of 65 per cent., while they allow the jobber to make only 15 per cent.

JOHN H. JONES, Montreal, wholesale jeweller, being sworn, deposed as follows:—

By the Chairman:

Q. How long have you been in your present business?
A. I have been engaged in the watch business in Canada for nearly thirty years.

Q. Do you know of any combinations in this business?
A. Well, I may say, Mr. Chairman, that some three or four years ago, there were certain abuses which crept into the American watch movement and case trade as it then obtained in Canada. A number of people had been in the habit of importing imitation movements, some made in the States and some made in Switzerland, principally in Switzerland. These movements were put into American cases, and, although bogus, were advertised and sold as genuine American watches. There had been certain names attached to grades of movements made by the manufacturers in the States. These names had become familiar not only to the legitimate trade but by reason of the publication of price lists which were widely distributed by various jobbers. The public got familiar with the price, and we found—most of the large trade found—that that interfered with the general trade and the profit to the retailer. With a view to the correction of that, three or four of the largest dealers had an informal meeting, and discussed how this difficulty could be got over. An association of jobbers, I believe, then existed in the States, and was working very well in the States to all concerned. After some little discussion it was resolved that an attempt should be made to form a similar association in Canada, which was successful. This society was organized some three years ago last April. As I said before, a number of these bogus movements had been imported and put into American cases, and in some instances a genuine movement was put into a bogus case and advertised and sold as a legitimate American case. The public were thus deceived and paid enormous prices, paid in fact the price of the genuine article for the bogus. The gentlemen who formed the association in Canada, comprised, I think, the whole of the jobbers in the country at the time. I do not know of any that we left out. There have been several jobbers started since the formation of the society or about the time this society was started, who have more recently become connected with the society. We refuse permission to no one so long as he is a legitimate jobber of watches and watch movements.

By the Chairman :

Q. Do you except Mr. Stark from that statement? A. We would be glad at any time on application to receive him.

Q. You said no jobbers were outside of the association at the time you formed it? A. Mr. Stark is not a jobber. He is a retailer in the strictest sense of the word. I think he has acknowledged that himself.

Mr. STARK.—No, sir, I sell wholesale, and have done so.

Mr. JONES.—I must have misunderstood you then.

Q. Furthermore, Mr. Stark said he supplied many of the members of the association? A. I am not in a position to contradict him, because I do not know; but I am puzzled to know who it would be. I believe every jobber, every legitimate jobber in the country is a member of this association. This is my impression; I may be wrong. If there is one out I do not know him. Every legitimate jobber in American watches and movements is a member of our association.

Q. What do you call a legitimate jobber? A. One who does a jobbing business only.

Q. Do all your members confine themselves to jobbing? A. Two or three are jobbers and also retailers.

Q. They would be in the same position as Mr. Stark? A. Yes; the same position. If necessary, I can give their names. I do not speak at random in this matter. I have been connected with the association since its formation. I have been officially connected with it, and now president of the association, and know the working of it intimately.

By Mr. Boyle :

Q. You have heard Mr. Stark's statement; is there anything you wish to controvert? A. Yes; there are some points to take up. I would be glad to explain any of the by-laws.

By the Chairman :

Q. Is this your constitution? A. Yes; that is a copy of our by-laws and constitution.

By Mr. Wood :

Q. How do you understand that clause which Mr. Stark referred to about selling American movements or cases and no other? Are members of the association precluded from dealing in any other watches? A. No, sir. Jobbers can buy watches wherever they choose. I buy watches in the States. I buy watches in Switzerland—both cases and movements.

Q. How do you account for article 11?

The CHAIRMAN.—It reads: "It shall be deemed a violation of contract, if any of the members of this association shall purchase gold filled, silver and nickel watch cases other than manufactured by members of the American Watch Case Manufacturers' Association and the American Watch Case Company of Toronto; or shall purchase movements manufactured by other companies than those in co-operation with this association, or who shall sell silver cases or watch movements at lower prices than provided in article nine, section one, of by-laws?" A. I may say that that by-law has exclusive reference to American cases. These so called gold filled cases are not made in this country, and at the time that was put in about buying only from the American Watch Case Company, Mr. Stark was not making cases for the trade.

By the Chairman :

Q. Would it be a violation of your constitution or regulations if any member of your association should commit the crime of buying watch cases from Mr. Stark? A. Well, no; I think not.

Q. Then what is the meaning of the 11th clause? A. We had the liberty to do so, I think.

Q. "Or shall purchase movements manufactured by other companies than those in co-operation with this association, or who shall sell silver cases or watch movements at lower prices than provided in article nine, section one, of by-laws." Mr. Stark

says there is no other company? A. Another is the Montreal Watch Case Company, so far, and yet there have been cases sold to jobbers from that company.

Q. What is the meaning of article 11? A. When this article was passed there was only one manufacturer in existence at the time.

Q. But this is amended January, 1888? A. Well, we have had no knowledge that Mr. Stark was making these goods in large quantities.

Q. Well, a man who swears he has twenty-nine men engaged in manufacturing, and makes 150 cases a week, should not be unknown to this association? A. I did not understand him to say that he had twenty-nine men.

Mr. STARK—Men and boys, hands.

Mr. JONES—I have never seen any of Mr. Stark's cases until to-night. It is the first case I have ever seen of his, but I would judge they were not suitable for first class trade.

By Mr. Guillet :

Q. Could you enforce that penalty against any member of your association? A. I think they would require to be in affiliation.

By Mr. Bain (Wentworth) :

Q. Then that clause is in active existence? A. Yes.

By Mr. McDougall (Pictou) :

Q. Then that would preclude purchase from any other country? A. That is not the spirit of the by-law; it only refers to the United States and Canada.

By the Chairman :

Q. It evidently refers to Canada, because it mentions the company in Toronto.

Mr. WOOD—It really makes exception of any factory. The wording of that by-law does not seem to be in accordance with the practice or principles of the association.

The CHAIRMAN.—This was first passed in 1885. That is the date of the constitution. It was amended in January, 1888. That is the date of this present constitution.

By Mr. Guillet :

Q. Was that the object, of securing affiliation with the American manufacturers? A. Partly so. We were supposed to buy any watch cases that we bought in the United States from members of the association there.

By the Chairman :

Q. Suppose Mr. Stark wanted to join this association, what does affiliation mean? A. By simply making a contract similar to what the American Watch Case Company have with our association.

By Mr. Guillet :

Q. The object of the Americans is to exclude all foreign competition? A. On the contrary. This American Watch Case Company is only a name. It is located in Toronto.

Q. I am speaking of American manufacturers in the United States, who would desire a clause in the contract with you, so that they could get control of the trade in this country? A. It was so as to hold small jobbers who buy only from those who were in the association.

Q. Do you not suppose they had a further object, by keeping out all others? A. Not at all. I suppose there is not a jobber of any size who does not import Swiss watches.

Q. Still that by-law imposes a penalty? A. It was not the intent of the by-law. That point has never been raised, nor even thought of.

By the Chairman :

Q. Was that clause added in January, 1888? A. No; it was an old one.

By Mr. Wood :

Q. Was one of the objects that the American manufacturers had in view to have their particular make of watches and movements sold in such a way that no imposition could be practiced? A. They wanted their good properly marketed.

Q. As I understand it, it would be similar to this: These manufacturers might have appointed an agent for the Dominion who would be the only one who would sell their genuine make of goods, and this association takes the place of the agent for the sale of their goods.

Mr. GUILLET.—It is when bogus goods were coming from foreign parts.

Mr. WOOD—Yes; but I understood Mr. Jones that they made arrangements with only those jobbers who sold their goods? A. The American manufacturers decided that they would market their goods through jobbers only. Previously they had tried it through jobbers and retailers, making, however, a difference in favor of the jobber by giving him a better discount. About this time, or a little previous perhaps, to cut off all the retail trade and only do business through the jobber. This was on account of the variety of prices and the jobber not being able to get a profit, nor the retailers, by reason of the cut prices and bogus goods around the country.

Q. Did that increase the price? A. Since the formation of the association prices have steadily gone down. The watches in our country are cheaper to-day than ever before, notwithstanding the tariff being against us.

By Mr. Bain (Wentworth):

Q. Is that in consequence of this association? A. No; in consequence of competition in the American market.

Q. About what time was the arrangement entered into by which movements and cases were required to be sold in uniform quantities? A. This has never been established by our society.

Q. That is an American action? A. Yes; entirely.

Q. At the instance of your society? A. Nothing to do with it whatever.

Q. Your association met in Toronto the other day? A. No, sir; that statement is incorrect and untrue. The question of this telegram had been referred to the meeting and a decision come to before there was anything known about this injunction. The injunction had no force on that meeting.

Q. What was the decision? A. That we could not entertain such a law.

By Mr. Guillet:

Q. Is it recorded on the minutes? A. We have the minutes at the hotel and we can produce them. We can show you the point at which the injunction was produced at the meeting just previous to their separating. That question had been dealt with and decided before there was a word known about the injunction.

By Mr. Bain (Wentworth):

Q. Then this proposition was submitted to your association by the association of American watch movement manufacturers? A. Watch case manufacturers.

By Mr. McKay:

Q. You say there were imitation and bogus movements brought in? A. Yes.

Q. Did they put on the names of American movements? A. You see on Mr. Stark's watch the name "Providence." It is a Swiss movement of the value of \$1.50 to lay them down in Canada.

Mr. STARK.—I will take 5,000.

Mr. JONES.—That movement is stamped "Providence," and is a bogus movement.

Mr. STARK.—It is called Swiss-American. There is no factory known by the name of Providence, and what is more, no movement can pass the customs of the United States or Canada that is bogus. I say that I have not seen genuine brands imitated, and I have sold scores of movements.

Q. Did they put a name, say Elgin, or Bartlett, or Ellery? A. They do it sometimes by changing a letter. For instance I have seen hundreds of movements that would be taken for Bartlett, marked Barzlett—a Swiss movement.

By the Chairman:

Q. A bogus movement is one that purports to have the name of some known movement on it? A. It is an imitation. Instead of Bartlett it was simply put Barzlett.

Q. How do you call this "Providence" a bogus movement? A. There is no such place as Providence in Switzerland.

Q. There is no such place as Ellery? A. There is the name of a person as well as a place used.

Q. Is it the imitation of an American movement? A. It is done to deceive. The public honestly buy that, believing it to be an American watch, which it is not.

Q. Are there any watches made in Providence? A. No; not in the watch trade, neither in movements nor cases.

Q. How do you make that out a bogus one? A. I say it is done for the purposes of fraud. The name put on the movement is "Providence," and it is attempted to foist that upon the public as an American watch. It has the name of an American city upon it, from which the public would believe it was an American watch. We have a great number of these sort of things. Not only such names as "Providence," but "Boston" and "Chicago." They have these names put on to lead people to believe that these are American goods. They have quite a variety of names on these fraudulent movements, because they are imported to deceive the public.

By Mr. Guillet:

Q. Other businesses find the same means resorted to to deceive the public, and they simply advertise the fact and warn any and everyone from selling such goods under a penalty. They do not combine. I do not think it is necessary to protect the people by combining? A. It is necessary. To protect the public, we have formed this association partly, and a good deal in the interest of jobbers and the retail people, who are unable to get proper prices for their goods.

By Mr. Wood (Westmoreland):

Q. What are the profits now? A. The profits between the jobbers is about five per cent.

Q. Five per cent.? A. Five per cent. between the jobbers.

Q. From one jobber to another? A. Yes.

By Mr. Guillet:

Q. Between jobbers and dealers? A. I will explain to you; our business is different from that of the grocer or any other staple line of business such as this. Wholesale jewellers who do a large business are obliged to hold a very large stock. They do their business principally on the road by travellers. The cost of obtaining orders amounts to about ten per cent, so that the profit the jobber gets through the retailer is really about something in the neighborhood of 17½ per cent.

Q. Gross profit? A. Gross profit

By Mr. Wood (Westmoreland):

Q. Is there any regulation among the retailers? A. There is no regulation among the retailers; they sell for what they choose.

By Mr. Guillet:

Q. You are at liberty to sell at retail? A. We don't sell at retail, we sell wholesale only; but there are some members of our association who do sell retail, but when they do sell at retail they sell at a profit over and above the jobbers' prices, something like 25 per cent.

By the Chairman:

Q. Do the jobbers agree upon a price, lower than which they shall not sell these standard watches? A. Yes.

By Mr. Guillet:

Q. If you sell retail you bind the members of the association not to sell at less than 25 per cent. over and above the jobbers' prices? A. Yes; I would think 25 per cent. is only a small profit for the retailer to have. He is obliged to hold a large, valuable stock, and a stock that is not turned over rapidly, and therefore he is obliged to have a little more profit than a man who is selling sugar and other staple articles of that kind.

By Mr. Gillmor:

Q. Was your organization formed at the instance of the manufacturers in the States? A. No, sir; it was not.

Q. It was voluntary? A. It was as I told you; the very beginning of it was that it was felt that something was necessary to be done among the jobbers, and

three or four of them, after discussing this thing, came to the decision that it would be a proper thing to form an association, which was afterwards mentioned to other members of the jobbing trade, and they resolved to have a meeting to discuss the thing. It seemed to strike them in the right light to be the best plan of overcoming this difficulty or difficulties I have mentioned, and that was the formation of the society.

Q. Then, after your organization was complete, you approached the manufacturers in the United States? A. We affiliated, so to speak, with them.

Q. It was at the instance of this association in Canada that that relation was formed? A. Exactly; and in order to give force to the thing our association agreed on this side, and the American association agreed to confine their sales only to members of this association in Canada. At the time, as I told you, I believed that all the jobbers in Canada were agreeable to this association. I don't know of any that objected to it.

By Mr. McKay :

Q. This is an association of importers then? A. Well, importers you might call them, or manufacturers. Many of the members of our association manufacture. Quite a number manufacture.

Q. Watch cases? A. Not watch cases or movements but jewellery.

By Mr. Gillmor :

Q. I was going to ask whether this manufactory in Toronto is carried on by Americans? A. It is carried on principally by Canadians. It is a joint stock company limited. The principal man in it is a Canadian.

By Mr. Bain (Wentworth) :

Q. Does your association extend over matters in the trade outside of watches and cases? A. Nothing else, only watch cases, American watch cases and watch movements, but not to English watches, or Swiss watches or French watches.

By the Chairman :

Q. I understood you to say that the association was formed principally to keep out these bogus articles and then you tell us it does not include Swiss and European watches but only American watches? A. I don't exclude the Swiss, if a proper trade mark is put upon the Swiss watch. We sell Swiss watches and we sell them with legitimate names on them.

Q. What names? A. There are three or four different names. There is Patek.

By Mr. Guillet :

Q. You said you prepared a contract with Stark for the delivery of a large number of these bogus ones? A. No; my idea is he thinks my price is wrong, but I will guarantee my price. That is the value of that movement precisely.

By Mr. Bain (Wentworth) :

Q. What effect has your association had in reducing the sale of what you say are bogus watches in Canada. In what respect has it protected the public from the imposition they have suffered? A. I think the retailers have almost to a man supported the jobbers in their effort to raise the standard and keep up the standard of the goods.

Q. There is nothing to prevent a man now any more than formerly importing these inferior watches and selling them as a better article? A. Nothing whatever.

Q. In what respect has your organization improved this? A. There is not the demand from the retail trade for this class of goods, but as long as the retailer could get bogus watches and sell them for the same price as the genuine ones and obtain fifty per cent. more for it, this one he would sell.

Q. You have given up keeping this class of goods—these jobbers who have joined the association? A. Largely so, I think. I think that has been the effect of it.

Q. There is nothing to prevent others from doing that business where they can make 50 per cent. profit? A. Oh, no.

Q. In that respect the public haven't gained so much as the association have? A. The public have gained by getting a better article at a legitimate price.

Q. Still the merchant by these sinister motives will go on just as formerly? A. I suppose, to some extent.

Q. What prevents it? A. Nothing, only there is no demand among the retailers.

By Mr. Guillet :

Q. Do you restrict the retail trade from buying these movements? A. No, sir. The trade in American watches was begun in Canada about thirty years ago when there were then not sold in Canada perhaps 100 watches in the whole Dominion. Mr. Stark had nothing to do with the introduction of American watches into Canada as he claims, nothing whatever.

By the Chairman :

Q. Stark said he was only ten years in Canada himself? A. I understood him to claim that he was instrumental in producing demands for these goods.

Mr. BAIN (Wentworth).—The chairman is correct. I understood him to say he has only been ten years here.

The CHAIRMAN—Since he has been here he has spent so many hundred thousand dollars in business.

Mr. STARK.—I have been twenty-five years in the business.

By Mr. Bain (Wentworth)—addressing witness :

Q. Has the sale of American watches largely increased? A. It has largely increased from the hundred purchased the first year. I presume there are few jobbers now but what sell thousands per annum.

Q. Have you any idea of the gross sale of American watches in a year? A. I have only so far as we do of our own business.

By the Chairman :

Q. How many do you sell in a year yourself? A. There is just a point I want to correct where Mr. Stark made a mistake. I propose to ask him to consider that thing again: if he sold as many as a dozen jobbers did together. I think we have only some 18 or 20 jobbers altogether. He says that no jobber can use \$5,000 worth of movements. I think the Custom house returns will show that we use a great many more than that three fives, or four fives or five fives.

Mr. STARK.—I speak of one jobber individually and not of the association.

WITNESS.—I am a member of that association.

By the Chairman :

Q. I don't think he said any member of the association could use that? A. I understood he said no jobber could use \$5,000 worth of movements.

Mr. STARK—I said he would not place a similar order with the Elgin Watch Company.

By Mr. Boyle (addressing witness) :

Q. Was there any suggestion made by your association or any member of that, before or since, that if you dealt with the American association that they must refuse to sell to parties outside the association? A. I don't quite catch your question.

Q. Was there any suggestion or any arrangement made with the American association that if you dealt with them exclusively they must refuse to sell to parties who had not joined your association in Canada? A. Not that I am aware of.

Q. Mr. Stark in his evidence here produced letters to show that the American association would not sell him goods because he was not in the association? A. Well, the American manufacturers will not sell to any retailers at all in Canada. They will only sell to jobbers.

By the Chairman :

Q. They said they were not bound to sell to anyone outside the jobbers? A. Yes; they are bound by their own laws, I believe, not to sell to retailers at all. They will not sell to retailers. They will only sell to jobbers both here and in the United States. They select out of the jobbers a number of them they think they can sell to to advantage.

Q. They don't say jobbers but members of the jobbers' association. Do you agree with that that they should not sell to anybody outside of your association? A. We have no agreement of that character, you will understand that our association is merely in sympathy with them.

By Mr. Boyle :

Q. Was there any evidence of pressure directly, or indirectly, brought to bear on the American association to induce them to deal with your association exclusively in Canada? A. There may have been some conversation in that direction and there may have been some correspondence.

Q. Which led to an implied agreement, no doubt? A. No; there has been nothing definite.

Q. Suppose they did sell Stark, would you make no representations about it? A. I have no objection to their selling to Stark. I think I have once or twice solicited his custom. I would be glad to sell to Stark.

Q. Of course, I am speaking of the manufacturer selling to Mr. Stark? A. We have no objection to that, but the manufacturers will not sell to Mr. Stark for the simple reason that they will not sell to any retailer.

By Mr. Boyle :

Q. That is not the reason given in their letters? A. That is the true reason.

By the Chairman :

Q. They sell to retailers in your association? A. No.

Q. You said there were two or three jobbers, wholesalers and retailers both? A. I am not aware that they sell to them direct. Because we are members of this association in Canada does not make it compulsory upon the manufacturers in the States to sell to any one jobber direct. They select from these jobbers such as they care to deal with and such as they wish to sell to.

By Mr. Boyle :

Q. Is there not an implied understanding between your association and the American association that you will help one another so far as you can? A. There is nothing of that kind that I know of.

By Mr. Guillet :

Q. What is this article 10? It reads: "The members of this association are understood to agree to sell American watch movements at the list price for Canada as decided on by the watch movement companies, and to sell gold filled, silver and nickel watch cases at prices agreed on by the American Watch Case Manufacturers' Association and the American Watch Case Company of Toronto. The only discounts to be allowed are five per cent. for cash in thirty days, or six per cent. for cash in ten days, or three per cent. for cash in sixty days, a note four months from date of invoice"? A. They make the price, not us; we mark these goods at the price they say we shall get.

By Mr. Guillet :

Q. Therefore they won't sell to any one outside the combination? A. It suits them better to keep to their regular legitimate jobbing trade.

By Mr. Bain (Wentworth) :

Q. How do you account for it that Stark's contract was about half executed with the Elgin Company when they declined to continue to supply these goods to Stark. Had the formation of this association anything to do with that? A. Not that I am aware of. It need not necessarily have had anything to do with it, because if Stark should read that contract, a copy of which he has got and which every one of us have seen by which we get their goods, he would have discovered that those manufacturers can at any moment abrogate that contract.

Q. Is it the practice for them to do that? Have you been similarly treated in your business? A. I have never been treated in that way, but we have simply not got the movements.

Q. Was it not a curious coincidence that they could have still delivered these movements to Stark at the time that this association was formed if there was not an understanding that that should cease? A. There was nothing curious about that to people familiar with the watch trade. There had been a great scarcity of cheap movements. There is more demand for them than they produce.

Q. Then other customers of the Elgin Watch Company in Canada might have been served in the same way at that time? A. Every jobber in Canada has suffered

in the same way as Stark has, because they haven't been able to get these movements.

Q. But we should suppose as a matter of business that they would continue to deal fairly with their customers and give them a proportion instead of absolutely shutting them off? In this case they stopped the supply altogether? A. I don't know what has been the cause of that.

Q. Of course you would not know as being another man's business, but it struck me as being a strange coincidence? A. Looking at it from my standpoint I would think nothing strange about it for the reason I have mentioned.

By Mr. Boyle :

Q. You think if one of these companies were to fill Stark's order that no complaint or remonstrance would have come from any member of your association? A. If they filled Stark's order at jobbers' prices there certainly would be just grounds of complaint from every one of our jobbers.

By Mr. Guillet :

Q. At the same price you buy? A. Yes, because Stark is not a jobber. They will fill his orders at the retail price because he is a retailer.

The Chairman.—He swears he is a jobber.

Mr. STARK.—They supplied me as a retailer six years before this association.

By Mr. Guillet :

Q. Is not the ground of this offence that he has cut prices? A. That is one ground of the offence. The ground that a good many have taken is that Stark is a monopolist and that he desires to deal straight from the manufacturer to himself, taking the jobbers' profit himself.

By Mr. Bain (Wentworth) :

Q. The object of this association, you say, is to sustain the prices of these goods he was cutting? A. Not so much to sustain the goods he was cutting. Others were cutting.

Q. It says here : " We, jobbers in American watches, hereby form an association for the purpose of sustaining the price of American movements and cases, to prevent the cutting down of prices," &c.? A. There were others as well as Stark cutting prices.

Mr. ELLIS.—I would like to make a few statements to the Committee, which will only take a few minutes, and which will clear up some points.

MATTHEW C. ELLIS, of the firm of P. W. Ellis & Co., wholesale and manufacturing jewellers, of Toronto, sworn.

By the Chairman :

Q. How long have you been engaged in your present business? A. We have been engaged in business for ten years.

Q. Do you know of any combinations in this business? A. Yes, sir. One combination was formed in April, 1885. The jobbers of our combination, as at present constituted, before or prior to the formation of this combination, purchased their watches direct from the manufacturers—watch cases and watch movements—and we had individual contracts with the watch movement companies, one of whom is here. I have brought a sample of the contract under which we were forced by the watch movement manufacturing companies to sell our goods at a fixed price, and under conditions which they made to us. Under the formation of our combination we still carried on the same fixed price; we did not raise the price one iota, and the same contracts still existed. Mr. Stark has maintained here that he lost a considerable sum of money by that contract, because the company had the privilege of abrogating at any moment the contract to sell all their movements to him, and to proceed to other methods of distribution.

The Chairman.—After four months' notice.

Mr. STARK.—Four months.

WITNESS.—The letter which Mr. Stark read was dated November last, and our association was formed in April; ample time to provide for better distribution.

By the Chairman :

Q. They simply said : " We cannot fill your orders ? " A. Mr. Stark knew when he signed that contract that he was liable to be cut off at four months' notice. He stated to you, gentlemen, that he was not receiving these cheap movements. I used to sell the manufactured goods of Mr. Stark, and received from him these Elgin watches before I purchased direct from the company, and I did receive from Mr. Stark these said cheap movements. I am prepared to submit invoices for the investigation of this Committee.

Mr. STARK—I did not say I received no cheap movements.

Mr. ELLIS—He says his grievance prior to the formation of this organization was that he was willing to sell wholesale. I have here a catalogue of which he sends 10,000 to 30,000 direct to the farmers and merchants or dealers and the general public throughout the country, thus showing that he sells direct to the consumer. I claim that we as wholesalers have a right to protect the retail merchants to whom we sell, and that, therefore, we have no right to sell direct to consumers, and to the retailer's own customers. This gentleman wants to become the biggest monopolist in Canada, by getting the watches at the manufacturer's price and selling them to the public direct at the price which the wholesaler sells to the retailer, thus ruining the retail trade all through the country.

By Mr. Guillet :

Q. I see by your by-laws you provide that you may sell to the retail trade provided you charge a 25 per cent. advance? (Exhibit 9.) A. I will explain that. With reference to selling to the retail trade, of course it is understood that no jobber will sell to the retail trade, but if they do sell to the retail trade, we simply say that they have got to sell at a 25 per cent. advance. This is done in order to protect the merchants to whom we sell. Of course the retail merchant can sell at any profit he pleases.

By Mr. Boyle :

Q. Do you mean to their customers? A. Yes. We will not allow a jobber in our association to sell to our customers at the same price that we sell to the retail merchant. Mr. Stark states to you, gentlemen, that he had a contract with the Waltham Company. I believe he never had a contract.

Mr. STARK—I did not say so.

Mr. ELLIS—The Waltham Company refused to sell him watches, and he stated that the Waltham Company had supplied him under contract. The Elgin Company, by their contract, will permit no one using their products to advertise to the public. He dared not put Elgin watches in his catalogue, or they would have cut him in a very short time. He advertised only Waltham cases. He studiously left the advertisements of the Elgin watches out, in order to hoodwink the Elgin Company with the idea that he was dropping their goods.

Mr. STARK.—I described the Elgin and Waltham.

The CHAIRMAN.—" Specially reduced prices for American watches, Waltham and Elgin."

Mr. BOYLE.—These are simply trade differences that do not concern the Committee.

Mr. ELLIS.—He has simply come down here to get a cheap advertisement, or as he terms it, " to stop this board of boycotters and conspirators." When we appointed our present secretary, Edgar A. Wills, of the Board of Trade of Toronto, he wrote a personal letter to President Ince, of the Toronto Board of Trade, stating that he protested, as a member, to allowing their secretary to be a secretary for a band of boycotters and conspirators and other terms at length, and on the following day he published the contents of the letter as an advertisement in the papers. There is no doubt that this gentleman is using you for the purposes of an advertising scheme. We have not put up prices in our association, but when we saw that watch movements could not be manufactured in this country, we, through the Manufacturers'

Association of Toronto, exerted our influence on the Government to reduce the tariff from 20 to 10 per cent. I myself was one of a deputation to New York to get a special export rate for Canada, or the privilege of getting five per cent. less than any United States purchaser could get, and was successful in that deputation. By that means, on account of the reduction of 10 per cent. in the duty and this five per cent. which we could get in the States, we are to-day able to mark the American watch within five per cent. of the price charged in the United States. Our association took hold of the American Watch Company in Toronto, and in order to advertise the Watch Case Company, we, as jobbers, agreed to purchase our cases from that company, which heretofore had been a failure. That company has grown to-day to be an immense concern, manufacturing almost sufficient watch cases for the entire consumption of 31 jobbers who are on our list, at prices within the reach of every wholesale dealer from Halifax to Victoria, B.C., with but one or two insignificant exceptions. Our association will accept any man that applies for admission to the association when he agrees not to sell to the consumer, but to sell as he ought to legitimately, and as every wholesale man ought to, viz., to sell direct to the retail trade, and not direct to the retail trade's customers. This American Watch Case Company of Toronto have been successful in producing cases which are fully equal to those manufactured in the United States, and are to-day selling their cases at a less price than is charged in the United States. We have here a price list which shows that the fact is now in existence that our association carries out the principle which I told you by fixing, with the price charged and the duty added, upon the same profit as the American watch companies. We have the 3-oz. case at \$6.25; that is the price of the American case laid down here, duty added. We sell a 3-oz. case for \$4.50; this \$4.50 case is a class of goods not now made in the States, and in order that there may be no misunderstanding there is still another case made which is the exact counterpart of the case which I have quoted to you, for \$4.95, or 45 cents more. That is a still better case.

By Mr. Guillet :

Q. That is the American price? A. It is made by the American Watch Case Company of Toronto. The American case would sell at \$6.25. Mr. Stark made the statement to you that we had come to this city for the purpose of eliciting evidence by which we could convict some of our jobbers. I beg to state, gentlemen, that the first idea we had of coming to Ottawa was when we saw in the papers that Mr. Charles Stark would appear before the Select Committee on Trade Combinations, and we felt that we had a right to come down here and state to you, gentlemen, our side of the case, so that you could hear both sides, and form your opinion upon it. We have come without being summoned, to cheerfully give every information bearing upon our organization. Our association is not formed for the purpose of restricting either the product or the number of wholesale merchants which are doing business in Canada. We are open to accept any man applying for membership into our association. I may here state, the watch movement and watch case companies do not to-day sell to the jobbers on our association list, which number 31. The Elgin Watch Company, which Mr. Stark has referred to, and of which I have spoken in regard to the contract, only sell to five men in Canada. They reserve the right of selling to whom they choose, but we have an arrangement by which those five men who receive the Elgin watches will sell to each jobber in the association those goods at a profit of five per cent., and the same will apply to all other watch case and watch movement companies.

By the Chairman :

Q. Are they compelled to sell them at five per cent. or at least five per cent.?
A. At least five per cent.

Q. But they may charge ten per cent? A. No, sir. We cannot do that, because we have to sell at five per cent., and that is imposed upon us not by our own wish but by the watch movement companies themselves. I may say that the by-laws that we have here are the basis of the restrictions and the conditions under which

we can sell and purchase watches from these companies. And these conditions are made compulsory to handle the goods of these various manufacturers.

Q. But how do you know men's honesty in that matter? What means do you take, then? A. To what do you refer?

Q. To article 11, which reads thus: "Where any two members of this association shall make any charge in writing against a member of violating the constitution, by-laws or rules of the association, it shall be the duty of the board of directors to require from the accused the denial in writing at statutory declaration, or other mode in legal form or an assent to the same in writing, and in the event of the accused member refusing or neglecting to give such verified written denial or assent to the charge for the space of 30 days after the said request for the same, it will be assumed as an acknowledgment of the correctness of the charge made, and the member so found to have violated the constitution, rules, or by-laws as aforesaid, shall be deemed in default, and it shall therefore be the duty of the directors to suspend or expel him from the association, and such expelled member shall forfeit all claims on any funds of the association?" A. I am very glad, Mr. Chairman, that you called my attention to that, in order that I may most emphatically contradict a statement which has been made. I have been the secretary of the association for the past year and connected with the executive. Mr. Stark states that our association has called upon one of our association to make oath that he has sold a watch movement under the price. I state positively that that by-law has never been used against any member of our association since its formation; that we have never called upon any of its members to make oath, and I am able to state that positively, as I was the secretary, and am to-day the treasurer of that association, I made that assertion from the report.

By Mr. Guillet :

Q. The by-law gives you that power, to take statutory declaration? A. I will state nothing on the report but what I know. The by-law does give us that power.

By the Chairman :

Q. The power to impose a fine of \$500 as well as to expel the member? (*Exhibit 9a—Art. 9*) A. We have had a legal opinion to the effect that it is not collectable.

Q. The by-law reads:—"Each and every member of the association convicted of a violation of the constitution or by-laws, shall forfeit to the association the sum of \$500 and shall be expelled from membership?" A. That is just bearing out the very thing which I said to you. If you will read the contract (*Exhibit 10*) and I will leave it here, you will see that these conditions are just as virtually held upon the various jobbers individually as we now hold collectively. The very contract had the object of adhering to these prices. The main point is this, there has been no combine. We sell watch movements at the very same prices as previous to the association being formed, and if there is a reduction as to price—and these reductions are always made by the manufacturers of watch movements and cases themselves—or if they choose to raise them, we are immediately to notify the trade within 48 hours, that such and such a reduction has taken place, and no matter what reduction is made, our profit remains the same. The notice of these changes is given to the retail trade very promptly.

By Mr. Wood :

Q. Suppose your combination or association was broken up in some way? A. If our association were broken up these companies would then make individual contracts with the jobbers, and we would be selling under the same arrangement as we are to-day. There would be no difference whatever. The Elgin Company's agent told me that the combination through some little misunderstanding, at one time, might possibly have broken up. He told me that if it had broken up, they would still retain individual contracts with those whom they saw fit to sell to.

By Mr. Bain (Wentworth) :

Q. There is just one matter incidental to this. I think you said you were a party to making arrangements with American watch manufacturers by which you

get a special allowance of 5 per cent. on the Canadian trade, and that enabled you to sell at a lower rate here? A. Yes, sir.

Q. How did that affect your Custom house valuation? A. Our invoices are made out to meet that. For instance this special cut of 5 per cent is marked "special 5," and I will pay on the amount before that is taken off, so that when we give a reduction of 5 per cent. we actually give that on the duty as well, and it amounts to more than 5 per cent., we lose that.

Q. I know that in other lines the Customs had been in the habit of fixing their own valuation? A. We have to pass all our goods on the American list prices?

Q. Notwithstanding that, you get this 5 per cent. off? They collect Customs on that? A. Yes.

By Mr. Boyle :

Q. Is the influence of your association to prevent in any way the American manufacturers from selling to parties outside of your association; that is those who are not in the guild? A. We have never had occasion to exert that influence.

By Mr. Guillet :

Q. Did you give them a list of those who belonged to this association? A. Yes.

By Mr. Boyle :

Q. Do they sell to all? A. No; only to those whom they choose.

Q. Does this cut of the American association in no sense express or imply a part of your object? A. No. We have a list of jobbers. We furnish that list of jobbers to the American association, and they may select from that list of jobbers those whom they may choose to sell to. The manufacturers in the States affiliate with us. If they were to sell outside, it would simply break up the whole thing, as they agree only to sell to members of the American and Canadian association, such as they desire.

By Mr. Guillet :

Q. They might instruct you not to sell to some particular jobber, whom they do not desire to do business with. "Any name which may hereafter be stricken from the list," &c.? A. That is our contract in 1884, prior to the combination.

By the Chairman :

Q. Is that the contract you have to sign? A. We have not got to sign this contract since the formation of this association. It is unnecessary. It would break up the individual ones, because the association is supposed to carry out these things. As far as Mr. Stark is concerned, we would be quite willing to admit him to the association if he would sell his goods as a jobber; but we decidedly object that he should get goods at the same prices as we obtain them at, and sell them to the retail consumer.

JOHN SEDGWORTH, of Toronto:

In the statement which Mr. Stark made, I believe he mentioned the name of the Elgin Watch Company, and that statement may be published and sent throughout the country, and leave a wrong impression. This statement is made by him as a general statement, not from his own knowledge, but something he has heard persons say and read. This statement I read myself in one of the American publications.

Here the witness was sworn, and he continued:—

Mr. Stark stated that American watch companies, mentioning, I think, the Elgin Watch Company, had sold movements to others than those in the watch and jewellery trade. Now, Thomas Avery, the President of the Elgin Watch Company, in a letter recently published, stated that his company had never sold a single movement to any other individuals than jobbers, and that he never would as long as he had any connection with that company allow a movement to be sold outside the trade. It is to correct this statement made by Mr. Stark that I give my evidence. I do not want his statement to go to the country and cause wrong impression. I

think if necessary I could produce the statement to which I have referred; that is Mr. Avery's.

By the Chairman :

Q. Mr. Stark read that same statement in a letter he had received from him. Is there anything else? A. No; I think Mr. Ellis has covered all the points. This was all I wished to ask permission from your Committee to explain.

The Committee then adjourned to meet at the call of the chairman.

N.B.—See Exhibit 23, *a, b, c* and *d*.

HOUSE OF COMMONS, OTTAWA, 22nd March, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace, M.P., in the chair.

JOHN CONNOR, St. John, N.B., sworn.

By the Chairman :

Q. What is your occupation? A. Rope manufacturer.

By Mr. Gillmor :

Q. How many manufacturers of cordage are there in the Dominion? A. That I cannot answer, Mr. Gillmor, I don't know how many there are.

Q. Is there any understanding between these manufacturers, any combination of any kind between the different manufacturers of cordage? A. There is not an association or combination embracing all of the cordage manufacturers of the Dominion.

Q. There is not all of them? A. No.

Q. Any part of them? A. Yes; there is an arrangement. There is a business arrangement or an association with which five of the manufacturers of Canada are identified

Q. Five of them? A. Yes.

Q. One in Halifax? A. Yes.

Q. And yours is the only one in New Brunswick, I presume? A. Yes.

Q. Name the five? A. John A. Conger's cordage works in Montreal, R. Bannerman & Brother, Montreal; John Brown & Co., Quebec; Dartmouth Rope Works Company, Nova Scotia, and Thomas Connor & Son, St. John, N.B.

Q. Are there any other manufacturers of cordage in the Dominion that you know of? A. Yes; there are manufacturers of rope and cordage and binder twine exclusive of these five embraced in this association.

By the Chairman :

Q. Do you make binder twine? A. Yes; we make binder twine.

By Mr. Gillmor :

Q. Was there a constant rise in prices of cordage last fall or this winter? A. Not that I am aware of, Mr. Gillmor, taking the prices compared with what they were 10 years ago. If there has been any constant advance it has been due to the constant advance in fibre. For the information of the Committee I may state that last summer, in the months of July and August, fibre was at a reasonably low price, and at a time when it touched its minimum value an American syndicate was formed which made a corner entirely in the fibres of the world entering into the manufacture of cordage and binder twine. This American syndicate consisted of four leading Americans, and they made a corner in manilla by buying all that was available at the points of growth in the Phillipine Islands and all other places, and also all the sisal that was available, taking all the fibre that was on the way from the point of growth to its destination in Great Britain or New York, consequently placing the manufacturers who were getting short of the raw material at a great disadvantage. That combination was formed, I think, some time last August or September. That combination still controls the fibre market, although the advance has not been by any means as great as it was possible to have made it in consequence of this concentrated action on their part. I will go a little further, and I will

explain the reasons which led, perhaps, to the formation of this American combination in the United States. There is at the present time probably between three and four times as much rope and binder twine machinery in the United States as the requirements of the United States demand. The four men who formed this syndicate, who controlled the fibres, have jointly a sufficient capacity to supply the United States demand for rope and binder twine. They are the four largest and most influential rope and binder twine manufacturers in America. The competition was so exceedingly keen in consequence of the surplus amount of machinery in the United States that they found it impossible to do business on any margin of profit so long as others having large facilities, and there being so much machinery in the country, and continued to make purchases as the market fluctuated in the States; these four were so large that the outside competition very frequently forced them to sell at a loss, and they made a corner on fibre in this way. Then in turn they sold it to the other manufacturers and the result has been that the price of the finished product and the manufactured product in the United States has been quoted very low since the formation of this syndicate, but that syndicate has made its profits on the enhanced value of the raw material. I would like you to take a particular note of this point because the question may present itself as a relative quotation of binder twine and cordage, as compared with the prices prevailing in Canada. The syndicate who made the corner of the raw material, the four largest and most extensive rope manufacturers in the United States depended this year upon making their profits on their low purchases of fibre and selling it in turn to the other manufacturers. They also manufactured rope and binder twine and sold it cheap to kill out the other manufacturers of rope and binder twine in the United States.

By the Chairman :

Q. Their policy is to run down the prices? A. Yes.

By Mr. Wood (Westmoreland) :

Q. Has the price in Great Britain been affected by this? A. Oh, yes,

Q. Just the same as here? A. Yes; to some extent the fibre has advanced the price of the manufactured product in Great Britain and it is not so, relatively speaking, as the manufactured product of the United States this year, for the simple reason that the syndicate are concentrating their efforts to kill the rival manufacturers and spread their product of low quality throughout Canada as well. The prices of cordage and binder twine in Great Britain are higher to-day than in the United States, because there the prices are based on the cost of the raw material owing to its increased value through the formation of this syndicate which I have explained.

By Mr. Bain (Wentworth) :

Q. They control the supply? A. Yes.

By Mr. Gillmor :

Q. How can you protect your interests here? By combining on this side, by this association? A. Well, our association had organized previous to the syndicate. That is previous to the syndicate which I spoke about, the New York syndicate. The advanced prices which you mentioned were due entirely to the corner being made on fibre by that syndicate.

By Mr. McKay :

Q. Did you buy your raw material from this syndicate? A. In reply to that—I can hardly answer that question in a direct manner. The raw material is disposed of entirely through brokers. We can never tell who owns a cargo of hemp on its passage from its point of growth to its destination. The syndicate controls the entire amount of fibre, but if there is enquiry from an outside source from the fibre merchants you are given a quotation but you cannot tell who owns the fibre you are purchasing. You buy it through other sources.

Q. You buy from the United States? A. Sometimes we do; the syndicate has representatives in London and Liverpool as well as in New York.

By Mr. Bain (Wentworth) :

Q. Before leaving the American and English trade—you stated that this syndicate were concentrating their operations with a view of quoting low prices for

furnishing goods to crush out the opposition here? A. As well as their rivals in the United States.

Q. The English prices were comparatively higher than in the United States? A. Relatively than they are in the United States.

Q. Were their relative prices formerly such as would lead any cordage or binder twine to be sent from the American market to England? A. I don't know of any twine having been exported to the English market, it is exported to Australia and other foreign points.

By Mr. Fisher :

Q. The effect of this syndicate has been felt on the prices in Canada as well as in the United States? A. It has had the result of enhancing the prices of fibre so much that many of the binder twine purchasers like Mr. Massey, whose requirements would be 400 or 500 tons of twine in a year—the result has been that this syndicate has caused sisal to rank as high in value as pure manilla and before the formation of the syndicate sisal was sold on its merits and the distinction in point of value was that it ranged from 2½ to 4 cents a pound. The large manufacturers last year experimenting with the fibre suitable for the manufacture of binder twine discovered that sisal could be manufactured into binder or reaper twine and give almost as good satisfaction as pure manilla and they put a large quantity on the market last year. In making a corner they undertook to take care of all the sisal that came in and the syndicate kept amongst themselves the surplus quantity of sisal and the price of sisal for the past two or three months has been precisely the same as the best pure manilla although the strength of sisal compared with manilla would be 5 to 7. The binder manufacturers of the United States are willing to use sisal binder twine so long as they can get it especially lower than manilla. The syndicate are in a position to quote sisal binder twine because they kept that fibre off the market and they didn't pay the price of manilla. Those in the United States who want cordage or rope manufactured of manilla fibre without sisal can feel certain that what they get does not contain a bit of pure manilla fibre. The result has been in Canada that nearly all the reaper twine that will be put on the market this year will be pure manilla binder twine, while 75 per cent. or perhaps more of the binder twine put on the American market will be sisal binder twine, for the simple reason that the manufacturers must manufacture that into something. The wholesale jobbers and dealers will always declare that sisal is equally as good as manilla would be for binder twine.

By the Chairman :

Q. Can you tell by the appearance of it? A. Oh, yes; I could easily tell.

Q. Can the general public tell? A. That is a difficult question to answer. They have a process of coloring sisal. I know a certain sisal binder twine sold last season in Canada which was called Eureka binder twine. The people thought in some instances they were getting pure manilla binder twine, sisal being only a whiter fibre than manilla, but this sisal was colored to resemble pure manilla very largely and many people thought they were getting manilla binder twine when it was only colored sisal.

By Mr. Gillmor :

Q. Is sisal heavier than manilla? A. Heretofore all sisal they would spin 550 feet to the pound and bear the necessary tensile strength, while manilla has been spun from 650 to 675 feet to the pound. Last year they have increased the length of sisal binder twine to 570 and 600 feet to the pound and in some machines be sufficiently strong to do the work. You will remember that all machines do not always do the same; some have some strain upon the twine. There are some machines which are easier on the binder twine than others. I am not sufficiently familiar with the construction of a binder reaper to explain exactly how it is that the strain of one machine is less than the strain on another machine.

By Mr. Gillmor :

Q. Does this combination in Canada have a uniform price? A. Those of us have our prices; of course we have a uniform rate of prices.

Q. There were none of these manufacturers that entered into this arrangement that stopped manufacturing? A. Closed their factories up?

Q. Yes? A. No, none of them. It is merely an arrangement whereby each manufacturer is permitted to manufacture what he pleases and sell to whom he pleases in conformity with the prices arranged upon, but any one manufacturer exceeding the percentage allotted to him he must pay into the fund of the association a certain tax or penalty if he exceeds his percentage.

Q. Each manufacturer is assigned a certain percentage? A. There are five manufacturers in the association for Canada. Suppose each manufacturer gets 20 per cent. of the business, just for rough calculation. At the end of the month the returns are made up and computed and gone into by the supervisor of the association whose duty it is to examine the returns. It may happen that during that month I have done 25 per cent. When the returns are computed my totals represent probably 25 per cent. of the aggregate business done by the five manufacturers instead of 20 per cent. I pay on my excessive business to those who have fallen short and they draw out what I have paid in. The object is as much as possible to prevent a surplus being placed upon the market preventing over production. If the whole factories ran their whole capacity it would supply more cordage and twine than the country could take care of.

By the Chairman:

Q. Suppose all the factories ran to their full capacity how much more could they take? A. I have no doubt in saying that if all the factories in Canada were run to their capacity that they could supply double the quantity the country required.

Q. Your organization is to prevent over production? A. It would result in a general slaughter if there was not an understanding.

By Mr. Landry:

Q. That has been the result in the United States? A. Yes.

By Mr. Fisher:

Q. Are there a lot of other manufacturers besides these five in Canada? A. There are several, but with the exception of one they are small concerns, but they are capable of making all classes of cordage. There is one factory in Brantford that devotes its manufacture entirely to binder or reaper twine. It is not affiliated with the association.

Q. Does it produce a large proportion of the binder twine of the country? A. Oh, a reasonable quantity. It has a capacity of producing 20 per cent. of the binder twine.

Q. I understand your association sell the products at the same prices? A. The members of our association have a uniform arrangement.

Q. Does that Brantford Company come into competition with you. A. Yes.

Q. Is it of sufficient importance to affect your prices. A. I think it is.

Q. You said a little while ago this syndicate in the United States had affected prices there; has it influenced prices in Canada? A. I don't hesitate to say if it wasn't for the protection placed on binder twine, that so far as the Canadian twine manufacturers are concerned, they would be in the same demoralized state as the American binder twine manufacturers. I do not hesitate to say that we could not make any quantity of goods at all, because with a surplus that they have, and which they will put on the Canadian markets, and they would be prepared to slaughter it and slaughter the twine manufacturers of Canada so long as we had to buy our material at prices fixed since the corner was made upon it.

Q. They would cut prices down? A. Yes.

Q. Is it a fact that in the United States binder twine and other products of your business are sold cheaper than they are in Canada? A. Not in the States, but these manufacturers have outside quotations, and quote at very low prices. Following up this theme, I may remark to you that I am positive that the farmers of the United States every year, including last year, have paid very much more for binder twine than farmers in Canada have been paying for binder twine, since the twine manu-

facturers have declined to give implement manufacturers the exclusive distribution of this twine. There was a time in Canada when manufacturers of the binders, that is the self-binders, Mr. Massey's concern, Harris' concern in Brantford, and two or three other leading concerns, compelled the twine manufacturers to sell their twine entirely through them. At one time the implement manufacturers had an association to regulate a uniform price of self-binders, and it is only about three years ago that we commenced to manufacture binder twine. They had an association and they stipulated that the twine manufacturers of Canada then—they stipulated that all the binder twine manufactured in Canada—would pass through them, and the result was that any person wanting binder twine could only obtain it through the manufacturers of the agricultural implements. I think the manufacturers of the agricultural implements in these days had a very high profit on binder twine and the farmers paid a pretty high price for the twine they used then. Three years ago a little friction arose amongst the twine manufacturers as to allowing the agricultural implement men to control and distribute this binder twine. It arose in this way: Three years ago our firm was prepared to enter the market and wanted a share of the binder twine business in the west. I think Mr. Cochrane was vice-president. However, I came to the west here and I found that there was an understanding between the other twine manufacturers who had started at this business previously and the association, and I found it was almost absolutely impossible for them to give me a share of the business. It was almost impossible for me to get in there. Mr. Massey's concern and the Harris & Son firm, of Brantford, had jointly agreed with others to get their entire requirements from a Dartmouth concern and a Montreal concern. I think that was then the condition of affairs. I succeeded, however, after a great deal of difficulty, in getting a small order from Mr. Massey's concern and a few others, and I know that I didn't put very much twine upon the market that year, but the next year when our association met we decided that it would not be in the interests of the binder twine manufacturers or in the interests of the country to allow Mr. Massey and A. Harris Son & Company, of Brantford, and two or three extensive reaper manufacturers to control the binder twine business, and we then agreed upon a price to be given to wholesale hardware merchants for certain quantities whereby they were enabled to reach the smaller class of dealers throughout the country. That decision was arrived at a little over two years ago, and ever since this we have been subject at the hands of these agricultural implement men to special attacks at different times and special criticism. The result is that since that was arrived at the farmer has derived the advantage, because when it came to the wholesale hardware man it was in turn dispensed and circulated to the small dealers in every part of the country and the result was that binder twine was brought within an easy reach, and the farmer who used the twine was not depending entirely upon the agent of the agricultural implement maker to supply him with this twine.

Q. How do your profits compare with two or three years ago? A. I think it is about the same.

By Mr. Guillet :

Q. Did you make any arrangement with the jobber as to what he should sell at?

A. No, sir; the wholesale and retail men could sell it at just what they pleased. The twine manufacturer didn't want to sell any smaller quantity than a carload. They have their ten-ton price and then they have their fifty ton price, which is one cent a pound less than the ten-ton price. Then there is a certain amount handled in large quantities in Canada in which they want to make an additional discount.

By the Chairman :

Q. The 10-ton man can buy it at a cent a pound more than the 50 ton man, but it very often happens that the wholesale hardware house places an order at 50 tons, and he will sell a car load of twine at one and a quarter or one and one half advance per pound so that the wholesale man actually becomes a competitor at once with the manufacturer.

By Mr. Landry :

Q. You don't object to that? A. No, sir.

By Mr. Gillmor :

Q. I understand you to say that binder twine is cheaper in the United States than it is here? A. I don't know about the price of binder twine for consumption. I can tell you that binder twine for consumption in the United States is fully as high if not higher than the binder twine in Canada, but the quotation of American binder twine for consumption in Canada is very much lower than the prices exacted upon their own people.

Q. You mean to say if the duties for the manufacturer is not added upon the binder twine here, it is of no advantage to keep the article out of the market, and they are absolutely selling it in Canada as cheap as in the States? A. I think that for the past five years I can prove that the price has been very much lower in Canada than it has been in the United States.

Q. Does the same apply for cordage? A. Yes.

Q. Does the same apply for cordage for lath ties? A. Yes.

Q. What is the price of lath ties in the States now, what is the price in Boston? A. I cannot speak as to an absolute certainty, but so far as my memory will serve me I think manilla lath ties cannot be bought in Boston any lower than 11 cents a pound.

Q. What is your price? A. 10½ cents.

Q. What is the duty on lath ties for instance? A. In the general acceptance of the term I don't know whether it comes under this class or not; under the class of cordage it is 14 cents specific and 10 cents *ad valorem*. That would depend upon the value of the fibre.

Q. As an average would it equal a protective duty of 25 per cent. or 30 per cent.? A. I don't hardly think it would be quite that.

Q. I have been informed that lath ties during the summer and fall can be purchased at eight and one-sixteenth in Boston, and for the same article here the charge was ten and one-half? A. I can understand a quotation of that kind that was circulated during the summer at a time when fibre was low before the syndicate cleaned the market out. I can understand a particular manufacturer in the United States having a quantity of lath yarns would be in a position to quote the price you mention.

By Mr. Landry :

Q. For home consumption? A. Yes, for anywhere previous to the formation of the syndicate; they could be quoted pretty low if a manufacturer happened to have a pretty good supply.

By Mr. Guillet :

Q. You manufacture lath ties. A great deal used about St. John? A. Not a great deal.

Q. It is produced largely? A. That depends upon a man's idea of quantity. You can ascertain the quantity, a pound of lath ties will bind 3,000 laths, so it is an easy matter to determine the quantity of tons the province will require. I think probably the requirements of the province would not exceed between 40 and 50 tons altogether.

By Mr. Landry :

Q. What is it worth? A. It is worth ten and three quarter cents a pound, that is \$215 a ton, or the whole requirements of the province costing about \$9,000 or \$10,000.

By Mr. Bain (Wentworth) :

Q. How many feet to the pound? A. It is a certain fact that American lath ties quoted at 8½ cents would be more expensive than Canadian quoted at 12 cents. I have found that American lath ties would not bind up more than 1,500 to 1,750 laths to the pound, not having more than 30 to 60 strings to the pound, while Canadian lath ties are 80 strings to the pound. We have made lath ties capable of tying up 4,000 to the pound.

Q. Regarding the quantity of lath ties used, I have a letter here saying that 100 tons of lath ties are used in St. John every year? A. That person would not understand the nature of the subject he has undertaken to enlighten you upon, Mr. Gillmor.

Q. Do you know Mr. Warner there? A. Yes; John Warner, he knew very little about the lumber business. I know he has had some year or two experience in the lumber business there. He bought a tie of just the character of which I spoke about, this heavy tie; this year I took his order and I find that he preferred our ties.

By Mr. Bain (Wentworth):

Q. What is your quotation for the same grade? A. We are not making any sisal twine now, for the reason that there is a poor market and the Americans are making it.

Q. Your twine is about 75 feet longer? A. I think our binder twine will run from 675 to 700 feet.

By the Chairman:

Q. There is 20 per cent. or a little more difference in the strength? A. Yes. I will give you quotations for pure manilla. 13½ for car load lots and 12½ for 50 ton lots. That represents delivery in any part of Ontario east of Owen Sound and that is freight paid to any part of Ontario, and from that there is a discount of five per cent. for cash. Any deliveries on orders taken previous to the first of June the purchaser will be allowed a rebate of interest not exceeding 7 per cent. per annum. The first of June is considered the due date of twine as the season is at an end when persons will not want it. So persons buying it previous to June are allowed a rebate of 7 per cent. besides receiving 5 per cent. discount, the terms on binding twine this year being 15 days.

Q. How does the price of raw material compare with last year? A. The raw material is higher in consequence of what I told you.

Q. How much higher is raw material? A. To give you an idea, spot manilla is quoted to-day in England at £42 per ton and last year just before the syndicate was formed it could have been bought at from £25 to £25 10s. per ton.

By Mr. Wood (Westmoreland):

Q. How long has your combination been formed? A. Our association has been in organization since November, 1884, and everything went fairly satisfactory along until some time last May, when it dissolved by a general break up, and then I think, in the middle of August it was reorganized. During the break there was pretty bitter competition, and Mr. Massey, who has had some experience in binder twine, will know that that was at the season when farmers were ready to take the delivery of twine, and it did not affect the consumer, while we were all slaughtering against each other.

Q. How do you account for that? A. Only in this way, when the break occurred, of course every person was anxious to sell what they could and make as large sales as possible, but they had to do it at a price agreed upon between the manufacturer or seller and the wholesale buyer. As the consumer does not deal through the manufacturer but generally through the middle man, whenever a decline of prices took place it simply resulted in a benefit to the middle man or broker.

Q. He kept up his prices on the consumer? A. Yes.

Q. You say your association all sell at the same price. Have you any rules about buying, or does every one buy where he can? A. To the best possible advantage. Each manufacturer is allowed to put an order in any portion of the country. He is not confined to any particular territory.

Q. Am I right in inferring from your remarks that the difference between the cost of the raw and manufactured article has not been affected by this association? A. Yes; that is to say the formation of our association has not had the effect of increasing the price to the consumer.

Q. The manufacturer's profits depend on the difference between what he pays for the raw material and what he sells the finished goods for. Do you have a larger difference now as the result of this association? Is there an understanding between you that there shall be a larger margin between the cost of the raw and the manufactured article? A. The net margin of profit would be no larger than before the association was formed. The association has had the effect of steadying the trade.

Q. You have said before that it was to control the production and not the price? A. Yes; but there is an understanding as to price, so that there will be a uniform quotation. The margin however is not greater.

Q. Do you get any larger profits as the result of this association in saving expenses? A. Yes; I think that is probably where an advantage would come in from there being an understanding among the majority of the manufacturers. Each manufacturer can gauge pretty accurately about the quantity which would make up this percentage of goods and he can regulate his factory so as to produce the quantity to the best possible advantage, and he having almost a guarantee or certainty that these goods will move off in a giving period can make a greater profit. Then again this has increased and improved the standard of the Canadian article. We have conferences from time to time in regard to the quality, and we have no hesitation in declaring that the average quality to-day is superior to the American product.

By the Chairman:

Q. Even American manilla? A. Including the sial. It is equal in every respect to the average American. There are some special manufacturers in the United States who make a very nice article and whose productions will compare with our best, but the average Canadian production is superior to the average American production.

By Mr. Wood (Westmoreland):

Q. One of the results of your association has been to raise the standard of quality? A. That is indisputable.

By Mr. Casgrain:

Q. Can you speak of the production outside of that combination? A. As far as outside production is concerned I think that in order for them to do any business at all or make any sales of any magnitude they must maintain a pretty respectable standard of the finished product, but as I have not seen any of the finished product of any of these outside concerns I am consequently not in a position to express a personal opinion. I have heard however from reliable sources that the product was satisfactory and creditable.

Q. Have you any knowledge of the proportion of the manufacture of those outside of the combination as compared with yours? A. I have not.

Q. You could not speak positively of course, but does your company do the bulk of the business? A. I think so, I am pretty certain it does.

Q. Could you indicate to me any particular firm outside of your five in the different provinces? A. There is the Brantford rope and twine concern.

Q. Any other? A. That is capable of making 20 per cent. of the country's requirements in twine.

Q. Does it produce that much? A. It has only been started a little over a year. Last year they did probably only 8 or 10 per cent. of that business; but this year I think they are making special efforts and that they will do 20 per cent.

By Mr. Fisher:

Q. Have you made any overtures to him? A. No.

Q. Have they asked to be taken in? A. No; not to my knowledge.

By Mr. Bain (Wentworth):

Q. None of the other makers agreed to regulate the prices? A. No.

By Mr. Landry:

Q. How long has your firm been in business? A. Ever since I was very small. My father started the business and we have grown up with it, but the works of which I speak of at the present time have been built only about 4 years ago, the former works having been burned.

By Mr. Casgrain:

Q. Have you any competition in New Brunswick? A. None, except with one or two small concerns.

Q. Any in Nova Scotia? A. I do not think there are any except the Dartmouth Rope Work Company which is an extensive one.

Q. Any in Quebec? A. There is in Montreal; there are two there and several small people. Right in the city of Quebec I do not think there are any.

Q. For my own personal information, do you say that you can command the market and fix the price of the country? A. I can. Do you mean to say are we sufficiently strong to control the market? I do not know that we do. So far as we five are concerned we may to a great extent.

By the Chairman :

Q. I think we are indebted to Mr. Connors for giving a history of this matter, as he has enlightened us very fully? A. While I have given you considerable information, there are a great many points I have not touched upon, so with your permission I will be pleased to remain while Mr. Massey is giving his evidence. The only point I might be able to give you information upon would be something that may have escaped my notice and would be suggested by somebody else.

Mr. H. A. MASSEY, sworn.

By the Chairman :

Q. What is your occupation? A. I am President of the Massey Manufacturing Company of Toronto. Our business is that of manufacturing agricultural implements, and has been for about forty years.

Q. Are there any particular points that you would wish to speak on arising out of the evidence of Mr. Connors? A. If there are any questions, or if you would prefer me making a general statement in regard to the price of twine, and how it compares with American prices of any line that they wish me to refer to, I should be pleased to do so.

By Mr. Landry :

Q. Is there anything in Mr. Connors' statement that you would wish to combat? A. I think there are several things that Mr. Connors must have been under some misapprehension with respect thereto, especially in regard to the farmer getting the twine now as low as some years ago. We have some means of knowing that they are now paying 15 cents per pound while they paid but 13 a few years ago for the same twine.

By Mr. Fisher :

Q. Are you aware of any difference in the price of raw material? A. I know raw material has advanced.

Q. How much? A. I am not prepared to give exact quotations for manilla, nor the price at which it was purchased last fall. That is the point I thought Mr. Connors ought to have given you, and not what it was bought for two years ago, and then it would be easy to see what their profits are. Mr. Connors says there are no more than two years ago. They sold twine two years ago for 9½ cents per pound, and you have heard his quotations for now.

By Mr. Guillet :

Q. Do you know they were selling it at 15 cents last year, retail? A. No, sir; it was sold last year at from 13 to 14 cents.

By the Chairman :

Q. That quality was 9½ cents a pound? A. It was pure manilla; sisal was considered as a mixture half and half with pure manilla, and at that time we used a mixture.

Q. What did you sell it then for? A. It goes into different hands; we give it to the agents at a cent per pound profit, and the agents get a cent more when they sell to the farmers as their profit. So that it went to the farmers at about 13 cents. Half the time they probably got 14 cents.

Q. Do you know the difference between the raw material then and now as to price? A. I do not know positively. I did not understand Mr. Connor to give the difference between the price of raw material two years ago and last fall. He said it is quoted at £25 last fall and now £12 in England. That is a vast difference when

you take into consideration what it was last year in England and now, We want the comparative prices in Nova Scotia or the prices which they paid at the given time when they buy their stock each year, and then you would have some opportunity of judging what their profits are.

Q. What did you pay for twine four years ago before this combination was formed? A. I cannot tell back as far as four years ago. This of course is sprung upon me, although I had some figures in coming down on some business with the Government, because we considered it was a grievance and an injury to the public in this combination, putting prices on the twine, by which the farmer has to pay so much more in proportion to the cost of raw material than he had two or three years ago; and also so much greater than what we can buy it for in the American market. We can buy the same material that is sold here, the same finished twine, from the Americans, paying a duty of \$1.79 $\frac{3}{4}$ per 100 pounds, cheaper than we can buy it in Canada. On that we pay the duty.

Q. Are you buying in Canada? A. Yes; because we prefer patronising the home market if we can. But we say it is an injustice to the public when a combination is formed that will put up the price beyond what they are warranted in doing in view of the cost of the raw material. Combinations are an injury when they exact extortionate prices from the consumer.

By Mr. Fisher:

Q. Have you any figures to show that profits are greater now than before this combination was formed? A. I have not the figures of raw material, but I can tell you what we bought for before this combination was formed. We bought pure manilla for 10 cents a pound two years ago. We had our percentage off that.

Q. Last year you paid what? A. I cannot give the figures of last year.

Q. Two years ago you bought pure manilla for 10 cents and paid 9 $\frac{1}{2}$ cents for half and half, that is half sisal? A. Yes.

Q. Since the combination has come you paid 12 $\frac{1}{2}$ by the quantity? A. Large quantity.

Q. Have you any information with regard to the relative prices of raw material? A. It is not anything near in comparison with that. I cannot give you the figures, but they can easily be obtained. I think Mr. Stairs, of the Darmouth works, could give you all the information.

By Mr. Casgrain:

Q. What is your complaint? A. I believe in allowing raw material to come into the country.

Q. But if you can buy elsewhere outside of this combination at a cheaper rate, what would be your complaint? A. I say that they have that advantage, that they get the raw material free and we have to pay the duty on the cord, which they get the benefit of on the cord.

Q. If you can buy elsewhere and get a better bargain, what is your complaint? If you are obliged from the combination that would be a different thing? A. I say we can buy it and lay it down cheaper than we can get it from the Canadians after paying the duty; but then the difference is so small. I will give you the figures. The Canadian price for pure manilla delivered in not less than 50 ton lots is \$12.50, and then there is a 5 per cent. discount in 15 days off that, which brings it net \$11.87 $\frac{1}{2}$. I do not see any advantage in the rebate because the twine is not used until July and August. The American quotation is \$11.50 less 1 $\frac{1}{2}$ discount. That is, \$11.32 $\frac{1}{2}$ net. Freight 25 cents, total \$11.57 $\frac{1}{2}$ as against \$11.87 $\frac{1}{2}$. Take the duty from this, the duty of 1 $\frac{1}{2}$ cents per pound on the raw material paid by the American manufacturer, which is not paid by the Canadian, and it brings it down to 10 $\frac{1}{2}$ cents per pound.

By Mr. Fisher:

Q. That is the price to you? A. It would be the difference as between \$11.57 and \$11.87.

By the Chairman:

Q. Then you pay the duty after that? A. Yes.

Q. Then the American would be a good deal dearer? A. Yes; when the duty is paid.

By Mr. Wood (Westmoreland):

Q. We understand you to say that you paid Canadian manufacturers 30 cents per pound more than you would have to pay the American? A. Yes; but there is the duty.

By Mr. Bain (Wentworth):

Q. What is the actual cost, including the duty, of the American article? A. We had to import a large quantity for the North-West last year. We could not get it in Canada. We laid it down in Manitoba at about the price we had to pay in Nova Scotia, and duty added. It cost us about the duty extra. The ground of complaint is that although the Americans are paying a duty on it, they can afford to offer it to us at less than the Canadian figures. I have been in correspondence with large dealers and they tell us they have been buying it at the same rates as those who sell to us.

By Mr. Wood (Westmoreland):

Q. Are there any of this sort of goods manufactured in England? A. There is some; but they manufacture other kinds of material into cord which they think answer as well, and it is a great deal cheaper. It is gut. We have imported that, but it does not do as well in this country. It answers a very good purpose, however, and can be sold a good deal cheaper. Then there is a point in regard to what Mr. Connor said as to allowing others to handle the twine. We find that unless we keep the twine, the farmers would be without it at the proper season of the year; that the hardware men would only keep it to suit their convenience, and we stated to the manufacturers: "If we keep twine we will be bound to supply our customers in any event, and we will keep enough; otherwise we will let the hardware men keep it." We have never made more than ten per cent. on twine, and we have had to advance the money three, four or six months. So we have never made much; but we are obliged to have it to sell our machines. The agents make more.

By Mr. Guillet:

Q. What is the date of this quotation? A. It is quite recent. It is a memorandum I took from our books.

By the Chairman:

Q. Are your profits on twine as large as several years ago? A. We are obliged to buy twine for our customers with the prospect of not making anything on it; the prospect even of losing, for the reason that the Brantford company are making twine and sending it out to the farmers with the profit they are selling to manufacturers. They sell it at 12½, whereas we are selling it at 13½. Our demand this year would run nearly 600 tons of twine; but we have to have it.

By Mr. Bain (Wentworth):

Q. As business grows you will go out of the twine business? A. We cannot; we warrant our machines. If they go and get inferior twine it might interfere with the machine, and we must know what is in it. How is it if there is so little profit on the twine, we can buy it for exporting out of the country for about a cent a pound less than what we can get it in the country for? We have an order placed for twine that will go over a cent per pound to go out of the country cheaper than we can get it in.

By the Chairman:

Q. You heard Mr. Connor's evidence to the effect that they had machinery to produce double the amount of the consumption of the country, and they could make a surplus cheaper? A. That is a poor rule.

By Mr. Fisher:

Q. The same people who supply you with twine are the same who will send it out of the country? A. We have large orders going to England, Australia and South America.

By the Chairman :

Q. As a matter of fact, you sell your implements cheaper when you send them abroad than when you sell in the home market? A. We can; but it costs more to send it away.

Q. But taking off the cost of delivery; do you make a net profit larger on what you send to the country than outside of it? A. Decidedly. In consequence of American competition we cannot get a price that would pay us in Canada.

Q. You are doing the same thing as the rope manufacturers? A. I think it can be bought in the States just as cheap as here. The Brantford men are not in the combination, and the result is we are putting up a plant to manufacture our own cord. We must have a protective tariff, and I am perfectly willing that the twine men shall have protection; but I do not want them to make two profits.

Q. What are the Brantford men quoting at? A. To the farmer at 13 and 14 cents. They do not wholesale; they sell to their customers. They say to men in the North-West: "You buy our twine and we will sell you a machine. If you do not buy our twine, we will not sell our machines."

Q. Are the Harris & Son implement makers there? A. Yes.

Q. Is the twine works controlled by them? A. Yes; partly by them.

By Mr. Fisher :

Q. Mr. Connor said that they had a capacity of making 20 per cent. of the country's requirements? A. No; they could not make more than 500 tons, which would be probably what they would require for their own business.

Q. What would be the requirements of the country? A. There are over 3,000 tons required.

By the Chairman :

Q. Mr. Connor has stated that it would be 1,600 tons? A. He is a long way astray.

Mr. CONNOR—I am positive.

Q. What quantity did you use last year? A. I think it was between 400 and 500 tons.

Q. Did you supply more than a quarter of the country's needs? A. It would probably be a quarter.

Q. Including export? A. No.

By Mr. Landry :

Q. You do not know of anything whereby this combination sells to only certain persons? A. I think they have a combination, so that prices are very fine. The difficulty is, a hardware man can buy ten tons. Country hardware men will combine together and will take 100 tons and can sell it out over the counter for much less than we can handle it through two or three hands and go to the country.

By the Chairman :

Q. Do Harris & Son control the Brantford works? A. Yes; I think one of them is president of the company. The output is arranged so that the Harris Company control it, and they put it on the market in that way.

By Mr. Wood (Westmoreland) :

Q. I think you have stated that there is no combination among manufacturers of agricultural implements? A. No. They are selling now at a loss.

Q. How do you manage to ship to foreign markets? A. We get a bigger price. Of course the introducing and establishment of a foreign agency is enormous at first, and the machines we are sending out there we do not expect to realize on at present, but in the future we hope to realize more than we are doing now in Canada; for they are selling binders to-day at less than they can deliver them for. I do not say we are doing it. I know two or three firms who have made sales this year at a loss.

Q. Then protection is of no advantage to you? A. There is an over production. If this combination were to reduce the output to a fair and reasonable amount, but when they extort money, I think it is wrong. It is wrong to put on a price beyond what is a reasonable profit.

Q. Still, I am not quite clear about the relative prices between those you sell at to the farmers in this country and the machines you ship abroad. I understood you to say that you get a larger profit on what you sell at home than abroad? A. We do when we get our price; but we do not pretend to say that we are selling at the loss others are. We have a fixed price, and if we cannot sell them for that we will keep them or send them abroad.

Q. If you were not protected, if the market was open to the Americans, could you manufacture at all? Do you require protection? A. Yes, sir; any new country requires protection.

Q. Would you be able to ship to foreign markets if you had not the control of your own market? A. Yes; because we would get the raw material enough lower to enable us to make the machines low enough to compete with them. The duties on the material we are using is equivalent to the advantages that we gain by protection.

Q. Then you are not protected at all? A. For foreign markets they give a rebate on the duties paid out; but what are we to do when the material advances as iron and steel have done. Iron and steel have advanced from 25 to 50 per cent. as against a year ago. We are out of pocket that much.

Q. Are you selling cheaper machines? A. Nearly the same price as last year; but this year we will pay out over \$30,000 over and above the prices we paid for the same material last year, in consequence of difference in the tariff.

By Mr. Fisher :

Q. You said a few moments ago that when you exported your machines you got a rebate; that is, on the raw material on which you had paid duty; and as the duty on iron and steel has increased you will not import so much? A. No; we will buy it in the country.

Q. Then you will lose the profit you made in that way? A. Yes.

By the Chairman :

Q. How much ought the rebate to be? A. About \$10 on each binder. We have a claim here now with the Government that is being adjusted.

By Mr. Wood (Westmoreland) :

Q. Why do you buy iron in the country if you can get a rebate? A. Because I want to patronize home industry.

Q. Pure philanthropy? A. Not altogether. Some of the grades I can buy in the States as cheap as in this country; but I am a protectionist, and want to buy here.

By Mr. Fisher :

Q. What can jute be sold at in Canada? A. 10 cents per pound to the farmer; but it has not the same strength. It only answers some binders. The Americans do not make jute. It is the English.

JOHN CONNOR recalled.

By Mr. Casgrain :

Q. Let me understand this, as a matter of fact, pure and simple. Is this combination of you five to prevent over production? A. Yes, sir.

Q. And second, to have a fair profit on your manufacture? A. Well, I do not know that those words would cover the preamble of the association. I think the most satisfactory way would be to give you a copy of our agreement. I would have no objection at all.

Q. Tell me when you meet together? You had a meeting when you reorganized in August last. Did you discuss the matter of percentage of profits then to be made? A. No. We have an official as supervisor of the association, and that official is secretary of the association. It is he who makes the prices according as the material fluctuates in value. He will telegraph around to the manufacturers so that there is a uniformity. We never change unless there is a difference of half a cent per pound on the fibre.

The Committee then adjourned.

Q. You have an invoice here of 10 tons? A. Yes. That is a carload.

By Mr. Fisher :

Q. What is the quality of that wire; is there a difference between the number of points or barbs? A. There is a difference of distance, some four inches.

Q. You got the same price? A. Yes.

Q. Are there two points on the barb or three? A. It is nearly all four points here. There is no difference in price.

Q. Then there is the Manitoba barb? A. That is the Canada Company's barbed wire with four points. It is a difference in the way the barbs are put on.

Q. Are you aware of any barbed wire machinery in the country standing idle; or any factories that have been shut down in consequence of this agreement? A. I do not.

Q. Are you aware that there were more factories three years ago than there are now? A. I thought there was a factory in Woodstock.

By Mr. McKay :

Q. Is there not one in Windsor? A. Not that I am aware of.

Q. What about the Barnum Company? A. They do not sell barbed wire here.

Q. Does this include buckthorn? A. Only barbed wire.

Q. Is there any agreement in selling to the dealer in buckthorn? A. No. It is quoted in Montreal at 5 cents, and last year it was quoted at \$5.37.

Q. Is it manufactured in this country? A. The Dominion Barbed Wire Company claim to manufacture it, but whether they buy it or not, I cannot say.

Q. It is the same price as the imported? A. Yes.

By Mr. Guillet :

Q. That is the band or ribbon wire? A. It is a twisted band with a seam through the middle; it is just twisted.

Q. Is it cheaper? A. Yes; I think the buckthorn brought down the price of barbed wire.

By the Chairman :

Q. What is the price of buckthorn? A. It is now 5 cents in Montreal. I think that would also include freight to Ottawa. I do not know but the freight to certain points is paid.

By Mr. Fisher :

Q. Buckthorn will stand as great a strain as barbed wire? A. That is a matter of opinion.

By the Chairman :

Q. They pay the freight to Ottawa on buckthorn? A. I think so. I think that would carry freight to Ottawa. I think we could have it delivered here for 5 cents.

Q. Is it better than barbed wire? A. The price was in favor of buckthorn. In May, 1883, barbed wire cost $8\frac{1}{2}$ cents.

Q. Was the freight paid? A. I think it was always paid on barbed wire. That is not taking into consideration the $2\frac{1}{2}$ per cent. discount, as that merely depends on the capital to pay it. Now, I might mention that the price in September, 1883, was reduced to 7 cents, and the price was probably reduced as buckthorn came into use about that time.

Q. That was $1\frac{1}{2}$ cents in favor of buckthorn? A. Yes.

Q. That is what pulled the price down? A. Yes. Then in 1884 barbed wire was sold at 7 cents and buckthorn was reduced to 5 cents. In 1885 barbed was arranged at the same price it is now—6 cents, less 25 cents rebate.

Q. This was imported buckthorn? A. Yes.

Q. In 1885 barbed wire was 6 cents less 25; what was it in 1886? A. In 1886 we bought buckthorn.

Q. What was barbed wire? A. The same price as to-day. We bought buckthorn at 5 cents.

Q. What is buckthorn now? A. It is again 5 cents but it went up. Last year we paid \$5.37. That was the net cash price.

Q. That would be $\frac{1}{2}$ on the usual terms? A. Yes; in proportion to others.

By Mr. Fisher :

Q. What is the duty on barbed wire? A. $1\frac{1}{2}$ cents per pound. The present price of barbed wire in Pittsburgh, in April, was 4 cents.

By Mr. Gillmor :

Q. Is it made in England? A. I think so, but I do not know the price.

By Mr. Bain (Wentworth) :

Q. This 4 cents was at the factory? A. I think it would be delivered for that at any point in the eastern portion of the United States. I think it would be delivered at Ogdensburg; but there is an understanding amongst the manufacturers that they will not ship into Canada.

By Mr. Fisher :

Q. An understanding with our manufacturers? A. Yes; an arrangement. Our manufacturers are what they would call licensed companies from the Washburn Company, who own the patent.

Q. That is an arrangement by the patentee with people who pay them a royalty? A. I think so.

Q. Do our manufacturers here pay a royalty? A. I think so; but it is very small now.

Q. Has the patentee in the United States an arrangement with those here by which those in the United States will not ship into Canada? A. I believe so. In 1884 we bought a car load from Scutt & Company, Pittsburgh. We bought it for \$3.85. The freight was very low, being only 25 cents to Ottawa per 100 pounds; but the Customs people would not accept duty on the face value of the invoice, so that it cost us \$5.28 to lay it down.

By Mr. Bain (Wentworth) :

Q. What do the Customs people value it at? A. I do not remember.

By the Chairman :

Q. That would be only \$1.18 duty? A. This duty was changed last year. The duty then was 25 per cent.

By Mr. Boyle :

Q. It would be \$1 a ton? A. It cost \$5.28 to us; that would be more.

By the Chairman :

Q. \$3.85 and \$5.28 would be \$1.18. That would be the duty on \$4.72? A. I am not sure whether it was 25 cents. I was rather annoyed at the time and made a note on my invoice of the facts. The agent of the Dominion Wire Company asked if we had bought wire in Pittsburg, and brought it into Canada, and said he would proceed against us; but they did not proceed against us.

By Mr. Fisher :

Q. Why? A. Having the patent. They took proceedings against Wood & Leggatt, of Hamilton.

By the Chairman :

Q. Whom did you buy this from? A. We have bought for the past year from the Canada Wire Company

Q. That is one of the Montreal firms? A. Yes; Ives.

Q. You are dealing in stoves too? A. Yes; to a certain extent.

Q. What kind? A. Coal stoves.

Q. Any other kind? A. I have sometimes sold cook stoves, but I deal principally in coal stoves.

Q. Who are the principal manufacturers of coal stoves in Canada that you know of? A. E. & C. Gurney I fancy manufacture largely. We buy from Burrow, Stewart & Milne, of Hamilton.

Q. Do you know of any combination among the dealers in stoves? A. I know that there is a combination amongst them.

Q. How do you know? A. I know amongst certain dealers who are mentioned as being in combination that they have fixed prices.

By Mr. McKay :

Q. You mean manufacturers when you say dealers? A. Yes; I should have said manufacturers. You asked me about dealers?

The CHAIRMAN.—I meant manufacturers.

By Mr. Fisher :

Q. Have you received any circulars from manufacturers? A. No, sir; when I come to look I have none.

By Mr. Bain (Wentworth) :

Q. You were not asked to become a party to any arrangement? A. No.

Q. They do not stipulate any prices to you? A. No, they merely arrange their own wholesale price.

Q. Have you found the prices uniform? A. Amongst the people in the combination? Yes. Their lists vary and discounts are different, but if you come to take the net weight of the stoves they are probably about the same price.

Q. They appear as if there was an understanding in price? A. I have been told by manufacturers that a committee arranged prices. A man has a new stove and the committee decide what price that stove shall be sold at, and the manufacturer cannot sell below that. That is what I have been told by a manufacturer.

By the Chairman :

Q. There is no interference with you in selling it at any price you choose? A. No.

Q. Is there considerable rivalry among the stove sellers of Ottawa? A. Yes.

Q. A good deal of cutting of prices? A. We hear of it. I think prices are pretty well cut.

By Mr. Bain (Wentworth) :

Q. Do you only hear of it? A. We do not always pay attention to what we hear. If we did we would be selling stoves at \$10 apiece.

Q. You have not been able to purchase at cut rates? A. H. R. Ives & Company are not in the manufacturers' association. They sell at their own prices and they pretend to sell lower than the manufacturers who are in the combination.

By the Chairman :

Q. You think there is a combination and that some are not in it? A. Yes.

Q. Who else besides Ives? A. I am not very well posted. Ives is the only one I know of.

By Mr. McKay :

Q. Did you notice that this combination extended to cooking stoves as well as heaters? A. Yes.

Q. All kinds of cooking stoves—

By Mr. Bain (Wentworth) :

Q. I suppose he is only speaking from usual information? A. That is all, sir.

Mr. MCKAY—He says that he knows that it does.

WITNESS—I know from what the manufacturers have told me.

By Mr. Guillet :

Q. Are there any combinations in any other articles? A. There is something mentioned to Mr. Wallace the other day—tar paper.

The witness handed the chairman the following letter which was read.

MONTREAL, 23rd March, 1888.

A. WORKMAN & Co., Ottawa,

GENTLEMEN,—By the recent decision of the sheathing paper men, an agreement was made by which we could not handle paper to sell at the proper price except by working in with a member of the association of saturators. We are accordingly selling paper now on account of Geo. W. Reid. We are giving you the best price allowed any one. You will thus understand why we send you Reid's invoice, and trust we may have your further favors when in the market.

Yours very truly,

GILMOUR & CO.

WITNESS.—Then we are agents for the Northumberland paper mills.
(The witness read the second letter as follows) :—

CAMBELLFORD, Ontario, 14th April, 1888.

Messrs. ALEX. WORKMAN & Co., Ottawa.

DEAR SIRS,—In reply to your favor of the 13th inst., you are not obliged to buy from the saturators, but you can buy as cheaply through them as you can from us. Our best price is \$32, plus freight from Montreal to Ottawa delivered. Terms 3 per cent. off, 30 days for either laid or plain in car load lots.

Yours truly,

THE NORTHUMBERLAND PAPER CO.

By the Chairman :

Q. Is that lower or higher than you bought last year? A. That is freight paid. It is only an advance of 5 cents. But the people in Montreal have been charging us higher than that. That this \$1 a ton.

Q. It was \$31 a ton delivered in Ottawa before that? A. Yes.

By Mr. Bain (Wentworth) :

Q. Do they charge the same rate for tar and plain paper? A. Yes; the same price per pound.

By the Chairman :

Q. That is a pretty low figure is it not for plain paper, \$1.60 per 100? A. We have bought it as low as \$1.50 delivered in Ottawa, but we had to take a carload to get it at that price. The best at Montreal to-day is \$1.70.

JOSEPH R. ESMONDE, sworn.

By the Chairman :

Q. Where do you live? A. Ottawa.

Q. What is your occupation? A. Stove and hardware merchant.

Q. Have you dealt in barbed wire too? A. Not now.

Q. About the stove business, you deal in all kinds of stoves? A. Yes.

Q. Do you know of any combination among the manufacturers? A. They say they have a combination. We frequently get circulars from them.

Q. From whom? A. From a certain number of manufacturers who are supposed to be in the combination.

Q. Do you know any firms who are outside the combination? A. Yes.

Q. Who are outside? A. Am I compelled to answer that question? I will tell you why. In giving evidence like this sometimes one picks up an odd manufacturer and he does not want to tell where he gets a little bargain.

Q. Who are in the combination first? A. As near as I can see Buck of Brantford, Copp of Hamilton, Burrow, Stewart & Milne of Hamilton, Gurney of Hamilton, Gurney Toronto, Chown & Cunningham of Kingston, the Smart Manufacturing Company, Brockville, and the Toronto Stove Company. Well these are the principal ones.

By Mr. Boyle :

Q. Is there one in Hamilton? A. Yes; the Ontario Manufacturing Company.

By the Chairman :

Q. Any in Montreal? A. None that I know of in Montreal; they are all out.

Q. Are there pretty large manufacturers of stoves in Montreal? A. Yes; but the combination seems to be composed of a class of people who make a superior class of stoves, a highly finished stove with nickel, gilded and burnished edges.

Q. Coal stoves or cooking stoves? A. Both, all kinds of stoves; wood and coal heating, and wood and coal cooking stoves.

Q. Well, have the prices varied much in recent years? A. Yes; they have advanced considerably, but for which we get value in this way: we get a very much superior article in finish. The article is so made now in Canada that it compares very favorably with those in the United States. That is all the superior class of makers.

By Mr. Bain (Wentworth):

Q. Could you give us the actual figures as to prices? That is the actual prices of the stoves as furnished to dealers?

By the Chairman:

Q. Have you the price lists of stoves? A. I could not tell you anything about that. Although one man might make a stove and another man might make one similar to that, the one might make it plain, and the other with a highly finished electro plating and nickel plating, which would make a difference in the price of stoves.

Q. Take some makers of the same stoves for instance? A. I cannot give you that, for the stove made five years ago is not the stove made to-day. Stoves on the market last year may be withdrawn this year. They change because they are continually making important alterations.

By Mr. McKay:

Q. Are not some of the makers selling cook stoves of the same design for the last twenty years? A. No, sir. You may burn them, but I don't think you bought them recently.

Q. They are selling stoves that were designed twenty years ago? A. Not that I am aware of.

By Mr. Bain (Wentworth):

Q. So far as the manufactured product is concerned, it is practically the same stove? A. Yes; but you must remember the increase of the moulders' wages.

Q. I was asking you for some general price list of stoves, as to the advance? A. There is an advance undoubtedly, but I am trying to explain to you that that advance is owing to the fact that they have improved the quality of the stove.

Q. Could you kindly treat us to the actual figures? A. I could not, sir. If I could, I would.

By Mr. Fisher:

Q. You say the stoves in Canada compare equally with the stoves of the United States? A. Very favorably with them.

Q. How long? A. Six years.

Q. To-day, how do the prices of stoves in Canada compare with those of the United States? A. They are cheaper in the United States than in Canada, slightly.

Q. Do you know how much? A. I should say about 10 per cent. I am stating now something perhaps of which I know nothing, for this reason: I have not made enquiries for this last year, but the last time I made enquiries, about two years ago, it was about 10 per cent.

By Mr. McKay:

Q. You say the same stove is sold cheaper in the United States than it is in Canada? A. Yes.

Q. Sure? A. Yes, sir. I am speaking of two years ago, I am not speaking of to-day.

By Mr. Fisher:

Q. That is the last occasion on which you enquired? A. Yes.

Q. Is there any import trade in stoves at all? A. From the United States?

Q. Yes? A. Not that I know of.

Q. The difficulties in the trade are too great to do that business? A. We find now that owing to the excellence of the stoves manufactured in Canada, that there is no necessity in going to the States.

Q. Was there at the time you were looking into these prices a couple of years ago? A. No, sir, it was an idea I had, seeing the prejudices of Canadian people for American stoves, to see if I could bring these stoves into Canada to sell them and compete with Canadian stoves.

Q. What was the result of your investigation? A. I saw of course that with the duty I would be a long way behind.

Q. The duty was heavy enough to keep you from competing? A. Yes, sir. They are a little ahead of us with their patents, but our people are keeping fast on their heels.

By Mr. Guillet :

Q. You were over there? A. Yes.

Q. Did you ask them for prices for the Canadian market? A. No, sir. I did not tell them where I was from. I did however in one case, but I cannot say positively that they made any special figure because I was a Canadian.

By Mr. McKay :

Q. You say you got special prices from the Americans knowing that you were from Canada? A. From one firm only.

Q. Is that why you say they will sell them cheaper there? A. This one firm offered to give me better figures. They said, "We will make matters right; we will give you an extra five to meet your figures."

By Mr. Fisher :

Q. The 10 per cent. was exclusive of that? A. Yes.

Q. What effect do you think the combination has on prices here? A. The effect is very little if you take into consideration the value of the stoves. I will prove it to you in this way: Firms who are outside of the combination will make a stove similar to one that is made by those in the combination, but not with ground edges and not so well fitted, although apparently the same stove. We can buy this for from 5 to 10 per cent. less, but we do not get as good nor as carefully made a stove nor as well finished a stove.

Q. Are there any men outside of the combination who make as good stoves? A. No; not that I know of.

Q. In fact the combination does not care to get these men in, because the superior quality of their ware prevents competition? A. I think they would take them in if they would go.

Q. Do you find in a general way that there is a general demand for these extra finished stoves? A. Yes; it is almost necessary now.

By Mr. Bain (Wentworth) :

Q. Even if you sold the others cheaper? A. Well, you must let me explain this: A superior class of stoves, for instance hall stoves, heating stoves and the better class of cooking stoves are made up with an extra finish and nickel plating by the combination only, and the others do not make them. They may make some attempt to do so, but it is a very small affair.

By Mr. Fisher :

Q. Is that because they cannot do it? A. No; I think they do not care to go in for that trade.

By Mr. Guillet :

Q. Do those in the combination attempt to limit you in the sales or say who you shall buy from? A. No; not at all.

By Mr. Boyle :

Q. The fittings in the openings is a very important thing? A. Yes.

Q. That is not so good in the manufactured stoves outside of the combination? A. No: they do not attempt to make the better class of heating stoves. We are restricted in no way about our sale, and as for prices, comparison cannot well be made, as my friend Mr. Graves will be the sole agent for a certain stove, Mr. Workman for another, I for another, and they will be sold by no one else in the city.

By Mr. Fisher :

Q. Is that a rule of the combination? A. No.

By Mr. Guillet :

Q. All dealers may buy from the combination? A. Yes; that is not by the combination but by each individual house. For instance, Mr. Graves would want a piece of casting from William Buck, for whom I am sole agent in Ottawa; he cannot get it except through me. I want a piece of casting for a stove for which he is agent; I cannot get it except through him.

Q. You make a private arrangement; manufacturers are selling at prices agreed on between themselves? A. Yes; I presume so.

Q. You say you have made an arrangement with a man who is a member of the combination whose name you do not wish to disclose? A. No.

By Mr. Fisher :

Q. I understood you to say that there were men outside of the combination and that you had a similar arrangement with them? A. Yes; in some cases, but not as a rule.

Q. It is only the men in the combination who make this rule? A. It is not a rule. It seems to be an accepted thing that a man who takes a stove has the exclusive agency. I buy for instance a couple of thousand dollars' worth of one kind of stoves and I expect to have that alone.

By Mr. Bain (Wentworth) :

Q. That is between you and the individual maker? A. Yes.

Q. He considers it desirable to have one agent and give him the exclusive right to handle his goods in that place? A. That is right.

By Mr. Fisher :

Q. I suppose under these circumstances you have some sort of arrangement as to prices at which you sell these stoves? A. No, sir; sell them for little or much.

By Mr. McKay :

Q. On any terms or at any prices you wish? A. Yes.

Q. No restriction? A. No, sir.

By the Chairman :

Q. You do not know anything of any arrangement that the stove manufacturers have made among themselves? A. No.

Q. You know there is a combination among them? A. Yes.

F. T. GRAVES, sworn.

By the Chairman :

Q. Give your name, occupation and address? A. F. T. Graves, Ottawa, of Graves Bros., stoves and hardware.

Q. You have heard Mr. Esmonde's evidence? A. Yes, sir.

Q. Is there anything that you can add further in regard to the way retail dealers are selling stoves? A. He has got it down about as fine as you could get it.

Q. Do you know of any combination among the manufacturers of stoves? A. Yes, sir; there is supposed to be one. They give notices and there is supposed to be a combination.

Q. What foundation have you for thinking that there is? A. Nothing more than the circulars received?

Q. You get the same prices from all? A. Yes; we get notices from all.

Q. Do they generally rule up or down? A. Up.

By Mr. Fisher :

Q. There is nothing in these circulars to show that there is a combination? A. Nothing except what they say.

Q. They are not issued by the secretary of the combination? A. They used to be a year or two ago, but the last year or two each manufacturer sends out his own notice.

Q. Is there anything in that to indicate that there is a combination? A. It generally heads off with the statement that the general committee of manufacturers has decided to raise the price of stoves to a certain figure.

By the Chairman :

Q. We have here three or four post cards which were addressed to a man on the same date, and asking the same thing? A. That is the way we usually receive them.

By Mr. Fisher :

Q. Do you deal chiefly in the stoves made by this association; that is of the same quality as the last witness spoke of? A. Yes, principally.

Q. Do you find those outside of the combination different in quality from those inside? A. Yes; they are not so well finished. They may be equally as good in wearing and working, but they are not so well finished. In the line of cooking stoves and in the line of heating stoves they do not make them so good.

Q. Do you buy them cheaper than in the combination? A. Some of them are from 5 to 10 per cent.

Q. From your knowledge of the trade would you say there is that much difference in the quality of the stoves? A. I would, sir; yes. We don't sell but very few of them. There is not much demand for them.

By Mr. Bain (Wentworth):

Q. There is not so much demand, so you don't keep them? A. We keep them. We put the two stoves side by side and make a difference of 8 or 10 per cent. They will pay the difference and take the dearer stove. They see it at once to be unfinished.

By Mr. Fisher:

Q. I suppose you make a little more profit on the higher priced stove than on the lower one? A. It is supposed we will make a little more profit than on the other. The profits on stoves are very small either way.

By Mr. Bain (Wentworth):

Q. Have the prices gone up much this last year? A. 1885 was 5 per cent., 1887 was 8 per cent. in advance of the previous year.

By Mr. Boyle:

Q. Is there any reason given for this advance? A. It is supposed to be the increase of labor and iron, and so on. They have a great deal of difficulty with the moulders. The moulders make very large wages, working about three days in the week and drinking the balance.

By Mr. McKay:

Q. Do you actually know of any advance given to moulders over the pay given this last year? A. Only what we hear. We hear we have to pay them more wages.

Q. Did you hear the amount? A. No, sir.

By Mr. McDougall:

Q. What is the increase in price this last year? A. 5 per cent.

By Mr. Bain (Wentworth):

Q. Do you remember between 1887 and 1886? A. I don't. I would not be positive, but it strikes me they charge 13 per cent., 12 or 13 per cent. more.

By the Chairman:

Q. When did this advance of 8 per cent. take place? A. Somewhere about March, last year.

Q. That is March, 1887? A. Yes.

Q. Then last month? A. The advance was 5 per cent.

Q. March is about the time they usually send out these circulars? A. Yes.

By Mr. Fisher:

Q. There is a restriction on the prices you sell at? A. We can give them away if we like as long as we buy them and pay for them.

By Mr. Boyle:

Q. Have you any practical knowledge of the manufacture of stoves? A. No.

Q. Are you prepared to say whether the manufacturers are justified in exacting these advances from you or not? A. Well, that is hard to say. We accused them that they have no right to do so. Of course we are not practical, we don't know anything about it. We hear their travellers say that they should not raise them. I hear a traveller say that they should not raise them.

By Mr. Fisher:

Q. Has there been a corresponding rise in the price of stoves not in the association? A. Yes, of course, they follow up the combination and just keep a little below to try and run their stoves in.

Q. They also have raised their prices? A. Yes.

By Mr. Bain (Wentworth):

Q. How long is it since they gave you a circular putting down the prices, lowering them? A. I could not answer that. It always seems to be going up.

Q. You cannot remember a time when stoves got cheaper? A. No; I could not. I suppose it was nine or ten years ago.

By Mr. McKay :

Q. They got cheaper about nine years ago, did they? A. Yes.

By Mr. Guillet :

Q. The quality has been improving every year? A. Yes.

Mr. BAIN—They have been going up a little every year.

By Mr. Guillet :

Q. They are more durable? A. I could not say that they are more durable.

Q. Don't better castings last longer? A. I don't think it. They are nice looking.

By Mr. Fisher :

Q. This higher finish that you speak of is really no better? A. No; it is only looks.

By Mr. McKay :

Q. Are the stoves not much more highly mounted than the ones before 1886, 1887, 1888? A. Oh, yes; very much more.

Q. Is that not where the increased price comes in? A. Yes.

Q. If the people wish to pay for them they are at liberty to do it? A. Yes; but they are no better to wear.

By Mr. Fisher :

Q. These nickel plated and finer finished stoves are lighter and less likely to wear than other stoves? A. Yes.

Q. And the advance in the price is not justified by this finish. Really the stove is not much more expensive to make than it was before all that ornament was put on it? A. Well, of course, there is the difference in the weight of the iron. The difference of 25 or 50 pound, at one-half cent a pound, don't amount to much.

Q. Still they cut them down as much as possible? A. Yes; especially with this combination. They will have to run their patterns or castings to get them down in some way as light as possible, as the association binds them to a certain price. They want to get the weight of stoves down.

Q. Do you sell by the pound or the stove? A. By the stove. Of course their great cry is the increased price paid to moulders. You take these manufacturers and the great difficulty is the one thing that Mr. Esmonde has spoken of that they change their stoves so often. They will only run a base burner, which has an average life of about two years, and every pattern cost from \$1,000 to \$1,500.

By Mr. Fisher :

Q. You do not mean to say that the average life of a base burner is that? A. Only in style. That is the way they spend so much money.

By Mr. Bain (Wentworth) :

Q. Still the general lines of stoves have not advanced in price? A. Yes.

Q. How was it before 1886? A. Well, I cannot go any further. It seems to me that in 1883, 1884 and 1885 they were about the same. It seems to me that there was not much change. The first big jump I can recollect was this 13 per cent.

By Mr. McKay :

Q. Was not that the time the Art Garland came out? A. I think that the Art Garland has been out about three years. That really had nothing to do with it.

By Mr. Macdougall (Pictou) :

Q. What is the average weight of a base burner? A. 275 to 300 pounds.

Q. What does that sell for? A. \$35.

Q. Retail? A. Yes.

Q. What is the wholesale price? A. Somewhere about \$30.

Q. What proportion of that would the iron cost? A. You know what pig iron is worth.

By Mr. Bain (Wentworth) :

Q. You do not handle pig iron? A. No, sir. You see the moulders make in the neighborhood of \$30 a week. I know as far as dealers are concerned that there is very little money in the stove business.

By Mr. Fisher :

Q. Do you deal in barbed wire? A. Very little. We have gone out of it.

Q. Where did you buy? A. In Montreal. I heard Mr. Workman speaking of buying; we were in the same fix as he was in regard to the duty.

Q. Did you find the same difficulty with reference to infringement of the patent?
A. Yes; we were also served with a notice.

Q. On whose part was that notice served? A. I do not remember.

Q. Was it the manufacturers of Canada? A. It was the manufacturers of Canada. I think it came originally from the Dominion Barbed Wire Company. Some lawyers in London I think wrote us. It was through them at all events.

Q. Does the Canadian Barbed Wire Company manufacture under the same patent? A. I think so.

Q. You do not know of any other manufacturers only these three? A. I do not.

Q. Do you know of any that have been closed? A. I do not know of any and I do not think there is.

By Mr. Bain (Wentworth) :

Q. The trouble that stopped you buying was the increased tariff that the Customs put on you and this objection raised by the Canadian manufacturers? A. Yes.

Q. The American men would still have sold you? A. I do not think they would now. They would not sell if they knew it is to come into here.

Q. Practically the Canadian men have a monopoly? A. Yes.

By the Chairman :

Q. They have the monopoly through the purchase of the patent? A. Yes; they pay a royalty.

By Mr. Fisher :

Q. Do you deal in cordage? A. Yes.

Q. In binder twine? A. No; we do not handle that.

Q. Where do you get your cordage? A. Principally from Montreal.

Q. Are you aware of any combination? A. There is supposed to be. Of course we do not know, but we know it has taken a tremendous jump.

Q. Since when? A. Along last fall.

Q. Before that did you find any change in regard to the price list? A. We found they stuck closely to the same thing.

Q. There seemed to be no difference between them before and after. They seemed to have had an arrangement amongst themselves to make that jump? A. Yes.

Q. Have you reason to believe that beyond your suspicion? A. Nothing more than to hear people talk, saying that there was a combination. The only evidence was the jump.

By Mr. Gillmor :

Q. Two or three cents per pound? A. Yes; three cents and three and a half cents.

Q. A sudden rise? A. Yes.

Q. That was in the fall of 1887? A. Yes.

By Mr. Fisher :

Q. What was the reason given? A. No reasons were given that I remember of.

Q. Had prices been pretty uniform before that? A. Yes; they had been running along for two years at the same price.

Q. Are you aware that there has been a break in the combination? A. I do not think there has.

By Mr. Bain (Wentworth) :

Q. Were there any circulars sent to you intimating that there was a rise in raw material and that prices were likely to go up? A. No, sir, we did not get any notice of this thing. They generally spring them on us.

Q. What kind do you handle? A. Twine.

Q. Could you import? A. Yes, we could, but we supposed we were getting it cheaper. We supposed we were buying mattress twine for 25 per cent. less.

Q. Where do you get that? A. It is manufactured in Campbellford.

Q. The imported article was poor? A. Yes; that made the difference in the price and we did not buy any more. It is not fit for mattress twine.

By Mr. Guillet :

Q. The kind, you say, was inferior; where did you buy that? A. Imported it through a Toronto house. It was manufactured in England. Here is something on binder twine which will prove a combination, you were asking about it. It is a circular. We get a lot of these things and put them in the waste paper basket. We know that prices have gone up, and we put them down in the price book and that ends it.

(Witness here hands in a letter from A. W. Morris & Bros., of Montreal, addressed to Mr. Workman, a previous witness.) (Exhibit 39.)

By Mr. Fisher :

Q. You charge according to what you have to pay? A. Yes; but that does not make any difference. If we get up and kick they do not pay any attention to it.

(The Chairman here read the letter handed in by the witness.) (Exhibit 39.)

By Mr. Bain (Wentworth) :

Q. When do you get your stocks of cordage principally? A. Fall and spring.

Q. Do you handle pressed tinware? A. Yes.

Q. Along with stoves? A. Yes.

Q. How are they handled? A. There is a combination in pressed tinware. We received notice a few days ago that they had advanced considerably.

Q. Where have they got their headquarters? A. Davis of Montreal and Macdonald, Kemp and Company of Toronto, and the McCleary Manufacturing Company of London. Their names are all on the one circular.

Q. What is the nature of their arrangement? A. The nature of it is that there is quite a big jump of about 25 per cent.

By Mr. Fisher :

Q. Was there a reason why it should go up on account of the advance in material? A. Yes; the advance on tin, they claim.

By Mr. Bain (Wentworth) :

Q. What is the actual advance on tin? A. On sheet tin I cannot say exactly, but the block tin that 4 months ago we would buy for 21 cents a pound is worth to-day 40 cents.

By Mr. McKay :

Q. That is nearly 100 per cent.? A. That is done by a combination.

By the Chairman :

Q. Does that extend to your business? A. Yes.

Q. Four months ago you could buy it for 21 cents and to-day it is 40? A. Yes.

By Mr. Fisher :

Q. That combination extends to the mines or where is it? A. I do not know about the mines; but I know it is with the dealers—the people we have to buy it from.

Q. In England and the United States? A. Yes and France. I believe a French syndicate controls the copper and tin principally.

By Mr. Bain (Wentworth) :

Q. About what has been the advance on copper, while we are speaking of these things? A. Copper has advanced from about 21 cents to 29 cents.

Q. They have not done as well on that as tin? A. That is my experience.

Q. The organization is only recent in this tinware? A. I have understood that there has been a combination but the price of tinware has been ridiculously low. If a man bought \$100 worth it would fill up his whole place.

By the Chairman :

Q. Below the cost of production? A. I cannot say below the cost, but I do not think they made much.

Q. Do you think there was a fair profit? A. I do not think so.

By Mr. McKay :

Q. One manufacturer in Hamilton went out of it, and another broke down? A. J. M. Williams went out of it and the other broke down.

The Committee then adjourned.

HOUSE OF COMMONS, OTTAWA, 18th April, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. WALLACE, M.P., in the chair.

H. R. IVES, manufacturer, Montreal, sworn.

By the Chairman :

Q. What do you manufacture, Mr. Ives? A. I manufacture stoves, hardware and miscellaneous small wares.

Q. Have you any combination with other manufacturers in stoves? A. No; I have not.

Q. Have you any business arrangement? A. None whatever at present.

Q. Do you know of any such arrangement being in existence? A. I do.

Q. Were you not in it? A. No; I have not been in it.

Q. At any time? A. No; not at any time.

Q. Have you been asked to join it? A. I have.

Q. And what were your objections? A. I had no particular objection except personal objections. There is a difficulty in carrying it out effectually in our part of the country for one reason and another. It would have been in the small line that I manufacture in comparison with some of the larger ones. It would not perhaps be to my advantage.

Q. Are you in any combination in any other manufacture? A. Yes. I might say with reference to the stove combination, that I think it has proved a great benefit to the trade and the quality of goods has been improved. I think, so far as I know of it, that it has been favorable to the interest of the trade generally.

Q. How about the prices? Do you know the prices which the combination charge? A. I do not know precisely but I think they are very fair prices.

Q. Giving a good profit? A. The profit is a relative expression. It depends so much upon the expenses. It is very difficult for a manufacturer to determine what his profit is; sometimes it is only possible to get it after a term of years. The wear and tear of plant, new machinery, &c., all enter into the cost of the manufacture.

Q. Are your prices regulated the same as the combination? A. Very nearly. We are influenced more or less by competition with others.

Q. What other competition is there besides your combination? A. There are a very large number of small makers who are not in the combination.

Q. There is a large number not in the combination? A. Yes; a very large number.

Q. Where are they? A. All over the country.

Q. Are there any in Montreal? A. Yes; quite a large number.

Q. Who are they? A. I could hardly give the names. There is a large list of small manufacturers.

Q. But are these stove manufacturers? A. Yes; almost every small town has a stove foundry.

Q. So far as you know, the prices of all those firms are kept pretty well up to the prices of the combination or association? A. I think they do very fairly.

Q. You think the association benefits you in keeping up the prices? A. I think it does in a measure. I think that owing to some regulation which they have with each other by which they avoid, as far as possible, taking each other's patterns and endeavoring in fair competition to get up superior goods, it has a beneficial effect. I think that is the tendency of their combination. As the prices are equalized each one endeavors to excel in quality. Therefore, I think it is beneficial to the trade generally.

Q. How is this arrangement made about prices? Do they regulate the prices with different men making a somewhat different article? A. They have an experienced adjuster who weighs and takes into account all the costs of each stove, and then the price is fixed for it according to its relative value.

Q. The adjuster fixes the prices of all the stoves? A. Yes.

Q. And his decision is final is it? A. Yes; I think it is. That is only what I have been told as I have not been in it. As it has been explained to me it works very harmoniously in that way. The subject has been advanced to me when asked to join; these are the arguments in favor of it.

Q. When were you asked to join? A. Recently.

Q. And previous to that? A. Oh, occasionally.

Q. Are you in any other association, any manufacturers' association or dealers' association? A. Not in any association. We have private arrangements with others with regard to prices.

By Mr. Bain (Wentworth):

Q. How do your prices this year compare with last? Are they the same for the same class of goods or is there any advance? A. Well, we have made no advance at present. The prices are just about the same.

Q. Your prices are just the same now as they were a year ago? A. Yes.

Q. When was your last change on your current prices? A. I do not remember. It may have been a year or more ago possibly but I do not remember. There has been no decided advance.

Q. But a year ago you made an advance? A. I do not think there was a general advance.

Q. But you made an advance on some lines? A. Yes.

Q. About how much per cent.? A. About 5 per cent. The prices are regulated upon different articles at different times according to circumstances. There was no advance upon the whole.

Q. I am speaking of your current staple stoves? A. Well, it is a large item, but there has been no general advance.

Q. But you made an advance in some lines of about 5 per cent. a year ago? A. Yes.

By the Chairman:

Q. Have you decreased the price in any item? A. Yes; some were higher and some were lower.

Q. So that the average would be about the same? A. Yes I think the average would be about the same, so far as my business was concerned.

By Mr. Bain (Wentworth):

Q. Have you had any advance within the last two or three years or so? A. Well, styles and patterns change so much it is almost impossible to say that. I should say there had not been.

Q. You have had no general advance? A. No; I should say not.

By the Chairman:

Q. You did not join the combination? A. No.

Q. No combination or association? A. No association, further than that there is an arrangement between the James Smardon Manufacturing Company and myself. We have an agreement with regard to the prices of hardware.

Q. In what article? A. Miscellaneous hardware.

Q. Articles that you both manufacture? A. Yes.

Q. How does that arrangement work? Does it work satisfactorily? A. Yes; very satisfactorily.

Q. Have you a written agreement? A. Yes; there is an agreement. It is more of a friendly nature. There are two of us—I think there are only two in it—and we meet from time to time and fix the prices as they need to be. Sometimes they are reduced, and sometimes advanced, according to circumstances.

By Mr. Bain (Wentworth):

Q. Are you interested in the barbed wire business, Mr. Ives? A. I am president and manager of the Canada Wire Company.

Q. How is it with respect to that business? A. That is managed under the auspices of the Washburn & Moen Manufacturing Company of Worcester, Mass.

Q. They are an American concern? A. Yes.

Q. You manufactured? A. By paying a royalty.

Q. Under their patent? A. Yes.

Q. That gives you the exclusive right in Canada? A. Well there are three concerns.

Q. Then the three of you have the exclusive right to manufacture that particular style of wire in Canada under the royalty? A. Yes.

By the Chairman :

Q. What royalty is there? A. I would like to state everything that is proper under the circumstances, but am I obliged to say anything with regard to private business in that way? I do not see that it affects the public generally. I do not object if there is any necessity for it.

Q. Is there any object for refusing? A. No.

Q. We have quotations here of American barbed wire a good deal lower than yours. We want to account for the difference in price, but we have no desire to pry into your private business? A. I am willing to state what it is but it would be embarrassing me.

Q. We do not want to embarrass you? A. We pay 15 cents per 100 pounds royalty, which is more than they pay in the States at present.

Q. What is the extent of the manufacture, or to what extent do you manufacture barbed wire? A. Several hundred tons a year, possibly 600 or 700, I think in that neighborhood.

Q. And do you know the amount that the other two firms manufacture? A. One does more and the other about the same.

Q. How much more? A. Oh, I think they do nearly double.

Q. About double? A. Yes; about double.

Q. Do they import any barbed wire? A. There is very little imported.

Q. Is that the total consumption? A. Yes; about that.

Q. 2,800 tons? A. Yes; I think that is the maximum. I think as near as I can remember that it is somewhere between 2,000 and 3,000 tons.

Q. What are your prices for it, the prices for the best that you make? A. Our prices are varied according to the dealers. For instance, we give railways, who are large consumers, a $5\frac{1}{2}$ cent rate, the wholesale men $5\frac{3}{4}$, and the retailers 6 cents. Of course there is a discount for cash, and we deliver the goods in all parts of the Dominion.

Q. In all parts of the Dominion? A. Yes. For the North-West the prices are lower to compensate in some manner for the freight.

By Mr. Bain (Wentworth):

Q. You deliver at lower rates in the North-West? A. Well, we sell at a lower rate here.

Q. You do not deliver in the North-West? A. No; we do not deliver in the North-West.

By the Chairman :

Q. Is there any of the buckthorn wire made in this country? A. Yes; there is a little. I think it has not given general satisfaction. I think the sale has fallen off.

Q. What about the price of it? A. I think it is a little less. We have sold the buckthorn.

By Mr. Guillet :

Q. Do you make it? A. We did not make it. We bought it from the importers.

By Mr. Bain (Wentworth):

Q. It is of German make, mostly, is it not? A. Yes, mostly; and latterly we found that it did not give satisfaction. The sale has fallen off.

By the Chairman :

Q. What is the defect in it? A. I think that it does not stand the effect of frost or snow, but really I do not know precisely. I would not like to say anything against it, but I think the sale has fallen off. I know we have not been able to sell it.

Q. How long have you been manufacturing barbed wire? A. 5 years I think.

Q. What was the price 5 years ago? A. Well, I think the price when we first commenced was about 8 cents per pound.

Q. Eight cents per pound? A. Yes.

By Mr Bain (Wentworth):

Q. That would be about 1883? A. Yes; somewhere about then.

By the Chairman:

Q. And the prices have been gradually going down since then? A. Yes.

Q. And now they are at the figures you state? A. Yes.

Q. Have you raised the prices this year over last year? A. No.

Q. You have not raised the prices? A. There has been no advance in prices.

Q. The prices remain about the same? A. Yes, about the same. There have been some trifling variation in terms and discount.

By Mr. Bain (Wentworth):

Q. What is your current discount for cash? A. 2 and 3 per cent.

Q. Is there any imported barbed wire at all? A. I think they import a little on the borders.

Q. Well, have they the privilege of doing that? Does it not interfere? A. Yes; but there is not sufficient to make any trouble.

Q. But if it was becoming extended it would interfere with your business? A. Oh, yes, it would I suppose.

Q. You have objected occasionally, as a matter of fact, when Canadian manufacturers were importing, have you not? A. Yes.

Q. When you knew of it you interfered? A. Yes; it is contrary to our agreement with the patentee.

Q. As a matter of fact, you are supposed to furnish the whole of the barbed wire, under the royalty you pay this firm, for the Dominion? A. Yes.

Q. Is there any arrangement with you, by which they refuse to sell to Canadian delivery, or do they leave you to protect yourself here? A. They would leave us to protect ourselves here.

Q. Then your only mode of protection is by bringing up the parties here. You cannot appeal to the American manufacturers? A. No; not very well.

Q. As a matter of fact, do they combine with those selling their patent in Canada? A. No; not that I am aware of. I think there was some understanding about it in some way, but it would not be possible to do it, there are so many manufacturers here.

Q. Then I suppose any importer is open to be prosecuted and without doubt would have to pay the damage for having imported it here? A. Yes; no doubt.

Q. You have prosecuted some members of the manufacturing firms here, have you not? A. Well, there have been no actions carried through. I think there was actions taken out, but they were discontinued.

Q. But you maintain your right I suppose under the patent laws to do that? A. Certainly, the owners of the patent would have that right.

Q. Well, would your contract enable your companies to do that. The American companies take the action? A. It is not their place do so. It belongs to the owners of the patents.

Q. Then in any prosecution you would have to move in your own name and on their behalf? A. Yes; they would have to move it.

By Mr. Guillet:

Q. In selling barbed wire do you dictate any terms? A. We undertook an arrangement by which the wholesale men would sell at a fixed price, and the retail men at a fixed price so as to obviate a great annoyance of one cutting the other.

Q. How would that annoy you? A. It did not annoy us at all. It was perhaps as much from their solicitation as for any benefit that we derived from it.

Q. You have received solicitation from the retail trade? A. A good many have notified us that as they could not make any profit out of it, they would not handle it and it seemed to be necessary in their behalf to make an offer to those people who are handling this wire.

By the Chairman :

Q. There was no attempt on your own part, but it was at their solicitation?

A. Yes; it was a measure mutually beneficial. It did not make any difference with our prices at all.

By Mr. Guillet :

Q. Has that arrangement been carried out? A. I do not think so; in some cases it has, but I think generally it has been very well observed. In some cases where there has been trouble the matter has been discussed and these people have been brought together, and I think we tended to bring the retailers themselves to a friendly understanding. The advance sought was very small, barely enough to make it an object for them to handle it.

Q. Did you stipulate that "you shall not charge more than that price"? A. Oh, no; they might charge as much as they liked so long as it was not less than the price fixed upon.

Q. Did they sign an agreement? A. Yes.

Q. Suppose that agreement was not kept? A. We have no recourse.

Q. There was no penalty attached? A. No.

Q. Would you refuse to sell them wire? A. No case has arisen of the kind. We would endeavor to patch it up.

Q. You have an agreement among the barbed wire manufacturers that the price will be dictated? A. Yes.

Q. Does this association that you belong to provide any penalties? A. No; none whatever.

Q. When was this arrangement made? A. This was simply an offer that we made this spring.

Q. Only this spring? A. Yes. We never before made any attempt to dictate any price.

By the Chairman :

Q. There are two kinds of wire, galvanized wire and plain wire? A. Yes; but the plain wire is not used very much.

Q. The prices you quoted was for galvanized? A. Yes; galvanized barbed wire.

By Mr. Guillet :

Q. Of course you have not had sufficient experience of the operation of that arrangement to say whether it has been satisfactory or not? A. I think, that on the whole, it has been satisfactory, because all were interested in having it carried out. It was simply giving them a commission for handling it. As far as we could, we came to an understanding with those people. For instance, if a man was disposed to injure his neighbor in that way, we would not encourage him. We would have the right not to sell him any wire, but any case of that kind was arranged according to the circumstances.

Q. And you have the power to compel obedience if you choose? A. They could get it outside I suppose.

Q. You have not concluded to adopt any stringent means to enforce it? A. No. No case has come up yet.

By the Chairman :

Q. How do you distinguish between the wholesalers and retailers? A. Well, we distinguish between the wholesalers and retailers by the number of tons they ordered. That is taken into account. We deal with each case according to the circumstances of their business.

By Mr. Fisher :

Q. You stated just now that they might get wire elsewhere. I think all the makers of wire in Canada are in this combination? A. Yes; the three.

Q. These are the only producers of wire in Canada? A. Yes.

Q. Could they get that wire from the States? A. I have said before, that they brought it from the States.

Q. There is no rule under the patent in the States against their sending wire into Canada? A. No; there is nothing to prevent them.

Q. How would the duty prevent the importation of wire in that way? Do you know at all what the prices are in the States? A. Yes; they are very much less than they are here.

Q. At what prices have they been selling in the States? A. The trade in the United States has been utterly demoralized, and an enormous amount of capital has been sunk in this business. A great many manufacturers have been ruined, and the business is at a very low ebb. There have also been very expensive litigations going on, that are not settled yet.

Q. In regard to the patent? A. Yes; in regard to the validity of the patent. The prices have been broken by irresponsible firms, that is, companies manufacturing very largely, and before they could be stopped or any injunction could be had, these people have thrown quantities of the wire on the market and broken the prices. Consequently pending these suits, the Washburn and Moen Company have temporarily reduced their royalty in the States, and that is one reason why they can sell it cheaper there.

Q. They have been reducing the royalties in the States; they have not reduced them in Canada? A. Not recently in Canada.

Q. Is the royalty higher in Canada than in the States to-day? A. Yes; it is higher in Canada than in the States.

Q. Can you tell the prices in the States of the same wire that you are supplying. A. I think about 4 cents.

Q. About 4 cents? A. Yes; about that.

Q. And the duties? A. There is the duty of $1\frac{1}{2}$ cents per pound.

Q. Is there an *ad valorem* duty besides? A. No.

Q. That would bring it up to $5\frac{1}{2}$ cents per pound? A. Yes.

Q. What is the royalty you have to pay now? A. Fifteen cents per 100 pounds.

Q. That is paid in consequence of the patent in Canada. The Canadian patent covers that I suppose? A. Yes.

By Mr. Bain (Wentworth):

Q. Do you draw your own wire? A. No; we do not.

Q. From where do you import as a rule? A. Some from England and Germany, and some is drawn in Montreal.

By the Chairman:

Q. Do the Dominion Company draw their own wire? A. Yes; they draw their own wire now.

DAVID ROBERT ROSS, miller, of Embro, Ont., sworn.

By the Chairman:

Q. Are you the secretary of the Oatmeal Millers' Association? A. Yes.

Q. Have you the books with you? A. I have the papers bearing upon the matter.

Q. Have you the minute books? A. Well, yes, I have them at the hotel. (Exhibit 38c.) I brought the minutes to Ottawa with me, but I have here all the papers bearing upon the matter.

Q. This is the monthly statement of manufacture that each one makes? A. Yes.

Q. Have you the constitution, rules and by-laws of the Oatmeal Millers' Association of Canada? A. Yes. (Exhibit 38a.) That shows everything. There are also some other papers here. (Exhibit 38b.)

Q. What are the objects of the association? A. The primary object was to make some profit.

Q. In what state had your oatmeal business been before this association was formed? A. Here is a paper which shows everything. There were about sixty mills in Ontario, and four of these mills can supply the whole Dominion.

By Mr. Bain (Wentworth):

Q. Have you any actual figures as to the capacity of the whole? A. Yes.

By the Chairman:

Q. There are sixty mills in Ontario, and four of them could supply the whole Dominion; that is the four largest? A. Yes.

Q. And what proportion does that bear to the whole manufacture? A. At the present time all these mills are running one day in two weeks.

By Mr. Bain (Wentworth):

Q. Could you give what the mills are turning out? A. The capacity of all the mills in oats is 9,300,000 bushels.

Q. And how much oatmeal does that mean? A. There are about 10½ bushels to the barrel, so that there would be about 900,000 barrels. That is about the average; sometimes it takes 10 and other times 11½ bushels.

Q. What is the consumption of the Dominion? A. 150,000 barrels. That is the quantity sold in the Dominion last year.

By Mr. Fisher:

Q. And the capacity is 900,000 barrels? A. Yes.

By the Chairman:

Q. When you speak of capacity you mean running night and day? A. Oh, yes; we always run 24 hours. It is less expense to run 24 hours than 12.

Q. Is that estimate made on the basis of continuous running? A. Yes; continuous running for 300 days.

Q. Well, that is more than in actual practice? A. Well, divide it by two, and then there would be a tremendous margin after that.

By Mr. Guillet:

Q. What is the amount which you say is consumed in the whole Dominion? A. 150,000 barrels was consumed last year.

Q. Do you know how much is imported? A. None at all.

Q. No oatmeal imported? A. Very little. There is a duty of \$1 per barrel or half a cent per lb, which prevents it coming in.

Q. Are there any oatmeal mills except those in Ontario? A. Until now, there were a few in Nova Scotia and New Brunswick, but they are very small.

By Mr. Bain (Wentworth):

Q. The association is confined to Ontario? A. There were no other mills considered worth taking in, but now there are mills started in Manitoba. They did not send any out of the country until within a few months.

By Mr. Fisher:

Q. They have not sent any out of Manitoba? A. They are sending to Canada now.

By Mr. Bain (Wentworth):

Q. Are they sending it out to Ontario or to Great Britain? A. Well, they cannot send it to Great Britain. They are sending it to Ontario.

By Mr. Fisher:

Q. Is there any particular Ontario mill that is sending it to the United States or Great Britain? A. There is a duty in the States of half a cent per lb. or \$1 per barrel, and in Great Britain the market is nearly \$1 per barrel lower than here. It is half a dollar or more cheaper than we can make it.

By Mr. Bain (Wentworth):

Q. Can you give us the prices here and in Great Britain? A. Yes.

Q. Give us one quotation? A. Well, the price in Toronto for the class of meal that comes from Glasgow is \$5.35 per barrel.

By Mr. Guillet:

Q. What class is that? A. Standard meal.

Q. Fine? A. Yes; the same meal as we have. The price of that is 22s. per 280 lbs. in Glasgow.

By the Chairman:

Q. That is less than here? A. Yes; a good deal less.

By Mr. Fisher :

Q. How much do you get in an ordinary barrel? A. Fine or coarse meal, 196 lbs., but for rolled meal 180 lbs. is called a barrel.

By the Chairman :

Q. You could not put 196 lbs. of rolled meal into a barrel? A. No; except it was a larger barrel.

Q. What is your difference in price between rolled oats and ordinary oats? A. The rolled is 75 cents per barrel higher than the fine.

Q. 75 cents a barrel higher? A. Yes. There are two kinds of rolled; one is 50 cents and the other is 75 cents higher.

Q. The standard is the fine? A. Yes; the standard is the fine and the granulated is the coarse.

Q. Is this your present price list? A. Yes.

By Mr. Bain (Wentworth) :

Q. Can you give us the quotations of oats; You stated just now that it was in consequence of oats being higher here than in Glasgow? A. I can give the prices of oats in Canada, but not in Glasgow, although I know that they are very cheap, not over a cent per pound.

Q. And then I suppose they get more meal from their oats? A. Yes.

By the Chairman :

Q. Not more than one cent per pound in the old country? A. No.

Q. But they are worth 1½ cents in Toronto? A. They were 43 cents in car lots.

By Mr. Bain (Wentworth) :

Q. All your figures are wholesale? A. Yes.

By the Chairman :

Q. Sometimes car lots are cheaper and sometimes dearer? A. Yes.

By Mr. Fisher :

Q. Has it been so for years back, that oats have been cheaper in Scotland than in Canada? A. No; that is unusual.

Q. For the last three, four or five years has oatmeal been so much cheaper in the old country than in this country? Of course we know that for this season just past oats were unusually high? A. There was a short crop.

Q. Yes, there was a short crop, so that this was a very unusual state of affairs? A. Yes.

Q. Before that state of affairs occurred, was it not possible for you to export to the old country? A. Three years previous to this season there had been 70,000 barrels exported to Great Britain.

Q. That would have relieved the surplus production in Canada considerably? A. That was about half the quantity sold in Canada.

By Mr. Bain (Wentworth) :

Q. But that was not more than one-fourth of the production? A. No.

Q. How did so many men go into the business? A. Well, three or four years ago there was a good profit in oatmeal. The Government figures show that a large quantity was exported in that year, and oats were cheap here, so that a number of new mills were built, and oatmeal men made money. That was in 1884 and 1885.

Q. Give us the actual figures of exports for that year? A. Well, in 1884, the value exported was \$214,000 worth of oatmeal, and at the same time \$322,000 worth of oats. I do not know whether that was exported to Great Britain or to the United States, or somewhere else. Other years there was also a great quantity exported.

Q. Give us the value for 1885? A. \$41,000 worth of oatmeal and \$703,000 worth of oats.

Q. For 1886? A. \$286,000 worth of oatmeal and \$1,147,000 worth of oats.

Q. For 1887? A. \$175,000 worth of oatmeal and \$509,000 worth of oats.

By Mr. Fisher :

Q. Was that in 1887 sent to Great Britain also? A. That was up to the 1st of October, 1887. After that none was sent out. A little was sent out in the early part of the season.

Q. Are these the trade and navigation returns? A. I suppose that they are the trade and navigation returns.

Q. That closes on the 30th June each year? A. Yes.

Q. When did you begin to make new meal out of your oats? A. The first of September.

By the Chairman :

Q. When was your association organized? A. During last summer.

Q. By whom? A. I was one of the principal organizers.

Q. Who is your president? A. Mr. Scott, of Ottawa.

Q. Is he an oatmeal manufacturer? A. Yes.

Q. He is the president, then? A. Yes.

Q. And you organized it, and the principal object is to regulate the prices? A. Yes, and make a profit. It really became necessary, in June last, when in Canada oatmeal was selling below the cost of oats, I believe.

Q. It was necessary, you thought, for the sake of your profits to organize and fix the prices? A. Well, the millers themselves met and fixed the prices.

Q. When do they meet, at the call of the president or at stated times? A. Well, there is no particular time. There is a time appointed for the executive to meet.

Q. Who are the executive that meet on these occasions? A. Mr. Scott, president; Thomas Martin, vice-president, of Mount Forest; Walter Thompson, of Mitchell; James Muirhead, of London, H. S. Moore, of Norwich, and D. Speirs, of Galt, Ont.

Q. You organized last summer. How many times have you met since to regulate prices? A. This is price list No. 6.

Q. The first of February? A. No; 18th February.

Q. That price will take effect on the 18th February, and will remain in force until another is issued. You fixed the price six times? A. The prices have not been changed six times, but there has been a re-arrangement of prices.

Q. Did you lower the prices any of these times? A. No; the prices of oats have been constantly advanced. I believe the price will be lowered at the meeting in Stratford to-day.

Q. The price of oats is a little down? A. Yes.

By Mr. Guillet :

Q. How do you account for that? A. At the present time it is Manitoba oats coming in, that is keeping the price down.

By Mr. Fisher :

Q. Manitoba oats? A. Yes; Manitoba oats are offering very freely in Ontario.

By the Chairman :

Q. Whenever a change was made in these prices, it was to advance them? A. Yes; except where we re-arranged them. I think there were four advances since the association has been organized.

Q. Has the combination been satisfactory to the millers? A. Yes. There are others not in the association, others who are selling as they please.

Q. Is it not satisfactory to those who are not in it? A. Better than before, we have been making an actual profit, whereas previously we did not.

By Mr. Bain (Wentworth) :

Q. How many mills are there in the association? A. 24.

Q. 24 out of the 60? A. Yes.

By the Chairman :

Q. What proportion are they to the whole number of manufacturers? A. The others are not in, but the most of them are furnished with each price list, and there have been smaller mills, and they nearly all agree to maintain prices.

Q. These are all the large millers? A. One or two dropped out.

Q. Who are they? A. Mr. Russell, of Uxbridge, and Mr. Wright, of Owen Sound.

By Mr. Bain (Wentworth) :

Q. Have you put anybody out? A. No; we have not put anybody out.

By the Chairman :

Q. Have you any regulations as to what you shall manufacture? A. No.

Q. I see there is a column here marked allotment? A. That is about what they make a year.

Q. And they are not to exceed the manufacture of that quantity? A. They can make or sell all they can, so long as they stick to the prices.

Q. Then there is no restriction on the amount they manufacture? A. No.

Q. Then what do you do? I understood some mills were closed down by the association? A. Well, those who do not sell as much as their allotment are paid 30 cents a barrel by the association. They may not sell it so readily as the others, and those who sell more than their allotment pay 30 cents a barrel for all they sell over that, to the association,

By Mr. Fisher :

Q. That is the way in which you get the money to pay the 30 cents? A. Yes.

Q. The one who makes over his allotted amount pays 30 cents a barrel into the association? A. Yes; and that is paid to those who come below.

Q. Do you mean to say that you pay a man who cannot make good oatmeal 30 cents for not making it? A. They can make it. It would be much better for them to make and sell, as the profit is rather more than 30 cents, and the man who does not make it is losing his business.

Q. How does this work, one portion paying 30 cents? Does one balance the other? A. Oh, yes, it must; the percentage.

Q. The percentage of the whole manufacture? A. Yes.

Q. What does this "short 1,600 barrels" mean? A. It is merely to show that some of the makers were short on the total by 1,600 barrels. It was merely added up to prove that the figures were correct.

By Mr. Fisher :

Q. How often do you settle up? A. Every month.

Q. That is the statement of shortage on one month? A. That is the clearing out difference.

Q. How many mills are there in that arrangement? A. 24.

Q. How many were there short? A. 14, so there must have been ten gone over.

Q. And the amount these 14 were short was exactly the amount these others were over? A. Yes; just the same.

By the Chairman :

Q. T. & J. M. Andrews, they were to make 2,000 barrels? A. Yes; per year.

Q. And in that month? A. He did not send in any. His sales did not come in. This is what he is entitled to.

Q. You put him short 97 barrels? A. Yes; and he has been paid 30 cents a barrel on those, and the next month, that will be kept off of what he has done.

Q. His report was simply late? A. Yes; and he received that amount of money.

Q. Then the next month? A. He would pay back whatever he was paid too much.

Q. Where did you get this system from? A. We arranged it.

Q. Where did you get the plan of it? A. It is made up on the percentage basis.

Q. You got this plan from some place? A. I knew there was some plan in operation but I never saw one like this before.

Q. Did you get it to any extent from anyone? A. I saw a book at one time with part of it in.

Q. What book was that? A. A railway pool book.

Q. An oatmeal pool book? A. No, railway.

Q. Showing how this business should be arranged? A. The principle was the same.

Q. You have adopted their principle? Yes.

Q. From this railway book? A. Yes.

Q. As far as it would apply to the oatmeal business? A. Yes.

By Mr. Bain (Wentworth):

Q. Do you regulate the prices of the wholesale and retail dealers? A. No, sir; we do not.

Q. You let them sell as they please? A. Anybody who buys from us pays our price and after that he can sell for what he likes.

Q. Do you sell to anybody? A. Yes; anybody.

By Mr. Guillet:

Q. The man who buys a carload can sell for what he likes. A. Yes.

By Mr. Fisher:

Q. Do you sell the same to anybody according to what quantity he buys? A. Yes. There is so much for a carload and then there is a difference for 25 barrels and less quantities. We take so much less per barrel.

Q. How often do you regulate the percentage which each mill shall produce; once a year, or once every six months? A. We have not been going a year yet.

Q. That percentage was based on the production of last year? A. Yes; some mills had been burned down and others had started up.

Q. Can you tell me something about the comparison with the prices you are selling at and those of the mills not in the combination? A. They are not all in this arrangement and they sell at whatever prices they please.

Q. What has their prices been? A. Lower. They have been getting the benefit of the combination and paying nothing toward the support of it.

Q. How much lower? A. In some cases quite a bit lower.

Q. That is, they get the market? A. I do not know that they do.

Q. How is that; how do you explain it? A. Some of them do not make as good meal and others are not in a position to make much.

Q. They have got all the trade they could get? A. They got all they tried for.

By Mr. Guillet:

Q. Where are these mills? A. In this Province.

Q. Also in Quebec? A. I think there are mills in Quebec.

Q. Any in Montreal? A. No.

By the Chairman:

Q. There are two mills in Lachute? A. Yes; but not in the association. There is that Lachute mill, but they are not included in this.

By Mr. Fisher:

Q. Are there any mills in your association which do not run at all but which you pay? A. Yes.

Q. You pay them 30 cents a barrel on a certain quantity? A. There are some that are paid in a different way.

Q. How are they paid? A. A stated sum.

Q. That was arranged when your organization was made? A. Yes.

Q. Were they running then? A. Some were and some were not.

Q. There were those who had just closed up? A. Yes; just closed up.

Q. How do they get their pay? A. There is an assessment made on each member according to the quantity he is allowed to make, not what he actually does make.

Q. That is used to pay these mills that do not run? A. Yes.

Q. How is that done—do you make an arrangement with each mill? A. Yes; a separate bargain; a verbal bargain.

Q. No contract? A. No; whatever they would take.

Q. You assess that on the members. Do you know how many mills there are with which that arrangement was made? A. Ten.

Q. All in Ontario? A. Yes.

Q. How much is paid to them? A. \$526 per month to the whole ten. The lowest was \$300 per year, and the highest \$800 per year.

Q. That is ten of the mills out of the sixty? A. Yes; there are twenty-four in the association, and these ten which make thirty-four that we really control. All the others are free.

Q. How many are there who sell at the same price that you sell at. You said there were a number who sold at the same price although they were not in the association. A. Only two or three mills that we hear of. All the others are merely doing a little business in their own locality.

Q. Those you do not bother? A. We send them each our price list. They were all visited by a committee, but were only too glad to have the larger mills kept out of their territory.

Q. Do you divide your territory? A. No; but if large mills were obliged to sell at high prices, a miller can surely sell in his own market. That is all they look for.

Q. You do not divide your territory? A. No; anyone can sell where he likes.

By Mr. Guillet :

Q. Do you pay freights? A. Yes; to all points.

Q. Is the price uniform to all points? A. The country is divided into districts, but as the mills are nearly all west of Toronto, the freights are about the same from there to points east.

Q. That is to your eastern limit? A. The freight each one has to pay is about the same.

Q. Is this price that you fixed for oatmeal delivered? A. Yes; I have a price list here. We have tried to make it just the difference of the freight.

Q. Were you able to make special arrangements with the railway? A. No.

Q. Each one has to make the best bargain possible for the delivery of his own stuff? A. Yes; there is no special rate. There is a special milling rate on oats, but all millers get the same.

Q. You are not able to secure any better terms? A. We were able to get this special milling rate. The flour millers got it after we did. All get it alike.

Q. Did you bring any pressure to bear on the mills that declined to go in? A. No; there have been two who went in, and one paid a certain amount, who then went out. Letters were written to him to come back but nothing more.

Q. This is a voluntary association? A. Yes.

By Mr. Fisher :

Q. What reason did they give for going out? A. I suppose they saw that by going out and selling a little lower they could get business.

By the Chairman :

Q. I see here a column for expenses. What is this \$700, for expenses? A. I have explained that \$525 goes to pay for the arrangement made with the mills shut down.

Q. It has nothing to do with the "long" and "short" here? A. No.

Q. Those who are long had to pay \$497.40, and those who were short received \$497.40? A. That's it.

Q. I do not understand how the Andrews, of Thornbury, are allowed 2,000 barrels. That would be 157 barrels a month? A. No, it would not

Q. What would it be? A. Here is his percentage, and he would have his percentage of the total quantity made that month. This is his percentage of the whole. This 2,000 barrels is the firm's percentage of the 135,000 barrels, and taking the percentage for that month this is what he is entitled to.

Q. Where do you get his allotment of 2,000 barrels? A. That is for the year, and his percentage rises and falls according to the sales.

Q. You have his percentage in one place 1,569, and his percentage 1,476 in another? A. This 8,000 is not counted, as there is one gentleman who is running on a different basis from the others. He was not taken in on the rise and fall. He was given a percentage first.

Q. What do you mean by rise and fall? A. He did not come into the pool at all.

Q. Do the whole 24 men understand the working of this arrangement? A. I do not know that they do.

By Mr. Bain (Wentworth):

Q. I suppose this arrangement does affect the export trade? A. No.

Q. You are allowed to make as much as you can outside of this arrangement? A. Yes; but they have not been able to make any, in consequence of our oats being higher here than those in the old country.

Q. When prices were such that you could export to Glasgow were you in the habit of importing American oats to any extent? A. There were some taken in small quantities for grinding in bond when they got a special rate from the American roads. It was often taken by boat to Sarnia or Goderich, at low American rates.

Q. I remember that a firm in our town of Dundas did that one season? A. Yes; but that mill has not been running since. They were burned.

Q. Speaking of the American trade, is there any chance of you getting a portion of that American trade? If the American market were open would it be a benefit? A. I think it would.

Q. If Canada and the United States were to drop their duties what effect would it have? A. We would have the American market. Our mills are nearer than theirs to the Eastern States. Their closest mills are in Ohio. The American oatmeal is all manufactured west of Akron, Ohio.

By Mr. Guillet:

Q. What about the price of oats in Chicago? A. I do not think they would be any cheaper than Manitoba oats.

Q. Do you think you could send in a good deal into the United States? A. I think we could. In the month of December there were over 12,000 barrels sold, and in the month of March only 6,000 were sold.

Q. The prices being high the people ceased to use oatmeal? A. Yes; and flour being so low.

By Mr. Fisher:

Q. Do you know what the consumption of oatmeal is in the States? A. It is very large.

Q. You don't know what the production is? A. No.

By the Chairman:

Q. In order to compete with the United States you would have to have much cheaper oats than you have? A. As a general thing; we competed in Glasgow and Liverpool with them when we were exporting.

Q. When did you export? A. None this year, but last year we did.

By Mr. Guillet:

Q. Do you know the price of oats in Chicago this year? A. Thirty-two cents.

Q. What does it cost for freight for Owen Sound, Sarnia and other points on Lake Huron? A. Two and a-half to three cents.

Q. That was for last year? A. Yes; that would be about it.

Q. Therefore, if you could bring in oats at 34 and 35 cents —? A. They would not remain long at 50 cents in this country; they would be very apt to go down.

By Mr. Bain (Wentworth):

Q. You were looking at Manitoba oats just now? A. Yes; they are selling at 43.

Q. As a general thing, for the last year, how has the comparison at Akron been? A. Of course, Akron oats and Buffalo oats are just the freight higher than Chicago oats.

Q. As a general rule, are oats in Chicago any higher than they are in Toronto, in carload lots? A. Oh, no; they are generally lower.

By Mr. Guillet:

Q. As a matter of fact, is not the freight from Chicago to Buffalo lower than from Chicago to Collingwood by vessel? A. It would cost very little more to bring it to Buffalo than to Collingwood by vessel. There would not be a-half cent difference on a boat load.

Q. It would be lower to Buffalo? A. Probably it would.

By Mr. Bain (Wentworth) :

Q. What is the opinion of your association as to the future of the oat trade? Are you looking to Manitoba for the supply of your oats in future? A. No. In Ontario we have plenty of oats to spare, except this year.

Q. As a rule, when the Manitoba grain goes on to extend, won't it have the effect simply of placing our oats here in the same position as if we were competing with Chicago? A. No; I have heard the farmers in our section saying that they will still continue to raise oats, and they will go on competing against Manitoba in that way.

By Mr. Guillet :

Q. Still the freight from Manitoba to any point in Ontario would be much more than the freight from Chicago to any similar point? A. It depends on the question if you can get a grinding in transit rate from any point in the North-West east to Halifax. There would only be the one rate to pay, and the miller then would be almost in as good a position as if he had a mill in Manitoba. In this way he would be better still, as he would get a big price for the offal in Ontario.

By Mr. Bain (Wentworth) :

Q. That is looking to the shipping trade? A. Yes.

Q. You do get special rates? A. The mills located on the Canadian Pacific Railway do get grinding, in transit rates, but the mills west and east won't grind it.

Q. They let you stop off and let you have the stuff ground and ship it on? A. At a nominal rate.

By Mr. Guillet :

Q. The comparison as between the cost of freight from Chicago to, say Collingwood, and thence to Toronto by rail, would be much less than on oats brought from Manitoba to Collingwood and by rail to Toronto, and grinding in Toronto? A. There is always a surplus in Ontario except this year.

Q. I am speaking of the actual cost of importing oats from any point in Manitoba to some point in Ontario, as compared with the cost of importing from Chicago to same point? A. You can bring them from Chicago to Hamilton by paying a trifle more, than you can from Buffalo.

Q. Very much lower than you can from Manitoba? A. Yes.

By the Chairman :

Q. What is the value of the offal of a barrel of oatmeal? A. It varies according to the price.

Q. What is the value? A. It is about 15 cents.

By Mr. Bain (Wentworth) :

Q. What Mr. Guillet is aiming at is, that of course getting the water rate from Chicago to Hamilton for Toronto the rate is low, but what he says is that in consequence of the increased distance by rail and water to Manitoba or Winnipeg to these points, that the Winnipeg or Manitoba oats could not be delivered at the same rate at Hamilton or Toronto that Chicago oats would be delivered? A. Oats would find their level in Toronto. The Manitoba farmers would have to take less for their oats.

Q. About how much more would the freight be from Manitoba delivered at Toronto, than from Chicago? A. It depends upon how many railroads you get from here to Manitoba.

Q. What are the rates? A. The present rates are 45 cents a 100, and from Chicago to Toronto 15 or 18 cents.

By Mr. Fisher :

Q. Oats are not produced in Chicago? A. I think he is supposing if Chicago were brought in what effect would it have on the market.

By Mr. Guillet :

Q. To ascertain if Chicago oats are not nearer our market, and can be obtained at much less freight than from Winnipeg? A. Other things being equal, it is a

matter of distance, and the farmers of Manitoba will have to take a less price, and the price in Toronto will be the same. The quantity will regulate the price.

By Mr. Fisher :

Q. As a general rule you have enough oats in Ontario to run your business?
A. Yes.

Q. You always have a surplus? A. As a general rule a surplus. If our surplus goes to New York or Britain that regulates the price. We have no surplus just now, we have to import.

By the Chairman :

Q. If you have a surplus now, your theory don't hold out. When you have an association regulating the prices here, the surplus don't affect the price? A. When oats are cheap here at the same time the larger quantity of oats are going out.

Q. You are saying there is no surplus. You have no means of telling, you cannot tell whether there is a surplus. The very fact that oats are coming down in price shows that there are more oats in the country than you knew about? A. We know very well there are no oats being exported to Great Britain this year. We know they are higher here than there.

Q. How do you know there has not been any of last year's crop? A. Possibly there was some early in the season, but since the 1st of October there has not been any.

By the Chairman :

Q. You are making statements you have no means of knowing.

Mr. BAIN—That is not a fair statement.

WITNESS—Oats are higher in Montreal to-day than in Great Britain. Oats are actually lower in Britain than they are in Ontario.

By the Chairman :

Q. What is the price of oats there? A. Oats are a cent a pound there.

By Mr. Guillet :

Q. You are speaking of a scarcity in Ontario. What I was referring to is, there may be a surplus in Prince Edward Island; there may be a surplus in Manitoba, but in Ontario, where there are mills largely west of Toronto, there is a scarcity? A. Yes.

Q. When you have low lake freights, which is the cheapest transportation which can be obtained any place, that would enable you to bring down the price in Ontario to the Chicago level, if you can get oats without duty, if there is a surplus there? A. If the oats can be brought in without any duty.

Q. You would have no scarcity in your section? A. We have no scarcity any year, except this year. I think some six or seven years ago we had a scarcity too. Now last year there was a lot of our oats sent to Manitoba from Western Ontario. This year it is the reverse, they are sending them here. Of course, in Prince Edward Island, it is one of their chief sources of export.

By Mr. Fisher :

Q. You could not bring oats from Prince Edward Island here? A. No.

By Mr. Bain :

Q. I suppose in future there will be more oats sent from Manitoba than what is going to go there? A. Oh, yes; the way it is developing there will be no more oatmeal going there. Last year I sent oatmeal to British Columbia; this year I cannot.

By the Chairman :

Q. Do you know the price of oats this time last year? A. I cannot tell you that from memory. If it is necessary, I can send to the mill here and find out.

Q. There were exported \$509,000 worth of oats? A. That would be from one and a-half to two millions of bushels.

Q. And oatmeal amounting to \$176,000 worth? A. Yes.

By Mr. Bain :

Q. Does Ontario export oatmeal to the Maritime Provinces? A. We supply the Maritime Provinces nearly altogether.

By the Chairman :

Q. They don't manufacture much? A. I think they are making a little more this year than formerly.

By Mr. Bain :

Q. For the local wants? A. Yes.

By Mr. Gillmor :

Q. What is the cost of building a fair oatmeal mill? A. There is one mill running here worth \$30,000.

By Mr. Bain :

Q. What is her capacity? A. 225 barrels a day. You will get a very good mill for \$8,000 or \$10,000. It costs about the same as a flour mill.

By Mr. Fisher :

Q. You said a little while ago, it took $10\frac{1}{2}$ bushels of oats to make a barrel of oatmeal? A. Yes.

Q. How much is the refuse worth? A. It depends a good deal on the location what you get for it. It is worth from 15 to 20 cents a barrel.

Q. The refuse on $10\frac{1}{2}$ bushels is only worth 15 cents? A. This year it is worth more.

Q. Your barrel is 196 pounds is it not? A. Yes.

Q. $10\frac{1}{2}$ bushels weighs nearly 400 pounds? A. Yes, but there is only about 19 or 20 pounds of meal coming out of a bushel.

Q. There must be 200 pounds of refuse? A. Well, there is no gauge. There is only a few pounds of offal left. There is a great shrinkage in drying. I think there is not over 5 pounds to the bushel, of offal.

Q. It takes $10\frac{1}{2}$ bushel, 357 pounds, to make 196 pounds of oatmeal, that would be 161 pounds, between drying up and offal. About what weight of offal is there? A. 4 or 5 pounds to the bushel.

Q. That would be 40 pounds to the barrel, what would it be worth at the present time? A. 15 to 20 cents on the barrel.

Q. What does it cost to manufacture a barrel of oatmeal in your mill? A. It is generally, when we run steady, that the offal would pay the hands.

Q. How many barrels would you make in 24 hours? A. 90 barrels.

Q. Water mills? A. Yes.

Q. How many men do you employ in it? A. From 3 to 6 men.

Q. To make 90 barrels how many men does it take? A. Well, 6, I think, would make 90 barrels.

Q. It requires 6 does it? A. Yes.

Q. Then the offal would pay the whole expenses of the manufacture? A. Pay the hands, yes.

Q. More than the hands? A. The hands would amount to \$8.00 or \$9.00 a day.

Q. The offal would be 90 times 15 or 20 cents, which would be \$13.50 or \$18.00? A. When we run steady we don't get that price for offal.

By Mr. Bain :

Q. Feed is high this year? A. It is scarce.

Q. What did you get for it this time last year? A. I cannot tell. We are getting about double the price just now we were getting in former years. For the best kind of offal we get 60 cents a 100, and from that down to 40 cents. There are three kinds of offal. I have sold it, some of it for \$1.50 to \$2.00 per ton, and the outside hulls I have thrown down the river.

Q. What proportion of it is there? A. There is not over two pounds to the bushel, probably worth 60 cents, half a cent a pound, but for the hulls at the present time we get pretty good prices.

Q. What do you get for hulls just now? A. \$7 or \$8 a ton; I think some of the city men use them instead of oats, chopped. We used to sell them for packing eggs, but now it is not the egg packers who are buying them, it is the feed dealers who are buying them.

By Mr. Fisher :

Q. About what value is your mill. Do you know what your 90 barrel mill will cost? A. I got it for about half its value three years ago.

Q. I don't mean that at all; I mean what would a 90 barrel mill cost? A. My mill now would cost from \$10,000 to \$12,000.

By the Chairman :

Q. What did it cost you? A. I fitted over a flour mill to an oatmeal mill and it cost me \$5,000 to fit it over.

By Mr. Fisher :

Q. I suppose a 100 barrel mill would cost about \$4,000? A. You can build much cheaper a smaller property and less capacity.

Q. I mean a capacity of 100 barrels? A. A mill with a capacity of 100 barrels would cost from \$12,000 to \$15,000.

By the Chairman :

Q. You have a flour mill and an oatmeal mill? A. Yes.

Q. Have you any combination in the flour business? A. I think the flour mills would be only too glad to get one if they could.

Q. There is no combination then? A. No.

Q. But there is a combination in the oatmeal mills? A. There is an association.

Q. Do you find the profits very satisfactory? A. Well, I am not doing much in flour.

Q. In which are the profits the most satisfactory? A. We make a sure thing in the gristing, but it is a small quantity.

Q. Why do you not manufacture flour? A. One reason is that I cannot see much profit in it.

Q. There is no money in it? A. No.

Q. But you do find a good profit on the meal? A. We do not complain of the profits if we could only make the sales.

Q. But you will make sales? A. The prices have been kept up, but they are lower to-day.

By Mr. Fisher :

Q. Why will you lower the prices? A. One reason is that the oats are lower, and another is that meal is coming in from Manitoba.

By Mr. Guillet :

Q. It has got the benefit of our market? A. The benefit of our association, I think they could bring it in and undersell us at the prices our oats are.

By Mr. Fisher :

Q. Is the Manitoba meal good? A. Yes.

By the Chairman :

Q. Have you attempted to regulate what you shall pay the farmer for oats? A. No.

Q. You have not attempted to do so? A. It was talked about, but it could not be put into operation.

Q. You made an arrangement? A. Well, we talked about it.

Q. What was the arrangement? A. That each one should pay a certain price to the farmers at their mills, and the majority did not think it would be carried out.

Q. So that you did not try to do it? A. We did not try to do it at all.

Q. You have your minute book down here? A. Yes.

By Mr. Guillet :

Q. If you had American oats free here you could keep out the Manitoba meal, could you not? You say they are coming in now, because your oats are so much higher than in Manitoba? A. I do not know, I am sure, what effect that would have. If we could get American oats laid down cheaper than Manitoba oats and if there was a market for the meal, why we would take Chicago oats every time.

By Mr. Fisher :

Q. You would buy where you could get them cheapest? A. Yes.

By Mr. Guillet :

Q. You say Chicago oats are 31 cents and 32 cents per bushel? A. We could take in Chicago oats now if they were lower.

Q. You told me the price of Chicago oats was 32 cents a bushel? A. Yes.

Q. Then if there was no duty you could bring them in for three cents a bushel to any port on Lake Huron? A. Yes, and with allowing for taking them to the mill, &c., they would cost 38 cents per bushel.

Q. What are oats selling at in your neighborhood? A. Forty cents in Toronto. That is the car lot price.

Q. At that rate you would get your oats two cents a bushel cheaper? A. Yes.

Q. That would be a difference in your favor and would bring the prices down? A. Yes.

By the Chairman :

Q. Did you give the quotation for May oats or the present quotation? A. May oats. I think that present oats are a little cheaper.

By Mr. Fisher :

Q. What are the quotations for to-day—April? A. I cannot say.

Q. What were the prices for a few days or a week ago? A. About a couple of cents difference.

Q. That would probably be about 36 cents then? A. Yes, or perhaps 37 cents.

Q. And you are paying now about 40 cents to the Canadian farmer? A. Yes.

Q. What is the present duty on Chicago oats? A. None, if we export the product.

Q. They are then ground in bond? A. Yes.

Q. Then how is it that you do not get Chicago oats? A. We cannot export.

Q. Not for export; you would have to pay 10 cents duty? A. Yes; we have more oats in Canada than we need for our trade. There is possibly some oats sent out from Prince Edward Island now, but they are cheaper down there. Five years out of six we have a surplus in western Ontario.

Q. Then, as a matter of fact, the duty on Chicago oats does not influence the price of your oats? A. Of course if there was no duty and the freight was low, it would keep oats down. It would just add to the value of the oats if we had a short crop. The value would be the cost price and the carriage to the country to which they were coming. We can get it that way now by exporting the meal.

Q. But the price is regulated by the competition in Canada—by the supply in Ontario? A. Yes.

Q. Entirely? A. Yes, by the home supply.

By Mr. Bain (Wentworth) :

Q. Did you ship any oats from Ontario formerly? A. Two years ago there was a large quantity shipped to the old country, along the Canada Southern.

Q. You stated just now that the Manitoba meal competed with you and was likely to. What is the freight on the finished article and on the oats down here? Would it be an advantage to them to make it into meal and then ship it? A. I think it is just about the same.

Q. A barrel of meal would cost just about the same as ten bushels of oats? A. No. There is 100 lbs. in a barrel of oats. They will deliver it in Toronto the same as in Montreal, so that we have the carriage from Toronto to Montreal against us.

Q. They charge the same rate per lb. for meal as for oats? A. Yes; that would be against our farmers.

Q. In the meantime it strikes your trade? A. Yes; and if we have a good crop next year, as we promise to have, the farmers will have to take less for their oats.

Q. If the Manitoba oats are good for meal, there will be a tendency towards a milling trade growing up there? A. Yes; the same as in Western Ontario, where the mills are.

Q. Have you any idea of the capacity of the oatmeal mills in Manitoba? A. There are three or four mills up there—one in Winnipeg, one in Portage la Prairie, and one in Brandon.

By the Chairman :

- Q. You say the price of oats in your place is 40 cents? A. Yes.
- Q. And you sold a barrel of rolled oats by the car load for how much? A. To what point?
- Q. To Toronto? A. \$16.10.
- Q. And twenty miles away from your place? A. The same.
- Q. And it takes $10\frac{1}{2}$ bushels to the barrel. A. For rolled oats it takes more.
- Q. How much? A. Twelve bushels.
- Q. For rolled meal how much? A. About the same.
- Q. About $10\frac{1}{2}$ bushels? A. About $10\frac{1}{2}$ bushels.
- Q. At 40 cents per bushel that would be how much? A. \$4.20.
- Q. And you sold it for \$5.85. A. No; you could only take the average price between these three?
- Q. The average price would be \$5.60? A. The average price would be about \$5.45, \$5.35 to \$5.60, and \$5.60 to \$5.85; the average being about \$5.45.
- Q. You say there is a standard for oatmeal. Of 100 barrels how much would be standard? A. About 50.
- Q. And how much granulated? A. 25 of each of the others?
- Q. Of each of the others? A. Yes.
- Q. How much would that average. I make it \$5.53? A. Yes.
- Q. The raw material costs how much? I think you said \$4.20? A. Yes.
- Q. And the offal pays for the manufacture? A. It pays the expenses.

By Mr. Fisher :

- Q. You said it paid the wages? A. Yes; the hands.

By the Chairman :

- Q. Well, now, take an average? A. Oh, it does not pay that now, because we are doing nothing. Several mills are about idle. We are doing no export trade.
- Q. \$4.20; what does the barrel cost? A. 30 cents.
- Q. That would be \$4.50? A. Yes; and the freight.
- Q. How much is that? A. It would average 25 cents.
- Q. What is the freight to Toronto? A. 22 cents. There is also the freight to Kingston.

- Q. Where do you sell the most of your product? A. I think I sold the most of it in Nova Scotia and New Brunswick.

By Mr. Guillet :

- Q. But the price is higher there? A. Yes.

By the Chairman :

- Q. You pay 22 cents to Toronto; what do you pay from your place to Halifax? A. 68 cents to Halifax and the same to St. John, and 22 cents to Toronto.

- Q. Your freight to Toronto is 22 cents, and your freight to places west of Toronto would be somewhat less? A. Between Toronto and London less, and when you get west of London higher again.

- Q. That would be 79 or 80 cents a barrel profit. Ninety barrels a day is your capacity? A. Yes.

- Q. That would be quite a large profit? A. Yes.

By Mr. Fisher :

- Q. What is the price in Halifax? A. \$5.80.

- Q. What is the price in Toronto? A. \$5.45.

- Q. And what is the difference in freight? A. 46 cents.

By the Chairman :

- Q. What is your allotment, 2,800 barrels? A. Yes; I am entitled to sell 234 barrels in the month. That would be about 9 barrels for 25 days in the month.

By Mr. Fisher :

- Q. When you say the offal pays the wages, do you mean the wages the whole year round on what you sell in this country? A. No.

- Q. Or would you have to run all the time to make the offal pay the wages? A. The trouble in the way we have been running came in this way: I built a mill along

with many others larger than we required. Until last year we did not know how many mills there were, or how much they could do.

Q. It was the good business that tempted you into this a few years ago? A. We have always been in the business. We doubled our capacity and others did the same.

By Mr. Bain (Wentworth):

Q. Have you any other prospect except the remedy of the suppression of production? A. If we could get a bigger market; or if the export trade would spring up, or a market be opened in the United States.

Q. If we had reciprocity it would help you? A. We would be on an equality with their mills.

Q. The advantage you would expect from that would be, that you would be close the American market? A. The closer we are to a market the better, the cost being equal.

By the Chairman:

Q. How do you account for oats being 40 cents at your place and 47 cents in Toronto? A. That is street receipts.

Q. Do you buy it by the car load when you are buying now? A. If we bought it by the car load it would cost us 43 or 44 cents, the same as in Toronto.

Q. Where do you buy? A. From farmers' waggons just now. If you look at the exchange market you will see that I am right there.

By Mr. Bain (Wentworth):

Q. What is the car load quotation in Toronto? A. Yesterday it was 43 to 44 cents.

By the Chairman:

Q. Manitoba oats has frozen wheat in it? A. Yes; and the oatmeal has wheat in it too.

By Mr. Bain (Wentworth):

Q. Has that been done to work off the frozen wheat? A. I do not know, but it was there.

Q. What percentage would there be of frozen wheat? A. I have seen samples of meal and there was wheat in it.

Q. Is it noticeable to a large extent? A. It would not hurt the oats for feed.

By the Chairman:

Q. You make each man in the association make a statutory declaration before a notary? A. Yes. (Exhibit 38b.)

Q. Who collects these assessments? A. They are paid in to the treasurer.

Q. Who is the treasurer? A. J. D. Moore, of St. Mary's, he makes a draft.

By Mr. Wood (Westmoreland):

Q. Is there a large demand for oatmeal in Great Britain? A. Yes, sir, now.

Q. Where is that supplied from? A. From the mills of the United States. Most of the millers in the United States—I know a great many of them—went from Canada. Two of them had the mills that I have now; they went over and built a mill.

Q. Are they exporting? A. No; it is only for the home trade.

Q. But with reference to the trade of Great Britain? A. They only sell refuse, the very poorest siftings.

Q. I am speaking, however, of other dealers? A. Yes; they came in competition with us, but we held our own.

Q. Do you know whether the oats that were exported whole or in their natural state were ever manufactured over there? A. I do not know, but I do not think so, because it is Russian and Swedish oats that are coming in.

Q. Do you know whether it is possible to make the same quality of oatmeal from our oats as they make over there? A. I do not know, but I have heard it stated by men coming out that the meal was better there. Whether it is or not I cannot say; I have never used any of their meal.

By Mr. Fisher:

Q. You have never come in contact with the Scotch oatmeal millers? A. No.

Q. I have heard that they consider the Scotch oats better than any they import?
A. I know that they do consider them better.

By Mr. Guillet :

Q. Do they use Russian and Swedish oats now? A. Yes; I do not think they use much of their home oats.

By Mr. Fisher :

Q. You say some millers have gone into the United States from your neighborhood to manufacture there. What induced them to do that? A. They saw more money in it. They have gone there within the last dozen years. I know three or four who have gone. I meet them occasionally, and they are still carrying on business there.

Q. Do you hear whether they are satisfied with the work there? A. I think so.

Q. Do they seem to think that they have done better than if they had stayed here? A. They do not care much about Canadian mills getting in. I heard one of them ask what they would do when the Canadian mills got in, and he said it was time enough to fight the devil when you met him.

Q. Have they a combination as you have? A. I think they have.

Q. You are not familiar with their combination? A. No.

By the Chairman :

Q. Who are these men you refer to? A. John Forest, formerly of Woodstock; Alex. Forest, formerly of Embro. Both the Forests were in our neighborhood, Stewart, of Chicago, formerly of Ingersoll, and Douglas is in partnership with him. They have mills, one in Chicago and another in Cedar Rapids. Douglas is an American. There is another mill in Jolliete which, I think, a Gait man is running. There is one good thing that this association has done, it has induced the mills to make good meal.

Q. You say you shut some mills down? A. But they are paid.

By Mr. Bain (Wentworth) :

Q. You pay 10 mills to stand idle? A. But they did not make good meal.

By Mr. Fisher :

Q. Could your mills stand, if the duty were removed from both oats and meal?
A. We cannot be any worse than we are.

Q. You would be contented to have competition here if you could get an entry into the United States? A. Yes.

The Committee then adjourned.

HOUSE OF COMMONS, OTTAWA, 20th April, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

The CHAIRMAN.—I want to call the attention of the Committee to the evidence of Mr. Ross, Secretary of the Oatmeal Millers' Association. I asked him for his minute book, and he said that he had left it down at the hotel, but promised to bring it up after the meeting was over. When he brought it up to me I noticed that although he had said that the association was formed during the summer—I think he said in June—the first of the minutes here (Exhibit 38c) are dated November 4th, 1887. I called his attention to it and he could not account for it but said he was not secretary at that time. The writing was in another hand than his. A close examination of the book showed that at least the six first leaves were torn out, as the leaves are left on the opposite side, and the first meeting reported here refers to the by-laws and officers of the association and executive committee, showing that the organization was fully formed before this first minute recorded here. Mr. Ross also stated that there was no combination or no arrangement to buy oats; that it was brought up but nothing whatever was done, but I find by the minutes of the meeting held in Toronto on December 2nd, 1887: "Moved by W. Thomson, seconded by P. Martin, and resolved, that Mr. Payne, Stratford, be appointed oat buyer for

the members of this association, and that each miller buying car-loads of oats shall pay Mr. Payne the sum of \$1.50 per car for each car bought, and that the oat buying be under the supervision of the secretary.

"It was also resolved that all millers buying car-loads of oats at any over the price which may be fixed by the association, which, until further advised, shall be 33c. or less for oats weighing not less than 34 lbs. per standard bushel, shall pay Mr. Payne the sum of \$1.50 per car the same as if the car had been bought by Mr. Payne, and that Messrs. McIntosh and Barclay be exempted from this resolution and also Messrs. McKay & Co. and Russell be exempted on any lots bought by themselves east of the Northern and North-Western Railway," showing that there was an arrangement for the purchase of oats as well as for the sale of oats, and, strange to say, these resolutions are in Mr. Ross' own handwriting. At this first meeting recorded here the society appeared to be in a pretty flourishing condition, for they had appointed Mr. Ross secretary at a salary of \$200 with expenses for one month.

HOUSE OF COMMONS, OTTAWA, 3rd May, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

HENRY HATTON, SWORN.

By the Chairman:

Q. Would you give the Committee your name, occupation and address? A. Henry Hatton, bookkeeper, Hamilton.

Q. You are secretary of the Stove Makers' Association? A. Canadian Iron Founders' Association.

Q. Who is president? A. William Burrow.

Q. Who is vice-president? A. W. J. Copp.

Q. Canadian Founders' Association; what class of manufactures does that include—agricultural implements? A. No; just stoves.

Q. What firms comprise it. How many firms are members of it? A. About 17 or 18—18 I think.

Q. All the stove manufacturers in Canada? A. Not all I think. Some do not belong to it.

Q. Do all the large ones in Canada? A. Yes; all the large ones.

Q. What are the objects of this association. Have you a constitution? A. I have only been secretary for the last two months.

Q. Are these the books? A. Yes; that is the letter book.

Q. Where is your minute book? A. It is here. (Exhibit 46a and b.)

Q. You have no printed constitution? A. No.

By Mr. Guillet:

Q. When was the association organized? A. I do not know.

By the Chairman:

Q. You have only been book-keeper for two months? A. Yes; but I have been in the stove business about six years now. I do not know anything about the association only from writing a few letters for the president. I should rather say I am assistant book-keeper, because there is one head book-keeper for the firm.

By Mr. Guillet:

Q. You have been assistant book-keeper for Burrow, Stewart & Milne for the last 6 years? A. Yes.

Q. And are now? A. Yes.

By Mr. Gillmor:

Q. Are the foundries in the Maritime Provinces in your association; in New Brunswick or Nova Scotia? A. No.

By Mr. Guillet :

Q. Do you know how many stove foundries there are in Canada that are not in your association? A. I cannot tell.

Q. Do you know whether any efforts have been made to induce them to come in? A. I have not been acquainted with it long enough to say.

W. J. COPP, sworn.

By the Chairman :

Q. What is your name, occupation and address? A. William J. Copp, iron founder, Hamilton.

Q. Of the firm of—? A. Copp Bros.

Q. How long have you been in the business? A. In the business of an iron founder for about 30 years.

Q. In stoves all that time? A. Yes; and agricultural implements.

Q. Are you in agricultural implements now? A. Yes; as well as stoves.

Q. What implements do you make? A. Ploughs, harrows and similar implements.

Q. Do you manufacture largely of these articles? A. Pretty largely. Not so largely as some establishments.

Q. Have you a combination in prices in those articles? A. We have not.

Q. What are the articles you manufacture outside of stoves? A. Agricultural implements.

Q. Name the articles? A. Ploughs, cultivators, rollers, harrows, seed drills—

Q. Fanning mills? A. No. Straw cutters, sulky ploughs, grain crushers, &c.

Q. There is no combination or association regulating the prices for these articles? A. Not that I am aware of.

Q. We had one witness before on that subject whose evidence came in casually, but I wanted to ask you so as to know. He was making implements you have not mentioned. We wanted to have the whole range. Is there a combination fixing the prices of stoves? A. There is.

Q. What classes of stoves do you manufacture? A. Every class I may say.

Q. Coal stoves? A. Coal and wood particularly and parlor stoves.

Q. Kitchen stoves and parlor stoves? A. Yes; everything. I don't think there is anything in the line of stoves we do not make.

Q. You do not make precisely the same stove as some other manufacturers? A. We do not.

Q. Each one makes his own peculiar style? A. Yes.

Q. How are the prices then of the different styles? How are the prices of these different styles regulated? A. They are arranged on the basis of weight and ornamentation.

Q. Who arranges the prices? A. Well, the committee generally, and then it is brought up in the association and then adopted.

Q. Who are the committee? A. There are various ones.

Q. Members of the association? A. Yes; members of the association.

Q. Are they paid experts? A. No, sir.

Q. Just of the association? A. Just members of the association.

By Mr. Guillet :

Q. Are there many stove manufacturers not in the combination? A. Oh yes. A large number, sir. I suppose there are 40 perhaps. I am speaking in the rough. There may be 50, sir.

Q. Have there been any efforts made to bring them in; have they been invited to come in? A. Not for some years.

By the Chairman :

Q. Before that? A. We have invited them years ago to come in, some of them; not all of them. We have made frequent efforts in that direction.

Q. The men out mostly are small dealers? A. There are a few good dealers, generally small dealers.

Q. Are there any large manufacturers outside the association? A. Yes.

Q. Who are they? A. William Clendinning and Ives of Montreal, these are the largest manufacturers.

Q. Do they send much of their wares westward as far west as Toronto or Hamilton? A. Very little.

Q. They don't interfere with you? A. Very little.

Q. Do you send your stoves down to Montreal? A. Yes.

Q. Some of the western manufacturers are outside of the association? A. Yes; there are western manufacturers outside of this association.

Q. Who? A. It is difficult for me to give you their names. There is a party in Tilsonburg, in Guelph and another in Picton.

Q. Small manufacturers? A. Yes; running small shops. There are a good many up the Ottawa outside the association; a great number.

By Mr. Guillet :

Q. I suppose you agree upon a uniform price for similar classes of goods? A. We do; yes.

Q. Any fines imposed if the prices are broken; if the rules of the association are broken? A. Yes; some parties are fined if they break the rules.

Q. Have any gone out of the association? A. Very few indeed. I don't know of one. Yes, I remember two.

Q. Has the effect of your association been to keep up prices? A. I don't think it, sir.

Q. Not to raise the prices, taking into consideration the cost of labor and the advance in material, what these have made necessary? A. I think it has made our prices uniform, that is the peculiar feature. All our prices are really very low.

By the Chairman :

Q. Are your prices such as to afford you a profit to carry on your business? A. No, sir, it does not afford a satisfactory profit at the present time.

Q. Satisfactory is a comparative word. Is it sufficient to enable you to carry on your business? A. Oh, yes. I don't think it pays more than interest on the capital.

Q. Who fixes the prices? A. The association.

Q. Yourselves? A. Yes.

Q. A man, when fixing his own prices, would naturally feel inclined to use himself pretty well? A. Well, there are laws laid down. The basis, of course, is fixed.

Q. Who makes these laws? A. The association.

Q. Yourselves? A. Yes, ourselves.

Q. You fixed the price in accordance with these laws? A. Yes.

Q. You give yourselves your profits. You surely would not deal out profits with a niggardly hand? A. Well, there is so much competition in Canada that you could not, even were you so inclined.

Q. Where is your competition from? A. From ourselves. It really comes from the association itself. That is where the great competition is.

Q. The competition to sell. The competition among yourselves does not reduce the prices one fraction then? A. Will you allow me to explain. For instance, the association has been in existence for 21 years. The spirit of the association has been—

Q. Let me ask one question now. You have been in existence 21 or 22 years? A. Yes.

Q. The association always fixes the price? A. Yes. The spirit of the association has been to keep the prices down to the lowest possible point. The outside competition may have something to do with that, I cannot say. The prices have been so low that there has been no great inducement to go outside the association so far as the prices are concerned. That has been really the spirit of the existence of the association.

Q. Does the association get along pretty harmoniously? A. Yes, very.

Q. Do the members comply with the law? A. Oh, yes.

Q. Do you manufacturers not consider anything else than the prices fixed? A. In the association?

Q. Yes? A. No; no great difficulties beyond the fact that occasionally there are really mistakes made that are not owing to a disposition to undersell.

By Mr. Guillet :

Q. Do you administer any form of solemn declaration to members of the association? A. Yes; there is a monthly declaration.

Q. Is it not in the form of an oath? A. Simply that they agree to comply with the spirit and letter of the association.

Q. Have you a copy of that? A. You will find it in the minutes. I think it is in 1880.

By Mr. Wood (Westmoreland) :

Q. Has it ever been more profitable than now? A. Oh, yes; very much more so.

Q. How long is it since the profitable years? A. Well, I should think the profitable years were about 4 or 5 years ago. Previous to that there were very good profits

Q. Previous to 4 or 5 years ago? A. Yes; very fair profits.

Q. The prices then were fixed by the association the same as they are now? A. Just the same way.

By Mr. Guillet :

Q. This is not a statutory declaration? A. No.

Q. It is just a statement that they have not broken the laws of the association? A. That is all; yes.

By Mr. McKay :

Q. Is that done by the book-keeper or clerk? A. It is generally considered some of the members of the firm, still the book-keeper can make the declaration.

By Mr. Wood (Westmoreland) :

Q. Was there as much outside competition in those days as now? A. Well, I should suppose not.

Q. Is that done by the way in which you account for the prices being higher then or the marginal profit being greater then than it is now? A. I should account for it from the simple fact of the statement I made a few minutes ago, that the great competition comes from the members of the association. It comes in this way, that we have developed the stove to such a degree that there are very heavy expenses connected with it, and really in Canada it is a small market. It really exhausts all the profits, that is the real secret of it.

By the Chairman :

Q. How do your prices compare with American stoves in the United States? A. Well, taking the article of base burners, producing the same base burner precisely that the Americans do, our prices are less than theirs.

Q. At home? A. In this country. They are less than the market prices in that country.

Q. So the prices in Hamilton are less than the prices in Buffalo or Detroit? A. Yes.

Q. Same stoves? A. Yes.

By Mr. Guillet :

Q. You make the same patterns? A. We do very much in base burners, and consequently you may draw a line in the sale of base burners.

By the Chairman :

Q. What is the difference? A. I should suppose, taking it on an average on the best class of goods, we are 10 per cent. less than the American manufacturers.

Q. That is on coal stoves and base burners? A. On the base burners; the first class.

Q. How about cook stoves and parlor stoves and wood burners? A. Well, good shops; I am speaking of the good shops; I am speaking of the first-class shops.

Q. The same quality of goods? A. We are about the same. You can get a very low grade of production, and the Americans run that way.

Q. What do you call the low grade? A. There are certain grades like these used in New York, Philadelphia, and the large cities. They are simply light, cheap goods, and these are a little less than our prices.

Q. How is it they are producers of cheaper goods? A. I will give it to you in a cheaper way. I was last week at Danville, and I never was through Pennsylvania before. I was all through their works there. They have these iron furnaces right there producing iron, and they have Lehigh coal right at their doors, which Mr. Vincent told me cost them \$3.25 per ton, and this gives them a great power of producing a very cheap goods of a certain class.

Q. But the higher class of goods, do they make them at Danville? A. They do, yes; but they do not make the best class.

By Mr. Gillmor:

Q. Why cannot they make the best class of goods with these facilities? A. You get a very large amount of labor on the best class. This labor is no less than our own; it is no cheaper.

By Mr. Guillet:

Q. In some of the combinations which we have enquired into we find that there is an arrangement by which they limit the production of the article manufactured. Do you do that? A. We do not. I have explained to you the spirit of the combination and this is outside our natural limits. We make no limit in any sense.

Q. You do not restrict the dealer who buys from you as to prices? A. Our spirit is against that and we have no limit in the manufacture. They are perfectly free and we have only one rule, that we don't make the same goods.

Q. Therefore there is competition, inasmuch as you vary the appearance of the goods? A. Yes.

Q. I suppose the same class of goods might vary very much in appearance and decoration? A. Yes; that is the additional price.

By the Chairman:

Q. Any man can come along and buy your goods? A. Yes, sir; any man.

Q. You have a customer in one place selling your goods, do you confine your sales to him or do you sell to anyone who buys any quantity that you wish to sell? A. Different houses have different plans. Some will supply two men in the city or town or three men, while others will only supply one. They are perfectly free to act as they see fit.

Q. The association does not interfere in that? A. It is left to individual decision.

By Mr. Guillet:

Q. You don't all manufacture one kind of stoves? A. No; we try to vary. Our spirit is to vary the kind.

Q. Therefore there is competition in the sales? A. Oh, yes; very much.

Q. They have their different classes, different styles. The patterns may vary and the decoration may vary and they may be at the same prices? A. They are not classed in that way. They are only classed on a cast iron basis and the decoration has its price.

Q. It is classed upon the weight of metal? A. Yes.

Q. Still there is a good deal of competition in the sales? A. Oh, yes.

By the Chairman:

Q. So much a pound for metal. How much? A. Well, they vary. They vary according to the rate and class.

Q. What are the prices? A. Some will go as low as four and a-half cents and others as high as six and two-thirds cents a pound perhaps. Perhaps some will go as high as seven.

Q. Are the decorations added to that? A. Yes. Then we pay freights.

Q. You pay the freights where? A. To all points which produces the amount received. When we say we get seven cents for the very highest class of goods that would not be so, because we pay the freights.

Q. The freights may be a cent or a half cent? A. Yes; the freights are \$1 sometimes to extreme points.

Q. Do you pay the freights to Manitoba? A. Manitoba is under a different arrangement altogether.

Q. The prices vary from 4¼ to—? A. Six and two-thirds.

By Mr. McKay:

Q. You don't fix your prices for your customers? A. No; our customers may sell at a profit or sell without a profit.

By Mr. Guillet:

Q. What was the cause of the last advance? The recent 5 per cent. advance. There were two advances? A. One advance.

Q. What was it, a 5 per cent. advance or a 10 per cent. advance? A. A 5 per cent. advance.

Q. Due to the increased cost of labor? A. The workmen forced us into a 10 per cent. advance on wages and the duty advanced fully 10 per cent. more and the 5 per cent. does not cover the extra cost of our production. We have to buy bolts and everything of that sort at an advance. We only advanced 5 per cent. while we were forced to pay about 10 per cent. advance in wages and other things.

By Mr. Gillmor:

Q. That was in consequence of duties being placed on iron? A. The duties and wages both. There was a strike and we held off about seven weeks because we were opposed to it simply because we thought the men were getting quite enough wages.

By the Chairman:

Q. What do you pay? A. It was piece work in nearly every department.

Q. What wages do they earn? A. They will earn—the mechanics will earn from \$2 to \$3 per day.

Q. These are the iron moulders? A. Iron moulders, stove moulders, nickel platers and employees of the various departments.

Q. They have had from \$2 to \$3 per day? A. \$2 to \$3 per day.

By Mr. McKay:

Q. The ornamentation you put on your base burners now has a tendency to raise the price? A. Yes. Of course you cannot put on the ornamentations without a large expenditure and these ornamentations have become very elaborate.

Q. And changing of patterns? A. Yes; that is a very expensive thing.

By Mr. Gillmor:

Q. These laborers would get from \$2 to \$3 a day for steady work? A. No, sir; the moulders don't, simply from the fact that the requirements of the country don't demand it or won't admit of it.

Q. This is the class of men who get the highest wages? A. They do; yes. Of course if our moulding shop is stopped it affects the laboring man as well at \$1.25 a day.

By Mr. Wood (Westmoreland):

Q. Does your association do anything else besides regulating the price? A. Yes; it regulates patents, for instance. There is a rule that you must not make the same pattern. These are the two great features of the association.

Q. Is it not for discussing the cost of goods, &c.? A. Well, discussing the cost of goods and everything of that sort, everything, in fact, connected with it.

Q. Have you an association fund? A. Yes.

Q. What does that fund amount to in a year? A. It amounts to about \$4,000.

Q. Each year? A. We have no fund used for any purpose, no other fund at all in any shape.

By Mr. McKay:

Q. How much did pig iron rise per ton? A. About 11 per cent. That is about the duty, \$2.40.

By Mr. McDougall (Pictou):

Q. That is on the value of the raw material. It would not be 10 per cent. on the value of the product? A. No.

Q. The increase in the iron duty would not amount to 10 per cent. on the value of the stove? A. No.

By Mr. Guillet :

Q. Increase on the raw material? A. Two and a-half per cent. or about that. Then there is the wages, which are higher, and every other thing that goes into it.

Q. Do I understand you to say that raw material had advanced 10 per cent? A. Yes; 11 per cent.

By the Chairman :

Q. What is the weight of a wood stove? A. It would average about 275 pounds.

Q. What price do you sell that for? A. That would sell, perhaps, net for about \$17.

Q. About \$17? A. Yes.

Q. And you have added to the price of that how much? The price would average about \$16.25 and we call it \$17, about 5 per cent. would bring it up to about \$17.

Q. Seventeen dollars is about your selling price? A. Yes.

By Mr. Guillet :

Q. So that the increase in the cost of a stove weighing 275 pounds would be less than 30 cents? A. About that. Then there would be on the mould about 10 per cent.

Q. And you have not raised the prices of base burners? A. Yes; we have raised the price.

Q. In February you had not raised the price of your base burners, I think, I mean your firm? A. That is correct, we had not advanced on base burners.

Q. I see one of your circulars here says: "Please note that an advance of 5 per cent. has been made this day on copper reservoirs, hollow-ware, agricultural furnaces and all stoves, with the exception of base burners, self-feeding pot stoves, and Globe and Cannon stoves." That is your advertisement on your postal card? A. Yes. That refreshes my memory now. We thought that the prices were such that we really should, if possible, keep the prices down. We were out of the season for them. My mind was not fresh on that point.

Q. What do you mean by Globe and Cannon stoves? A. These are simply round bellied stoves.

Q. Coal stoves? A. Yes.

Q. Not base burners? A. No.

By Mr. Gillmor :

Q. Do you send stuff to the Maritime Provinces? A. Yes, we send to St. John, Halifax, Fredericton, St. Andrews and Moncton. I generally travel there once a year myself. I like the trip.

By Mr. McKay :

Q. There is enough competition outside of our association to regulate prices if you put them up too high? A. Yes.

Q. If you were inclined to do anything like that competition would meet it? A. Outside of the Dominion?

Q. Yes? A. Yes, outside of the Maritime Provinces.

ALEXANDER W. MORRIS, of Montreal, manufacturer, sworn.

By the Chairman :

Q. What do you manufacture? A. We are in four manufacturing businesses, cordage, binder twine, bags and plaster, that is calcine and land plaster.

Q. You know of the binding twine association? A. There has been one.

Q. Were you a member of it? A. Yes.

Q. For how long? A. Well, it was continued through 1836 and for a greater portion of 1887. Then of course it was running for the months of January and

February of this year, but it had no effect on the trade of the country this year because there were no sales.

Q. What was the object of the association? Have you a constitution? A. No, the constitution and original papers are down in Halifax, but I can explain it to you.

Q. Did you not have it printed? A. No; it was just an arrangement.

Q. How many firms joined the association? A. Five.

Q. Was that all the binding twine manufacturers of Canada? A. It contained the whole of them in 1886, but one in 1887 did not enter. That is the new one which started in Brantford.

Q. Was it in operation in 1886? A. No, not in 1886.

Q. When did you cease to be a member of this association? A. Just a few weeks ago, only about six weeks ago. I cannot give you the exact date.

Q. How do the prices of Canadian binder twine compare with the prices in the United States, say for 1887? A. I think for the greater portion of the year the Canadian prices were very much lower. At the close of the season in the United States there was an arrangement among all the manufacturers, and the prices were reduced considerably, but for the average of the year, I think the Canadian prices were considerably lower. I mean the prices to the home members.

Q. You mean to the Canadian farmer? A. Yes, to the Canadian farmer.

By Mr. Boyle:

Q. You say the prices were considerably cheaper? A. Yes.

By the Chairman:

Q. The prices to the dealer? A. Yes.

Q. What were your prices last year? A. In 1887 our prices were $10\frac{1}{2}$ cents less 5 per cent., and freight paid to destination through Ontario; and the Owen Sound freight, from Montreal to Owen Sound, allowed for shipments to Manitoba and 30 days' time.

Q. These were the terms. Do you know what were the prices? That was the price during the whole of 1887? A. That is what we sold the whole of our output for in 1887.

Q. What were the prices in 1886? A. The prices in 1886 were 10 cents, less 5 per cent. and $2\frac{1}{2}$ per cent. There was a trade discount of $2\frac{1}{2}$ per cent., and a cash discount of 5 per cent. for the same freight allowances.

Q. Do you know what the American manufacturer's prices were in 1887? A. Well, I can hardly answer that question. They varied a good deal; but I could easily get the information for you; I would not like to answer it off hand. I think I could get it even here in Ottawa, but I am not quite sure.

Q. What was the price of the raw material during last year, the manilla? A. Well, of course, you should take together the cordage and binding twine. On binding twine there are two prices for sisal and, for manilla. Some years we used half and half, but this year we do not use sisal, because it was quite as dear as manilla, and manilla being the best fibre, we used that altogether.

Q. What is the difference in the quality, the tension of the manilla? A. The manilla is a much longer fibre and much stronger.

Q. What is the breaking strain of binder twine? A. I should think manilla would run more than sisal.

Q. What is the strain? A. Twine running six hundred feet to the pound, the breaking strain of manilla would be about one hundred to one hundred and ten pounds.

Q. That much? A. Yes.

Q. Is that required for binders? A. It is not necessary on a new binder, but on a great many of the old binders it was required.

Q. I understood that about 80 pounds was all that was required? Q. On the new binder it is not necessary to run even so much.

Q. But on the sisal how much would the strain run? A. Sisal would run about 500 feet or perhaps 425 feet.

Q. So that for the same tension the manilla would be about 20 per cent. longer?
A. Yes.

Q. And therefore 20 per cent. cheaper? A. Yes.

Q. What are the objects of this association? A. The association was run on a pooling business. It was not an original idea at all. It was copied from the American Cordage and Binder Twine Pool, that is each manufacturer had a stated percentage of the pool.

Q. He had a stated percentage, what do you mean by that? A. It was divided up on the basis of 100 per cent. and each manufacturer obtained a percentage of the whole according to the value and size of his factory.

Q. Do you mean that all the selling was done through one agent? A. Oh, no; we made an arrangement giving each manufacturer a certain percentage. For instance, we had thirty-three per cent., about one-third.

Q. That was the quantity that you were to make? A. Of the quantities that were to be sold in Canada, and then at the end of each month we made a statement as to the quantity that we sold in that month, and that is put into the hands of the supervisor, a man appointed at the head of the association, and if we have exceeded our percentage we paid a stated amount per pound into that pool, which was divided among the manufacturers that ran short of their percentage.

Q. You calculated how much would be required for the country's consumption in the season? A. Each manufacturer could sell as much as he wished but if he sold more than his percentage he would have to pay so much per pound for every pound over that percentage in that pool.

Q. You were to have one-third. How much were you permitted to sell without paying into that pool? A. One third of all that was sold.

Q. You could not tell until the season was over? A. No.

Q. Then you made no estimate of the quantity required for the season? A. Oh, we made an estimate.

Q. How much did you sell? A. In 1886 about 600 tons and in 1887 about 650 tons.

Q. Your estimates were a little out for the whole country, were they not? You had not enough in the country to supply the demand? A. Last season there was a shortage to a certain extent in Manitoba. There was an unusually large harvest there and farmers did not give their orders until the last moment. We had to send twine up by express during the latter part of the season, but farmers were surprised at their great crop. There were plenty of machines in the country.

Q. A surprise all round? A. Yes.

By Mr. Guillet :

Q. What is the present price of binder twine? A. That I could not answer. I am not in the combination.

Q. You are making it? A. I could not answer that.

Q. Are you not connected with the association? A. No, not now; if I gave you my present price it would be giving it away to my competitors.

Q. You know what their prices are? A. No, sir; I could not tell you.

By the Chairman :

Q. You saw the evidence stated in the papers? A. You mean Mr. Connor's evidence?

Q. Yes? A. The association was then in existence.

Q. Is the association in existence now? A. No.

Q. You went out of it and afterwards the association broke up? A. The association is now broken up entirely. There is no cordage combination or no binding twine association in the country at the present moment.

Q. Do you know what the prices were when the association was in existence?
A. Yes; I could give you them but I could not tell now.

Q. We have them? A. Very well.

By Mr. Guillet :

Q. Are prices tending lower? Is there any change in the price of binder twine?

A. There has been a drop on the cordage, but the binder twine has not. It is not the season for it yet.

By the Chairman :

Q. How much have the cordage prices dropped? A. I could tell you about.

By Mr. Guillet :

Q. You can give us the percentage? A. Yes; I could give you about the percentage.

Q. As far as binding twine is concerned the market is not established yet? A. No; we have not started to send out binder twine. There has been a drop in manilla rope, for instance, and cordage of about ten per cent.

Q. Since the combination was broken up? A. Yes.

By the Chairman :

Q. This ordinary half inch rope, what do you sell that for? A. Rope was selling for about $1\frac{1}{2}$ cents, but the price is about ten per cent. lower than that.

Q. The binder twine and the manilla sells at about the same price. A. Yes; but it is much harder to make.

Q. Is it twisted more? A. It is twisted much finer. A spinning machine will not turn off half so much. The ordinary rope yarn is about double the size of binder twine.

Q. That is an easy operation? A. Oh, yes; that is an easy operation.

By Mr. Wood (Westmoreland) :

Q. Has there been any drop in the raw material? A. Yes; the market is declining. From the present appearances binder twine and cordage would be very much lower next year than they are this year.

Q. You say there is ten per cent. drop in the price of rope? A. Yes; quite ten per cent. on the raw material.

By Mr. Guillet :

Q. At the present time? A. Not for present delivery, but for future delivery during the next two or three months. Hemp is very much sold at future delivery. You very rarely buy it on the spot.

Q. The chances are that the prices will be lower? A. Yes; for next season. For instance, you can buy hemp for September next very much lower than you can get it now.

By the Chairman :

Q. Where do you buy your raw material? A. All the hemp comes from the Phillipine Islands, but we buy most of it from brokers in New York and London, England.

By Mr. Wood (Westmoreland) :

Q. What is the cost of this raw material? A. It is cheaper because the crops are turning out very much larger than they had any idea of.

By the Chairman :

Q. Was there not a combine among some of the American buyers by which they bought up all the raw material that they could lay their hands on? A. The New York manufacturers joined together under the form of a company, the National Cordage Company, and they bought up all the manilla on the spot and to arrive for months ahead, and effected a raising of prices.

Q. Is that still operating? A. It first started with five and now there are about twenty manufacturers in it. They are gradually drawing in all the American manufacturers.

By Mr. Guillet :

Q. Do you make a lower price? Have you been in the habit of making a lower price than at home? A. Yes. I would be perfectly willing to file this circular which will show you why I left the combination.

By the Chairman :

Q. Are the prices of binding twine any higher now than when you had the combination. You are quoting prices no higher than before? A. No.

Q. You would be willing to sell a little lower? A. We have not given any quotations in binding twine lately, because we had most of our orders booked, and in addition to that we had 500 tons of binding twine in stock, and a great deal of that was manufactured the latter part of last year. It was £42 a ton in January, but now you can buy for September delivery for about £30.

Q. The manufacturers are not likely to cut prices? A. They cannot cut prices unless they make a loss upon it. Mr. Chairman, I would just like to make one statement with reference to this combination. It worked in this way; we were obliged to pay in every month one and a half cent per pound for all that we produced and sold above our percentage. That went to strengthen the small manufactories in the country. It was not helping us and it was not helping the trade.

Q. You could reduce your prices that much? A. Now, we are simply able to give that benefit to the trade and the country instead of to the small manufactories.

By Mr. Guillet:

Q. How much? A. One and a half cent per pound.

By the Chairman:

Q. As a matter of fact have you reduced the price? A. I said that we have not done anything on binder twine as yet. On binder twine we hardly paid anything into the pool, but on cordage we paid every month.

By Mr. Guillet:

Q. I suppose that this 500 tons that you have on hand was made in the combination and therefore a large portion of it was taxed to that extent? A. No; it was not taxed. There is only a tax on over production.

Q. Was there any over production? A. No; we would not know until the end of the season.

By the Chairman:

Q. You said it was only on the sales you made? A. Yes.

By Mr. Guillet:

Q. You had a prospect of having to pay on that 500 tons your portion of it? A. No; because our percentage would be greater than 500 of the whole.

Q. That is not the whole of what was made? A. We are still manufacturing.

Q. If you had entered into this combination this quantity would be liable to this discount? A. There is no portion of it liable unless I receive my percentage.

Q. You said on binder twine you had exceeded? A. No; I meant on cordage. We ran just about our percentage on binder twine.

Q. You could have made more? A. Yes; if the country had required it and we had thought so.

Q. Would you have made it but for the fear of paying? A. No, it is not that: it is the fear of carrying it over. Binder twine runs up into a large amount of money.

By the Chairman:

Q. You simply went out of it because it was to your interest to go out? A. That is it exactly. I felt it was to my interest.

By Mr. Guillet:

Q. You want to run to your full capacity, and not pay anything into the pool? A. My competitors have as much right to cut under me as they please.

By Mr. McKay:

Q. You are large manufacturers? A. We manufacture about 50 per cent. of the binder twine and cordage.

By Mr. Guillet:

Q. You are manufacturing every month? A. Yes; this would not have been anything into our pocket.

By Mr. McKay:

Q. You can undersell these smaller manufacturers? A. We think we can manufacture cheaper by manufacturing on a large scale.

By the Chairman:

Q. How many men have you at work? A. 220 just now. We will have over 300 before the end of the year.

Q. Are they mostly men? A. Yes; men and boys and women to a certain extent; about 30 women.

Q. What wages do you pay to your skilled men? A. Our ordinary laborers get \$1.20 and \$1.25. We do not pay any man less than \$1.20, and we pay up to \$3 per day.

By Mr. Guillet :

Q. In the combination—I am not quite sure that I remember rightly—you regulate the prices at which the goods should be sold, as well as the quantity to be sold? A. Yes; of course

By the Chairman :

Q. But you cannot say that prices have been reduced since you went out? A. I believe some of the manufacturers have cut prices, but I have not sold a single pound of binder twine since the combination was broken up.

Q. This circular of yours did not produce any effect? A. It has had the effect of our firm getting a great many congratulatory letters.

Q. No orders? A. No; because I have not tried to sell. We have a great many orders booked. There is no trouble in selling our twine, as we have a good name.

By Mr. Guillet :

Q. I suppose you took orders to deliver the twine at market prices? A. We guaranteed that if there is a drop, we will give the benefit of it.

Q. You have a large number of orders booked? A. Yes; about 750 tons.

Q. Before the combination was broken or since? A. Most of these orders were booked last fall before any prices were established.

Q. Prices are not established yet? A. We cannot tell what prices will be yet. In cordage they have been cutting very hard and when deliveries of binder twine starts they may try the same tactics.

By the Chairman :

Q. Your orders are taken for the 1st of June? A. They start on the 1st of June. We may start at the latter end of this month, and then it continues until the end of July.

Q. Your share of the pool was about how many tons according to last year? A. I cannot remember last year, but I can remember about what the figures were for 1886. In 1886 we had one-third in the pool of the whole amount manufactured. We paid into the binder twine pool and we manufactured about 600 tons, but the whole amount sold by all the manufacturers in the combination was a trifle under 1,800 tons, so that we paid into the pool about \$500 for the whole year. It was only on a few tons.

Q. That would be at the rate of $1\frac{1}{2}$ cent per pound? A. Yes.

Q. At the present time you have as much manufactured or you have orders taken this year for more than your share? A. No, I have not.

Q. I thought you said you had orders for 750 tons? A. Our share would be greater than that for this year.

Q. From the larger consumption? A. Yes.

Q. How many tons do you expect to make by the end of the season? A. About that or 800 tons.

Q. I thought you had that much sold that you knew of? A. No; about 500 tons.

Q. But you have orders for 750? A. Yes.

Q. Then most of your orders are in? A. Yes; but as I said these are guaranteed rates, that is if the prices are reduced we will reduce ours. We are not delivering yet, so we do not know what the price will be.

Q. Have the prices already been fixed by the association, or are the prices fixed already—association prices? A. In most cases; but we have heard of sales at less. I heard of one only yesterday. Our sales were made at those prices, but have to come down to what the price is. I guaranteed that I will give as good prices as my competitors.

Q. But you have sold nearly the whole output of your twine for the year? A. We generally sold that in a week. It is all sold.

Q. And it is sold at association prices, and after you had made the sale you went out of the association? A. Yes; we broke up the two combinations on cordage and binder twine. In the binder twine business we have taken most of our orders every year before prices were established. We have a certain number of customers, and we guarantee that we will sell at as good prices as any other. As I said, I do not know how much effect this will have on the season's business, as a large portion of the twine is made out of very expensive material. Next year it will be lower.

By Mr. McKay :

Q. You subject yourself to the risk of loss? A. Yes; if my competitors break away I will follow.

By the Chairman :

Q. But you broke away in the first place? A. Yes; but if they break, our buyers are guaranteed that they will get the benefit.

By Mr. Gullmor :

Q. Mr. Connors is in your combination? A. He was in, but there is no combination now.

Q. How many were there in the combination? A. Five.

Q. You were proportioned out what each one should make? A. Yes; we each had a stated percentage.

Q. What proportion of all the quantity that was to be made for Canada did he make? A. On binder twine last year he had a percentage, I think, of 10 per cent. of the whole; and I think he manufactured about two tons of twine.

Q. How much did he get last year out of the pool, as you call it; as near as you can tell? A. I think about \$6,000 or \$7,000. Perhaps hardly as much as that; it might be \$5,000.

Q. For not making rope? A. No; not making binder twine.

Q. You had a combination on rope too? A. Yes. I cannot tell you how much he got out of rope.

Q. He got his proportion? A. Yes.

Q. He drew out largely? A. I know he drew out, but I do not think he drew out very largely on rope.

By Mr. Guillet :

Q. He only made two tons of binder twine? A. That is all.

Q. He is making more now? A. I do not know.

Q. He speaks of having sold several carloads? A. I do not know.

By Mr. Gullmor :

Q. I did not know definitely, but he seemed to get a boom somewhere or other. I live in the county next to him? A. There is no doubt that the smaller manufacturers have been benefited very largely by the association. It is the same, I think, with all pools. They are run on that principle.

The Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 10th April, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

SAMUEL ROGERS, sworn.

By the Chairman :

Q. What is your occupation? A. Undertaker.

Q. What is your address? A. 19 and 21 Nicholas Street, Ottawa.

Q. Now we want some information from you about an organization. Are you a member of the Undertakers' Association? A. I am, sir, a member of the Undertakers' Association of Ontario.

Q. Have you a special one for the city of Ottawa or is it one for the whole Province?
 A. I believe, in Ottawa, we have no regular organization. There was a little meeting a short time ago among the other undertakers, and my son was present, but I don't know what the object of it was at that special time, but we have arranged our affairs here on a similar plan or basis of the head association of Ontario.

Q. You have an organization then for the whole Province of Ontario? A. Yes.

Q. Do you meet annually? A. Yes; the annual meeting is held in the city of Toronto.

Q. There was a meeting held there a short time ago, were you present? A. No, I was not, it was held in September. My son was there.

Q. Is it an organization of undertakers only or undertakers and manufacturers?
 A. I don't know whether the manufacturers are members of the association or not. There is an agreement between us the same as if they were members of the association that they sell to those who are associated only. They don't sell to any other undertaker.

Q. Who was it formed this association first? A. The late Mr. John Young of Toronto, and Mr. J. D. McIntyre of St. Catharines, were the principal movers in the matter.

Q. When was it organized? A. Four years ago; I attended the first regular meeting.

Q. Where was it held? A. At Toronto.

Q. You formed an association? A. Yes.

Q. How did you get the members; was there a large attendance? A. At that time I think there was about 360 odd, at the first meeting.

Q. Were there that many present at the meeting? A. I think that was about the number, 360 or 365.

Q. You had nearly all of the undertakers in Ontario present had you? A. Oh, no, we have over 800 now, and there may be more than that since the last meeting.

Q. How many have you in Ottawa here? A. There is Mr. Moody. Five in the city of Ottawa. There were two others but they have given up business.

Q. Who are the officers of the Ontario association? A. I don't know the names of the officers this year. I could not positively give you the names of any of them. Henry Stone, sen., I think, is the president for this year.

By Mr. Guillet :

Q. Who is the secretary? A. A man named Hayle.

Q. Where does he live? A. In Caanington. I am not sure, I think that is the place.

Q. Stone is the president; Hayle is the secretary. Who is the treasurer? A. I think J. B. MacIntyre, of St. Catharines.

Q. Have you got a constitution or by-laws? A. I have.

Q. Did you bring it with you? A. Yes; I have it in my pocket.

Q. This was adopted on 16th September, 1885. (Exhibit 47 b.) It sets forth the proceedings of the convention that took place? A. On that date.

By the Chairman :

Q. Have you got a copy of the by-laws? A. I have it somewhere. My son is away from home. He takes charge of these things and it is possible they are locked up in the safe, and he forgot to leave the key with me.

Q. The organization then controls the whole trade of Ontario? A. Principally; the recognized manufacturers sell to the members of the association or associated members only. They won't sell to any other person.

Q. The association regulates who shall be admitted hereafter? A. Well, yes; they have that power.

By Mr. Guillet :

Q. Have you any power in your local association here to exclude or prevent members from joining. A. We can, sir. Any new man who wishes to join or go into business would have to get the consent of the majority of the trade in any town.

There are five undertakers in Ottawa and he would have to get consent of three. That is the case all over the country, you have to get three of the members.

Q. Those two, why did they go out of business? A. Oh, they could not make a living out of it I think. One was a carver and he found he could do better at his trade than by attending to the undertaking business I think.

Q. He could get supplies as freely as before? A. There was no organization at that time, not when the first one went out. The last man never attempted to join.

Q. These five are all men who belong to the association? A. Yes; the five now working here are members of the association.

Q. Well, then, if a new member wished to join, it would be for the majority of those members now to say whether they would admit him or not? A. Yes; that was the case.

By the Chairman :

Q. The result is you have to decide if anybody shall be in the trade with you or not? A. Yes; we have that power.

Q. And the manufacturers bind themselves not to sell to any person but those in the association? A. Not to sell to any but those in the association.

Q. Who are the manufacturers? A. R. Philp & Co. are the largest.

Q. Who else? A. J. W. Thompson, which used to be Watson & Thompson, and there is another the Ontario manufacturers', I don't know who compose the company. Their manufacturing place is Ridgeway and they have a wholesale store in Toronto.

Q. They manufacture in Ridgeway and have their wholesale place in Toronto? A. Yes.

By Mr. Guillet :

Q. Do they leave you to regulate your rates? A. There is nothing said about rates. I do precisely the same as I would if I wasn't a member of the association.

Q. In the locality here? A. We have no arrangement that way.

Q. No tariff of charges? A. No, we understand we charge from \$5 to \$10 for our hearse. We charge for a child's hearse \$5 or \$6 and for my best hearse we charge \$8 or \$10.

By the Chairman :

Q. Is there a uniform price in these three companies you speak of? A. Yes; in coffins and caskets but not in the linings and trimmings.

By Mr. Guillet :

Q. They can be cut freely then by anyone? A. No; they will not sell any article in the business except to those who are members of the association, but there is an understood price between the manufacturers for coffins and caskets. They are bound to sell them at a certain price, but trimmings, linings and handles they can sell as they please.

Q. There is an arrangement as members you must observe as to coffins and caskets? A. Among the wholesale manufacturers. We have no combination individually at all. I am not bound to sell my casket at the same price. These gentlemen sell me that way but I can sell just as I please.

By Mr. Boyle :

Q. There is free trade within the local organization? A. Yes. It is the same with the association in Toronto, the head association.

By the Chairman :

Q. Do you think the manufacturers have a pretty good profit on their caskets and coffins they make. You know the material? A. Yes; I suppose they have. They are very nicely gotten up and their prices of course vary accordingly. You can have high class goods or cheap class.

By Mr. Boyle :

Q. How do they compare in prices now as before this organization was started? A. Just about the same I think. I think the styles are altered, and I think they are making better caskets and I think the charges are about the same as ever they were. They haven't raised the price in any way that I am aware of.

By Mr Bain (Wentworth):

Q. Trimmings are in the same arrangement as caskets; they are not sold to anyone either? A. No, sir. They won't sell any article, not even a screw, to any one who is not associated with us.

Q. I suppose this trade is a special trade. They don't combine trimmings with ordinary hardware or any other business? A. No.

Q. Is it a special trade by itself? A. Yes, a special trade.

Q. These dealers in trimmings, are they separate from the casket manufacturers? A. They usually carry on the whole thing. One man keeps the whole supply. Each one has his own. There are three in Toronto.

Q. How is it about trimmings, and handles, and all that?

The CHAIRMAN—He says the manufacturer keeps the supply of all the funeral requisites.

WITNESS.—Philp makes near all he sells; I think hardware as well as the other.

By the Chairman:

Q. A man wanting to start into business he is not free to start unless he gets the consent of the others who are in the same trade in that place? A. That is the rule.

Q. Do you think that is a fair rule? A. Well, no; I hardly think so. I would not object personally to any one starting in Ottawa. I would object to this: If he could not start in a respectable manner and have proper things to do it with I would object. If a man came out properly with a good hearse and casket I would say "go ahead, do the best you can."

By Mr. Gullet:

Q. Would you supply a coffin alone to a person who required a coffin only, perhaps to convey it by ordinary vehicle, without the hearse? A. Sometimes we do not send our hearse. We frequently sell coffins to persons in the country, and in the city a man sometimes hires a cab.

Q. Do you require them to leave in your hands the arrangement for the cabs? A. I do not require it of them, but it is generally left in my hands. If you have the misfortune to require my services you perhaps order the exact number of cabs. A cabman may be doing your family work and you will engage him.

By Mr. Bain (Wentworth):

Q. You usually supply everything? A. Yes; we usually supply everything.

By Mr. Guillet:

Q. You could compel them to buy everything if the members of the association chose to say that? A. Yes; we could compel them if we chose.

By Mr. Boyle:

Q. Do the manufacturers carry out the rules of these local associations in every detail, no matter how unreasonable it may be? A. I do not think they have anything to do with such a local organization as we have in Ottawa.

Q. You said you would divide up; that is you will sell a coffin separately. Suppose a rule of your organization here was that everything was to be supplied and one of your members objected. Would he be reported to the manufacturers and be excluded from supplies? A. I do not think he would go that far. I suppose we would have the means of reporting him for acting contrary to what we thought right.

Q. Your association here might be fair but others might not be. You might compel customers to do things unfairly? A. We work the same all through.

By Mr. Bain (Wentworth):

Q. Mr. Boyle wished to get at this fact: whether the local organization establishes its own rules or whether the larger organizations govern them all? A. I think the local organization govern their own affairs so long as they are not inconsistent with the general association.

By Mr. Guillet:

Q. Suppose a man went to you for a casket and to your neighbor for the hearse? A. I would not supply him on principle.

Q. As against the regulation here? A. We have none here. I think we are joined together on the slenderest string possible.

By Mr. Boyle:

Q. The point I want to arrive at is, how far do the manufacturers control your local organization, or how far does your local organization control the manufacturers? A. It is the same throughout Ontario; the manufacturers will not sell to you unless you are a member of the association.

By the Chairman:

Q. Is there an annual subscription list? A. We pay \$2 a year, but we pay \$25 for joining. I only paid \$2, being on the first list.

By Mr. Guillet:

Q. Are not your prices very much the same? A. There is no understanding.

By the Chairman:

Q. Have there been any increases by the manufacturers lately? A. No, sir; sometimes a certain article may be improved on, but there has been no general alteration.

By Mr. Guillet:

Q. Supposing a manufacturer is established and is not a member of the association, would the members of the association be free to deal with that manufacturer? A. No.

Q. If you did you would be expelled? A. I suppose they would be expelled. There is one such manufacturer in Toronto and another in the eastern townships. They sell their goods to members who are not in the association. Sometimes men will start independent of the associated members.

Q. Suppose you have served a family at the funeral and there is no payment made at the time, and there is some delay, would you report that to your brother members? A. I never think of it. I give my customers all the time they want.

Q. If they were in default would you report them? A. No. If I had dealt with you and you did not pay me and you happen to require an undertaker's services again, and I saw you going into another undertaker's, I would go and tell him "you had better look out for him. He has been owing me for four or five years and I advise you to be careful."

Q. I have a letter to that effect. An undertaker who supplied the Indian Service states that if the Department does not pay him he will instruct the other undertakers and they will refuse to bury the Indians? A. I do not know anything about that. My son has been running the business for a year or two past. I only feel I am bound to the association by word of honor. I do the best I can for the people I have to do with.

Q. There is no agreement in the head association or your local association as to the prices at which undertakers shall sell certain classes of goods? A. No. I think the country undertakers objected to anything about prices because they were more than they could get in the country, but they did not in the city. You will find that a hearse runs from \$5, \$7 to \$10. I never read half of those by-laws.

Q. Are you bound to observe those prices? A. They are there I know.

By the Chairman:

Q. What price caskets do you sell? A. There is a difference between a coffin and a casket. We sell caskets from \$60 up, according to the class and trimmings. Some are trimmed very plain.

Q. Up to what price? A. \$175 for one we had once; black walnut with gold trimmings such as has been used but once in Ottawa. I got \$175.

Q. White wood compares with rosewood? A. Yes. We charge \$60, and that is the cheapest casket I sell.

Q. Well, what does that cost you? A. The casket itself I think laid down here would be, with \$1.25 carriage, about \$16. Then there would be the trimming and our labor. Say \$14 for the casket.

Q. What would the trimmings be? A. Handles, lining and plate.

Q. It costs you \$14.50 or \$15 laid down? A. Yes, about that. I suppose we should make about \$40 or \$45 on the actual cost of the casket. Then we have to trim it and go to the house, and perhaps the next day bring it down to the drawing room and carry up our posts so that everything is included in that price.

By Mr. Boyle:

Q. Is there no fee except charge for the casket? A. No; I never charge anything for attendance.

Q. The hearse is extra? A. Yes; the hearse is extra. \$5 for a child and \$10 for an adult.

By the Chairman:

Q. What is the cost of trimming on a \$60 casket? We put handles down at \$5.50.

Q. That is what they cost you? A. Yes; \$4.50 to \$5. The plate \$2.50 engraved. Lining about five yards and one-half or six yards at say \$1.10 or \$1.25 per yard according to the quality. Then there are other expenses amounting to a couple of dollars more. Then it would be worth about \$1.50 to trim it.

Q. It takes five yards at \$1.10 a yard to trim it? A. Yes, for a six foot casket. There are the wide ends and you will find that five yards will hardly cover a six foot casket.

By Mr. Boyle:

Q. You charge for the shell? A. Yes, \$3 extra for the shell. We are charged extra for the shell.

Q. You get them where you get the coffins? A. Yes.

Q. They cost you how much? A. \$1.80 and the carriage about 50 cents. We do not reckon to make a cent on shells. It costs 50 or 75 cents to deliver them. We do not make anything on shells.

Q. What is the cost of your \$100 coffin? A. \$75 or \$80, varying according to the trimming.

By Mr. Guillet:

Q. These caskets are not covered outside with cloth? A. No; it is the lining inside and the stuffing that I speak of. We do that ourselves. We get the bare box and we do all else here.

By Mr. Boyle:

Q. I asked you the cost of your \$100 casket? A. We reckon the cost at \$60 and we have our labor added.

By the Chairman:

Q. You have more profit on a \$75 or \$80 coffin than on a \$100 one? A. In some cases but not always. We cannot do with 5 per cent. or 10 per cent. profit as we do not work only about two-thirds of the time and we have to have the same staff of men and horses. People have the idea that undertakers make immense fortunes but I have never seen a rich one yet.

Q. Do you think the combination benefits the manufacturers more than the undertakers? A. I do not think it does. There are the same number of caskets and coffins required. It is merely to keep out men who are not fit for the business and to do it respectably.

Q. What object is there in that. What particular interest have the undertakers in having a thing done respectably. You do your own respectably and in proper order and well, and what difference is it to you if some other man in the same business does not? A. It would be a discredit upon me. Some people would speak contemptuously of me on his account.

Q. They would rather give you credit. They would say: "There is the way Mr. Rogers does his business"? A. I would get the benefit in that way, but I should not like the name spoken of with that disrespect.

By Mr. Guillet:

Q. You get a discount on your goods? A. Yes, 10 per cent. on wooden ware and 5 per cent. on trimmings.

The Committee then adjourned.

HOUSE OF COMMONS, OTTAWA, 8th May, 1888.

The Committee on alleged Trade Combinations met this morning, Mr. Wallace in the chair.

A. E. BOLTON, sworn.

By the Chairman :

Q. Give the Committee your name, occupation and address? A. Albert E. Bolton, at present a painter, but used to be an undertaker.

Q. Of what place? A. Village of Bolton.

Q. Would you tell the Committee the circumstances of how you were formerly in the undertaking business and now you are out of it? A. The circumstances were just these: My father was undertaker in the village of Bolton for 30 years. He died a year ago last January. I conducted the business for about six months, but, of course, his estate was in the hands of the executors, and the hearse and business were sold. At least the stock was sold to the other undertaker in the village, and the hearse was sold to a wholesale firm with whom my father dealt.

Q. Give the name of that firm? A. R. Philp & Co., of Toronto. Before the hearse was removed from the estate I tried to buy it, but they would not sell it to me; that is the executors would not. I wanted to continue the business, as I was left alone with my mother; but they would not sell it to me, because they had their own reasons, and I had mine for not coming to terms. It was turned over to R. Philp & Co., of Toronto. I went to them, and I said to Mr. Philp in the presence of witnesses, "Mr. Philp, I have come down here to buy my father's hearse." He said: "Mr. Bolton, I cannot sell it to you."

Q. Your father's hearse was sold in Bolton? A. Yes; sold on my father's estate; from just where I left it after the last funeral. He said, "Mr. Bolton, I cannot sell it to you." I says, "Why not, Mr. Philp?" He says, "I cannot sell it to you." I said, "Mr. Philp, I have the money in my pocket to pay you for the hearse." All he asked was \$400. "I have the money in my pocket, and is not my money as good as any one else's?" He said, "No; you are not a member of the association. There is another member of the association in the village, and I dare not sell it to you." I said, "That's a little kind of strange." I said, "If I have the money to pay for it why can't you sell it to me?" I knew that my father was a member of the association, but I knew nothing of the working of the association before that. They just put it in that way.

By Mr. Bain (Wentworth) :

Q. Did you offer to become a member of the association? A. I did not offer, but I could have become.

Q. I mean in your negotiations? A. No; he refused point blank because I was not a member of the association. I have understood since from members of the association in as good standing as Mr. Philp, that if I had got the hearse I could have become a member of the association in spite of them.

Q. Is there anything in the constitution that would have enabled you to have overcome that difficulty and to have got the hearse? A. Nothing that I know of.

By Mr. Guillet :

Q. Were there two undertakers when your father was in business there? A. Yes; but the other undertaker started business after my father did and my father was a member of the association when the other undertaker started and if it had not been for my father he could not have become a member. My father was a little too easy with him and allowed him to become a member of the association.

By Mr. Bain (Wentworth) :

Q. Is it necessary that a local member of the association should give his consent? A. Yes; (Exhibit 47 b and c) and a certain gentleman told me last Saturday that I had to thank the very man my father befriended for being hoisted out of the business. He would not give his consent.

Q. You understand that it was necessary to have his consent before you could become a member? A. Certainly.

Q. Is that in the constitution? Yes, it is; but I understand that if I had got that hearse I could have become a member of the association as my father's son.

Q. You could have continued the connection? A. Yes; although they did object. This gentleman told me last Saturday that if I had secured that hearse there was nothing that could have kept me out of the association; that Mr. Dodds, the opposition undertaker, could not have kept me out. I was refused the hearse simply on the ground that he would not sell it to me.

Q. In consequence of this refusal you are not able to say anything about the internal working of this association further than that they shut you out? A. That is all; they shut me out. There is the constitution that my father had (laying books on the table).

By Mr. McKay :

Q. If you had got that hearse you could have gone on and continued your father's business? A. Certainly.

By Mr. Guillet :

Q. Is there anything in the by-laws that provides for a son continuing his father's business? A. I am not posted in them at all.

Q. This was only an opinion of a member of the association? A. I am not posted at all. I did not enquire further into it. I went that far as there was a friend of mine present and I thought we could start a business in opposition to the association. We went to the Toronto Exhibition and examined a number of hearses. We took a fancy to one and thought we would order one like it. The next question was where we could get our stock. We could not get it from R. Philp & Co., nor from any member of the association; but we understood that there were several undertakers in Toronto working outside of the association. We called on them and they thought we were trying to pull them for a little information in order to give some of the manufacturers that were in connection with the association away. Perhaps it might be so. I would not say it was so; that we were trying to pull them to give these manufacturers away who were giving them goods and were pulling the association. They thought we only wanted to get a pull on these manufacturers that they were obtaining goods quietly from; but we were not doing so. We were simply trying to find out whether we could get goods without having to do with the association.

Q. You failed to get the goods? A. We could not get them. We could not find out where we could buy them. This was T. B. Elliott & Co. They thought we were simply pulling on them to get a lead to give them away. We were not however; but they would not give us any pointers.

By Mr. McKay :

Q. One gentleman who gave his evidence here stated that there were a large number of undertakers throughout the country not in the combination? A. I would like to know where you will find them. I know this that the very two gentlemen who came down with me, said to me when we were coming down on the train: "We will give you the first chance to buy that hearse." I know their business. I said: "Gentlemen, I know your business down this morning. This was that I was going to see R. Philp & Co. about the hearse. There were two others going down at the same time. As soon as I saw them on the train I said: "Gentlemen, I suppose you are on the same business as I am on," and they said they guessed they were, and says one of them: "What business are you down on, Bolton?" I said: "I am going down to buy my father's hearse, if I can, I want it." Said they: "and then you shall have the first chance." All three of us walked up to R. Philp & Co's. together, and going up they said: "Now, you take the first chance at it, if you cannot buy it, we will try and do it," and I tried to buy it. I asked Mr. Philp, right in their presence, about the hearse, and the answer he gave me was that he could not sell it to me, because I was not a member of the association.

By Mr. Bain (Wentworth) :

Q. Did he sell to the other parties? A. He sold it to the other parties, and as it so happened, they were not members of the association, and he has been very sorry for it ever since.

By the Chairman :

Q. Did he get into trouble by selling to them? A. Certainly he did. He has had several accounts cut off on account of it. After he had sold that hearse to the parties he did sell it to, of course it was known that they were not members of the association. It was well known that they were not members of the association. They had bought out the local man all right, but he had no hearse.

By Mr. Guillet :

Q. Is this in Bolton? A. No, sir; in Caledon East, about ten miles west of Bolton.

Q. The man they bought out was not a member of the association? A. No.

Q. Had he been carrying on business for a long time? A. He had been carrying on business in a kind of a way. They were given to understand that when they bought his stock out they could become members of the association, and they bought his stock and bought the hearse and went into the retail business. They got a bill of goods, some \$200 worth, from R. Philp & Co. When the members of the association became acquainted with the fact that they had sold the hearse and these goods to these gentlemen, they appointed a committee and the committee went down and demanded R. Philp & Co.'s books. They could not help it. They had to show them up. He did show his books to the committee and they said: "Here, Mr. Philp, you have sold a bill of goods to so-and-so, and he is not a member of our association. How did you come to do this?" Mr. Philp could not deny it.

By Mr. Bain (Wentworth) :

Q. Still, you do not know this of your own knowledge? A. Well, I have it, Mr. Bain, from a gentleman who is a member of the association, who only told me last Saturday. He did it openly, fairly and straight, because he is an old friend of mine. Had I been in the business or out of the business, he is an old friend of mine. He told me that he himself was a member of that committee, and they examined Mr. Philp's books, and Mr. Philp has lost money by it simply because he sold the hearse and these goods to men who were not members of the association.

Q. Don't the association have a list of members to whom they are entitled to sell? A. They have, but he just a little over-reached himself that time. They were not members.

Q. Did they refuse to sell to you at all, or only at an advanced rate? A. They would not sell to me at all at any price.

Q. Because I understand that they sold to outsiders, but at such a rate as to practically shut them out? A. They would not sell to me at any price.

By Mr. Guillet :

Q. Why do they make a distinction between the other two men and you? A. I cannot say.

By the Chairman :

Q. There was no opposition in Caledon East, and Mora Road? A. No; no opposition.

By Mr. Guillet :

Q. It is evident that you could assume that there would be no difficulty of these men getting into the association, or there was no opposition? A. Certainly.

By Mr. Bain (Wentworth) :

Q. Did they try to get into the association? A. Certainly; and the association declined to admit them. I was told on Saturday last, that they could not get in, that they never would get in.

By Mr. Guillet :

Q. Have you any objection to giving the names of the two parties refused admission? A. Crawford and Irwin, of Caledon East.

Mr. BAIN—You are putting the witness on slippery ground.

WITNESS—You cannot put me on slippery ground, sir. I have my own knowledge with regard to this. I have it straight and fair from a member of the association that these men cannot be admitted.

Mr. GUILLET—It is a matter of public interest. He has stated that these men bought the hearse and the goods in this locality in Caledon East, and the names are merely additional information.

The CHAIRMAN—He says he has a part of the information, and he went down with them to Philp's to buy the hearse. They all went together to buy the hearse.

Q. Now, have you seen them since that day that you all went down together?

A. Certainly.

Q. Have you got information from them about this matter? A. Certainly. They have never been able to get into the association.

Q. They told you that? A. They told me that.

Q. Themselves? A. Certainly.

The CHAIRMAN—That would be direct. What Mr. Bain says is that the evidence is not direct, not what you know of your own knowledge, but what you have acquired from others. Article 18 (Exhibit 47c), in the by-laws of the Undertakers' Association says: "In order that every member shall feel himself at liberty to discuss any questions coming before the association fully and freely, and without reserve, it is hereby understood and agreed to that all such discussions shall be considered of a private nature, and any member who shall be found guilty of divulging any of the private business, or discussions, or affairs of this association, excepting such as are proper to be made public, shall, if convicted after a fair trial, be fined, reprimanded, or suspended, as the majority of this association shall determine, at any annual meeting." Mr. Bain wants to protect—

Mr. BAIN—I don't think there is any misunderstanding between you and myself as to the position.

By Mr. McDougall:

Q. Who are the parties who refused to sell goods? A. R. Philp & Co. They are the firm my father dealt with for 15 or 20 years.

Q. You didn't apply to them? A. No; I did not. I went there. They had control of the hearse and they would not sell it to me. Of course I did not get the hearse.

Q. Do Philp & Co. deal in trimmings? A. Yes.

Q. The hearse wasn't exactly in their line. It was turned over to them? A. It was turned over to them.

By the Chairman:

Q. Do the Philps deal in hearses at all? A. No; only second-hand hearses turned into them. They told me a month or so afterwards if I could get into the association I might perhaps get a hearse.

Q. They are manufacturers of coffins? A. Coffins and coffin trimmings.

Q. They furnish other goods, they don't manufacture such as trimmings? A. Yes; hardware and all that they don't manufacture. I don't think they manufacture hardware.

By Mr. McKay:

Q. These two men from Caledon East are still in the business? A. Yes.

Q. They don't get their supplies from the regular dealers. Where do they get their supplies? A. That is more than I can tell you. They get them some place. They got their first supply from R. Philp & Co., but they have never got any more from a regular wholesale dealer other than what I have told you.

Q. They do get them? A. They do get them I suppose because they are still conducting the business. They get the inside track in some way or other. I don't know how, probably by paying 30 or 40 per cent. more for their goods.

By Mr. Bain (Wentworth):

Q. That would rob them of their profits. Are they able to import do you know? A. They are not extra wealthy men.

Q. They could not afford to bring them from the States even if they could? A. I hardly know how they manage it. If I had time I could have found out.

Q. We are only asking you as to what you know? A. I don't know.

By the Chairman :

Q. You are pretty familiar with the prices of coffins and so on? A. Only so far as the prices of invoices are concerned, that is all that I know.

Q. You have some invoices there I see? A. I have some invoices, yes.

Q. About coffins, can you give us a little information, because these invoices don't indicate very much to us. Can you give us information of the prices. We had some information here about the white wood coffin that was sold for \$60? A. I know nothing about it, I never handled one.

Q. Is that the invoice of one complete, is that complete coffin, trimmings and all. There is coffins \$7.50, half handles \$1.87, and there is all the other goods? A. That is \$10.18.

Q. What do you sell that coffin for? A. Of course there are linings and trimmings.

Q. How much do they cost? A. About \$2.50 at the outside. I could not tell you the exact cost, because I am not extra well posted.

Q. What would that coffin sell for? A. We always got \$32 for that.

Q. You got paid for the hearse besides? A. No; that includes the hearse attendance and everything.

Q. The profits are fairly good then in the undertakers' business. A. Oh, fair to middling. The \$32 includes the robe.

Q. What's the value of the robe? A. \$2 and \$2 50.

Q. Is there a discount off that invoice? A. Cash.

Q. A cash discount? A. I think it is 10 per cent. off coffins and 5 per cent. off trimmings, for cash.

ROBERT MOFFATT, undertaker, of 335 King Street West, Toronto, sworn.

By the Chairman :

Q. Will you tell us, Mr. Moffatt, your grievances? A. A year ago last April we waited on the association, and we asked to become members. We were told that we would have to apply to the secretary.

Q. Who was that? A. Bedson & Moffatt. I had been in the business myself for 12 years.

Q. That is working for yourself? A. Yes; for my brother-in-law five or six years and for W. H. Store. I acted on that advice, and I applied to the secretary and got a form and filled it out. I was then told that they would bring our application before the association, and we were told that we would require to get 3 or 4 of the nearest undertakers to support our application. We then looked about to get the nearest undertakers. Mr. McCabe was the first gentleman whom we approached. When we went to him and asked him if he would sign our application he turned round on us something like a bulldog, and said: "No; do you want me to give away my bread and butter? I have spent money in purchasing rigs and carriages of different kinds and the stock with which to carry on business, and you expect me to sign for you." I replied, "We did not come here to be insulted, but to ask you a civil question, and I would ask you if you will sign this document?" And so he went on chinning away and gave us no satisfaction, so we left him. The next man we went to was Mr. Thomas Kay, and we could get no satisfaction out of him either.

Q. He refused you, too? A. Yes; point blank.

Q. On the same grounds? A. Yes, on the same grounds. The next we called on was Messrs. Turner & Porter, Queen Street West, and after a long conversation he signed the document and so the application went into the association. At their first meeting I believe there were three or four other applications, and so after quite a long debate they left our application over for further consideration. They did not accept or reject us. They said they had to consult the manufacturers before they could either accept or reject us and so we went to the following meeting and at last

they put it to a vote and we were rejected by a majority of 100 to nothing. One voted for us and all the rest voted against us.

Q. Did they reject any of the others? A. They rejected them all. But they gave us no reason.

Q. Did they give you none, did they write you a letter? A. No; I got an answer from my brother-in-law, Mr. B. P. Humphrey, by word of mouth.

By Mr. Fisher :

Q. He was secretary of the association? A. Yes; at the time. Then we had to start and do the best we could. We imported stock from Albany and from Grand Rapids, Michigan, and we bought stock in Toronto from a party called Cable, some sort of a manufacturer there. To give you an idea of the prices that we paid for our stock and to show you that where there is no justice in the association, there are the minutes of the last convention held in September, 1887.

Q. You and your partner had sufficient capital to carry on your business I suppose? A. Yes, we had first, a hearse and horses, five hundred dollars' worth of stock and no encumbrance.

Q. No encumbrance? A. No encumbrance. We agreed to do this, but they would not accept us on any condition.

Q. After asking you to put that in? A. Yes, after asking us to put them in. Here is an invoice which shows that we paid \$5.50 per dozen for handles for coffins and for a quarter of a dozen \$1.38. We paid \$5.50 for them and here is an invoice which shows that the price of the association is \$1.15 per dozen pairs.

By Mr. Bain (Wentworth) :

Q. And they sold to you outside of the association? A. We got them in an underhand way. It is like stealing. They are bound under oath now to the extent of \$1,000.

By Mr. Fisher :

Q. Bound by whom? A. They were bound in 1887 by \$500, no matter if they got \$1,000 for the coffin not to sell to a retailer outside of the association.

Q. Well, the wholesalers get theirs from the manufacturers? A. No; the wholesalers manufacture themselves.

By the Chairman :

Q. Do you mean to say that there is that difference, \$1.15 to \$5.50? A. Yes; there is the receipt of what we paid for them.

By Mr. Fisher :

Q. I understood that they were not allowed to sell to you at all? A. No; they dare not.

Q. But you say now that you bought goods from them? A. No; I do not know where this party gets them from.

Q. You did not pay this to the manufacturer? A. No; they were got in a kind of underhand way, just the same as stealing the goods.

Q. You talked about importing? A. Yes.

Q. But these are Canadian goods bought from some person in Canada? A. Yes.

By the Chairman :

Q. Can you not import them and pay the duty and freight and all expenses? A. No; not and compete with these firms.

Q. Is the difference so great as that? Is \$1.15 about the intrinsic value of the article? A. A case that cost \$28 in the States costs \$43.50 shipped to our door. Now if a man can pay that \$15 duty and freight and compete with these men I would like to see him do it.

By Mr. Fisher :

Q. But that is not anything like the difference? A. Yes; but that is the case itself.

By Mr. Bain (Wentworth) :

Q. The coffin or casket? A. Yes.

By Mr. Fisher :

Q. But the percentage is not anything like the difference. A. But if you have to buy your handles, shrouds, &c.

Q. What is the duty on that? A. 35 per cent.

By Mr. Bain (Wentworth):

Q. Do you import your handles? A. Yes.

Q. Can you give us the quotations for the imported handles and then we will be able to compare them, about the same quality that you would put on the same class of coffin, as near as you can. A. There is none of them here the same as on that list there.

Q. Perhaps there are some on the other list to correspond with those? A. Here is one kind \$9.77; half a dozen pairs \$5 and \$2.50 a set.

Q. There is a difference in that? A. Of course that is a finer handle, but we have been paying at the rate of \$10 and \$15 a dozen.

Q. How much does that cost? A. \$2.50 a set, and there is a duty on that beside.

Q. That is 35 per cent.? A. Yes. And then you would have to have a large capital to do this. You would require to have \$300, \$400 or \$500 worth of stock in order to have the right size on hand. A man would be at a disadvantage if he did not do this.

By the Chairman:

Q. Then if you could import them at the same price it would still be very disadvantageous, I suppose? A. Yes.

By Mr. Bain (Wentworth):

Q. Then you had to give up importing them to a large extent? A. Yes; we only import them when we cannot get out of it. We have lost several orders on account of the roads being blocked on the other side. In fact, we have lost \$100 for orders that we could have had.

By the Chairman:

Q. So you are actually shut out of your business, prevented from buying a coffin here in Canada? A. We can buy a coffin here in Canada, but they will not compete with the articles sold by those in the association.

By Mr. Bain (Wentworth):

Q. There are some parties then outside of the association who make caskets? A. Yes; but they are decidedly inferior.

Q. You think they are decidedly inferior? A. Yes; we cannot sell them.

Q. And the trimmings, where do you get them from? A. We get them through just the same party, but the trimmings also are inferior.

Q. Then, practically, the association controls the business here in Canada? A. Yes; they control the whole business here. A man cannot carry it on unless he is a member of the association because he is blocked in every way.

Q. Then you have to order caskets from time to time as your custom demands? A. Yes.

Q. That, of course, means very prompt delivery? A. Yes. We keep as large a stock on hand as we can afford to keep, but, of course, we cannot go beyond our means.

Q. How do you find American caskets compare with your own? A. Very good indeed.

Q. How about the cost? A. Some are better goods and some are about the same.

Q. A better quality? A. Some are better in the finish.

Q. Are they a better or a worse finish for the same money? A. About the same and some are a little better.

By the Chairman:

Q. You have made no efforts since to become a member of the association? A. We have not, but several have, and they said it was no use. They said they would not admit us or anyone else.

Q. When was it that you started business and applied to them? A. In April, 1887.

Q. About a year ago? A. Yes.

Q. Do you know if any have started in Toronto since then? A. No.

Q. None in Toronto? A. No.

Q. Have any of the undertakers died since then? A. Two have died since then.

Q. Then if no one is admitted the balance would have all the business to themselves? A. There were two; one died and the other sold out. He sold out to a farmer.

Q. Did that farmer get admitted? A. Yes; he got admitted.

Q. I suppose he would not buy until he got the assurance that he would be admitted? A. Of course, if you go and buy a man out you are supposed to take his membership. The constitution makes that proviso.

Q. Mr. Bolton succeeded his father and he did not get in? A. The constitution will tell you.

By Mr. Bain (Wentworth):

Q. Buying out and inheriting are two different things? A. That is the constitution of 1887. They offer it to suit themselves, but there is something in the constitution and by-law that is secret.

Q. Are they affiliated with the Toronto Board of Trade? A. Yes; I believe the Board of Trade is the foundation of the whole of it. The Board of Trade is the cause of all this combination.

Q. How many members are in this combination? A. 442 in the Province of Ontario.

Q. How many in Toronto? A. Only 12 in and three outside of it.

Q. Who are those outside of the association? A. Bates & Dodd, B. J. Humphrey and Bedson & Moffat.

By the Chairman:

Q. You said you thought they were affiliated with the Toronto Board of Trade? A. Yes; a casket that they paid \$12.50 for they sell at \$75 in the association.

By Mr. Bain (Wentworth):

Q. You put on handles and trimmings for that? A. Yes; handles and trimmings.

Q. Do you supply the hearse too? A. No; the hearse is extra, the shroud is extra, hacks are extra, and if there is any special attendance that is extra. I have seen them charge \$10, \$15, and \$25 for disinfecting. I have seen that done and the bill collected.

By the Chairman:

Q. What do they disinfect with? A. Embalming fluid. They pretend to use some other fluid, but that is what they use.

Q. Is it a good disinfectant? A. Yes.

By Mr. Fisher:

Q. You say a \$12.50 casket is sold for \$75. A. Yes.

Q. About how much trimmings are put on? A. About three yards of lining at \$2.50 a yard, and the white cotton would cost about 30 cents; handles, about \$2.50; the plate would cost 75 cents and the thumb screws would cost about 30 cents.

Q. That would be \$11.35 for expenses? A. Yes; that is all.

Q. That would bring it up to \$24 or \$25? A. Yes.

Mr. Bain (Wentworth):

Q. We had a statement that a casket costing \$16.50 would be sold at \$35? A. I can produce books to prove what I say.

By the Chairman:

Q. He said the casket cost \$14.50, and there was about 10 per cent. off that; but he gave his black cloth as five yards at \$1.10? A. The kind I am speaking of cost \$2.50.

By Mr. Bain (Wentworth):

Q. I have the items down here as given before at \$31.50.

By the Chairman:

Q. That was sold for \$60? A. That casket would be a varnished case.

Mr. FISHER—I happen to know that Mr. Rogers charges for attendance, because I have had to do with him.

By the Chairman :

Q. He said that paid for everything, except the hearse and shell and the hacks ; that \$60 was the cheapest casket sold ? A. I am prepared to prove that there never was a casket sold for \$60.

Q. He says they pay extra for the hearse, shell, shroud and hacks ? A. They might put in a varnished case for \$60, but I know that I worked for twelve years with members of the association, and they never put a casket in for that.

Q. What are the charges now for white wood caskets in Toronto ? A. The casket they sell called white wood they generally term it walnut and cover it with black cloth. It is nothing but a plain piece of bass wood but they sell them for black walnut. All they are is a plain piece of bass wood covered with broad cloth and that is the coffin they sell for \$250. Go back to the funeral of a prominent Toronto gentleman which cost \$1,650. That is the same case as I am speaking of now ; the same kind of a casket. I wish you could summon some of them down here and let them produce their books.

By Mr. Bain (Wentworth) :

Q. You state that in a funeral they charge \$70 for the casket would cost \$12.50 ? A. Yes ; they may get in a tight box and put it down to \$70 but as a general rule it is \$75. They would not cut nor give a discount.

By the Chairman :

Q. Will they sell you any portion without trimming. Supposing you got a coffin made out in the country by a carpenter ; would the manufacturers and dealers in Toronto sell you trimmings ? A. They have refused to sell me tacks. I went down to Mr. Thompson with \$250 and wanted to buy stock and he said " I cannot sell you ; I dare not." I went down to Mr. Philp yesterday and wanted a white coffin and he ordered me out of his place. The rest of them generally state that they would like to sell but they dare not. A member of the association dare not sell anything that belongs to him without consulting the association.

By Mr. Bain (Wentworth) :

Q. It is very difficult for you to import and compete with them ? A. Yes.

By the Chairman :

Q. You do a little underground business to get a member of the association to buy for you ? A. If we got from a member of the association they would very soon get on to him and his supplies would be cut off. They have a committee watching night and day. I cannot go down to see my sister on Yonge Street but I am watched. It is pretty hard to be watched by a lot of scoundrels like them ; for they are nothing else. They are cutting each other's throats over it too in one trying to get ahead of the other.

Q. They are doing pretty well having the whole business to themselves ? A. I think the day will come when some of them will have to cry quits if there is any justice in the country at all.

By Mr. Fisher :

Q. Why can't you start another place and manufacture supplies ? A. We have not the capital to do it with. If we had the capital it would not be any bother to do it ; but it requires a man with a considerable amount of money to start in a business like that. A man with money could do it all right enough.

By Mr. Bain (Wentworth) :

Q. I suppose as far as cloth covered coffins are concerned you can do that business yourselves, can you ? A. No.

Q. You don't manufacture ? A. No.

Q. Could not combine that part with your ordinary business ? A. The manufacturers of black coffins ?

Q. Yes ? A. No ; we could not do it. The party who gets up these varnished cases could not do it because he is not an experienced hand.

Q. He could not make it? A. He could not make it, no. He could not get that up at all.

By Mr. Guillet :

Q. Any similar association in the Province of Quebec? A. I could not say whether it is connected with this or not.

Q. There is an association there? A. I think that it is connected with this.

Q. Is there an association of some kind in the Province of Quebec in respect to this trade? A. I don't know.

By the Chairman :

Q. Do you know of any association in the Province of Quebec? A. No; I do not.

Mr. GUILLET—It appears there is by this report.

Mr. BAIN—Of course the witness does not know that.

By Mr. Fisher :

Q. Why could you not go to Montreal and somewhere else and buy your trimmings? A. The manufacturers of Montreal are in this. Whether the retailers are or not I cannot say.

Q. You know the manufacturers are? A. Yes.

Q. Did you ever apply to the Montreal manufacturers? A. There is no use because they are in the association. Whether the retailers are or not I cannot say. Whatever the manufacturers are in the retailers are in I suppose. You cannot get them in Canada at all any place.

The CHAIRMAN—This condition of things shows that the combination amongst the undertakers is utterly unjustifiable.

By Mr. Guillet :

Q. Do you know how they levied their fines, do you know from what rule? Have they any specified means for fining established? A. The fines on the retailers are \$25 for the first offence, suspended for the second and expelled for the third. I think it is in the by-laws there. I could not say particularly about the manufacturers, but the first offence is \$500. Since the formation of the association they are bound in \$500.

By the Chairman :

Q. Not to sell outside? A. Not to sell outside, to any person outside the association.

By Mr. Guillet :

Q. Article 23 reads that if any member of the association is found guilty of violating any of the rules he shall be suspended or fined—do you know of any manufacturer turned out of this association? A. They tried it hard at one time but they did not succeed.

Q. I was going to quote in that connection a record “the same as we make for parties who have infringed the rules, he says ‘give us the facts where any of the manufacturers belong to the D. B. C. A. sold to these parties’ and you will put a \$500 fine on them?” A. This year I believe it is increased to \$1,000 and they are bound under oath. That is what I am told by one of the manufacturers myself personally.

By the Chairman :

Q. One of the manufacturers told you that? A. One of the managers of the manufacturers. He is the manager of the firm. He said he would like to sell to me but he dare not. I am told that it will be increased to \$1,000 and the manufacturer is bound under oath not to sell to any person outside this association.

Q. That is the meeting to be held this month? A. Yes; this is to renew their arrangement between the retailers and manufacturers. Then the retailers have a convention once a year and it meets in September in each year in Toronto at exhibition time.

By Mr. Bain (Wentworth) :

Q. Retailers and manufacturers? A. I don't think the manufacturers meet with them. They generally meet to transact retail business.

Q. Do you know how many manufacturers there are?—

By the Chairman :

Q. Who are the manufacturers? A. In Toronto R. Philp, Simmons, Ewing & Co., Thompson and Watson and the Ontario Casket Co., and I think this is all of the wholesale in Toronto.

Q. Do they all manufacture caskets? A. Yes; all manufacturers.

Q. And they all deal in trimmings? A. They all deal in trimmings, hardware and everything in connection with undertaking.

Q. I suppose some of these manufacture hearses? A. None of them.

Q. These are just casket manufacturers? A. They tried to get the hearse manufacturers in with them but there was no use, they would not listen to them. They said they would sell to whoever would pay them. They would not be bound by any association. The gentleman we bought a hearse from, and paid \$1,400 for it, told us they tried to get them in but they would have nothing at all to do with them. We have a hearse no other undertakers in the city can touch. The builders of hearses are not in this combination.

Q. Where do you buy your hearse? A. London, Canada West.

By Mr. Bain (Wentworth) :

Q. What does the cost of an ordinary funeral run from? A. You can get a funeral from \$25 up.

By the Chairman :

Q. Would that be a full grown person? A. You can get a funeral for a full grown person from \$25 up; very plain.

Q. What is the ordinary price for the burial of an adult in a family of a well-to-do mechanic, a man who earned \$600, \$300 or \$900 a year? A. You find very few of them in the city of Toronto.

Q. Of which? A. There are very few of them that earn \$600.

By Mr. Bain (Wentworth) :

Q. Of mechanics? A. There are very few mechanics in the city of Toronto that earn \$600.

Q. How much do well-to-do mechanics' funeral cost? A. Some of them will get a coffin from \$26 to \$35, and the hearse \$6, and if he gets crape, all that is extra, and that runs it up to \$40, \$45, \$55, and some as high as \$60.

By the Chairman :

Q. Commencing with a \$25 coffin, the other expenses will run it up \$25 more at least, will it? A. About that, I guess.

Q. What is the \$25 coffin? A. It is a No. 3.

Q. Tell us what it is made of? A. It is made out of bass wood, finished in imitation of rose wood, and it is dark colored, trimmed with lining worth about 75 to 80 cents a yard. The lining in it costs about 25 cents, that is cotton lining, worth about 7 or 8 cents a yard. That is what we pay for it. They would get it from the wholesalers for about 5 or 6 cents, and we pay 7 and 8 for it.

Q. There is about 25 cents' worth of cotton in a coffin, and about three yards of head lining worth from 75 to 80 cents a yard? A. There is engraving the plate, which costs 25 cents. The plate is worth about 40 cents, and the thumb screws are worth about 30 or 40 cents.

By the Chairman :

Q. You are anxious to have this combination broken up, of course? A. I am, very much. I have been trying to make an honest living if I can, and I think they have been trying to starve us out of it, and they will get us out if they can. They don't want any more to start. They want the business to themselves, and want the profits to themselves.

By Mr. Bain (Wentworth) :

Q. What is your idea of the remedy for that sort of thing—have you ever thought about a remedy? A. Unless the law of the country takes hold of it.

Q. You have experienced the grievance that is plain? Have you ever thought now of any way by which it can be remedied? A. I don't know how they can remedy it.

Q. Declare a combination illegal? A. That is the only way it can be remedied that I can see. It is for the law of the country to take it up. This is supposed to be a free country where every man can start in business.

Q. Is it not a breach of the law as they stand now? A. I don't think so. They can do just as they like, the law don't seem to pay any attention to it.

By Mr. Fisher :

Q. Have you ever obtained any legal advice as to whether you can indict them for conspiracy? A. I don't think any legal advice would be of any use.

Q. You have never obtained any legal advice? A. No; I never went to a lawyer because there was no use in wasting money on it.

By Mr. Bain (Wentworth) :

Q. Then in your business it is difficult to import? A. Yes; in fact we cannot import and sell at the same price as they do.

Q. The American price is about the same? A. Yes; one-third more than what you can buy here.

By the Chairman :

Q. You say that the prices would be about the same if there were no duty or freight to pay? A. Yes; and a man requires a large capital and a large stock to meet all orders that come in.

By Mr. Bain (Wentworth) :

Q. One-third is a pretty heavy duty. I think you said that you had been employed in the business for twelve or fourteen years, and I think this combination is only about four years old, is it not? A. Yes.

Q. Were you intimate enough to know whether the prices advanced or not? A. Well, the prices are something about the same. The only difference is that the wholesalers have advanced the prices a little, but it is a very little.

Q. On the trimmings and caskets? A. Yes; but the retail prices are pretty much the same.

Q. But the undertakers' prices are just about the same as formerly? A. Yes; with the exception of a couple of undertakers who supply the wealthier classes.

Q. But the current rates have not been advanced? A. No; the current rates have not been advanced.

SECTION 4—INSURANCE.

HOUSE OF COMMONS, OTTAWA, 20th April, 1888.

The Committee on alleged Trade and Insurance Combinations met this day, Mr. Wallace, Chairman, presiding.

D. C. MACDONALD, of London, Ont., Manager of the London Mutual Fire Insurance Company, sworn.

By the Chairman :

Q. Have you been long engaged in the fire insurance business? A. Yes; for about 30 years.

Q. How long have you been connected with the London Mutual? A. About 30 years; 29 years.

Q. Do you know of any association or combination among fire insurance men? A. I am aware that there is an association called the Fire Underwriters' Association.

Q. Where are its headquarters? A. I believe its headquarters are in Toronto and Montreal.

Q. What are the purposes or objects of this association? A. Really I cannot tell.

Q. Tell us how it affects your company. Does it interfere in any way or affect the interests of your company? A. I cannot say that it does directly, sir. No; I cannot say that it does affect our company in any way.

Q. Have they attempted to interfere with the operations of other companies? A. They have attempted to do so.

Q. And in your case they have not? A. No; they have not succeeded.

Q. In what way have they attempted? A. As far as we are concerned, very little. In 1885 they issued a circular. The association, or individual companies belonging to the association, issued a circular prohibiting their agents, or the agents of the individual companies of the association, forbidding their agents from acting as agents of other parties who were not members of this Underwriters' Association. (Exhibit 42.)

Q. They forbid them? A. They forbid them acting as agents for any non-tariff company.

Q. And experience proves that one agent must have a number of companies to do a successful business? A. Yes. It depends on localities. The agents want two or three companies to be able to do a successful business.

Q. And that prevented their agents from taking any of the agencies of your company? A. I can only speak of those agents who are agents of our company. They attempted to force our agents to resign our company.

Q. It was intended to be a boycott of your company. That would be the effect if they had succeeded? A. Yes; that would be the effect if they had succeeded.

Q. But they did not succeed? A. No; they did not succeed.

Q. And was this an effort of the organization of this Fire Underwriters' Association, or was it the individual companies? A. As I understand, the association is composed of the different companies for the purpose, as I understand, of raising their rates and regulating the workings of the different companies composing the association, and their object was to prevent any company that did not belong to this association, at least, any agents working for outside companies, and the London Mutual is regarded as an outside company.

By Mr. Casgrain :

Q. Have you seen any of these circulars? A. Yes; I have seen them.

Q. Do you recollect by whom they were signed? A. I cannot tell you by whom they were signed. There were two or three of our agents to whom these circulars were sent, and these circulars were supposed to be confidential, and I was requested not to divulge the names of those who issued them, and I returned the circulars. I got a copy of what the circulars contained.

Q. Have you a copy with you now? A. Of what the circular contained?

Q. Yes? A. At the time I returned the original papers that were sent to me I returned to the agents who sent them in. I might state, Mr. Chairman, that I cut this from the *Budget*, an insurance journal, but it is an exact copy of the circular that was issued. It is as follows (Exhibit 42):—

“ RESTRICTIVE MEASURES.

“ Copies of the following circular have been sent to us for publication, and our opinion asked concerning it and the agreement it refers to :—

“ CIRCULAR TO AGENTS.

“ MONTREAL, 11th Nov., 1885.

“ DEAR SIR,—Enclosed herewith I send you a copy of instructions and rules now binding on agents of tariff companies, and a form of agreement requiring your signature in triplicate. I would call your special attention to No. 16 of instructions to agents which is as follows :—

“ No office or person holding official connection with a non-tariff office shall be eligible to represent or act for a tariff office, whether as general agent, sub-agent or in any other capacity whatever. You will please sign the agreement referred to in triplicate, returning the original and duplicate to this office not later than the 25th instant, and retaining the triplicate for filing in your own office.”

“ AGREEMENT.

“ To the Insurance Company.

“ No. 3.—Triplicate to be retained by Local Agent.

I hereby acknowledge having received copies of tariff and instructions to agents, and undertake to adhere to the rates and rules of the Canadian Fire Underwriters' Association as therein set forth, and as may be hereafter communicated to me from time to time. And I further agree not to represent any non-tariff office nor to place a risk in any company not a member of said association, either with or without consideration, directly or indirectly, except in instances when all companies shall be full, or shall not be open for the insurance, and then only in strict conformity with tariff rules and regulations.

— — — “ Agent.”

By the Chairman :

Q. This is a correct copy of the circular you saw? A. Yes.

Q. Did the association ever ask you to join? A. I have been asked by members of the association to join.

By Mr. Bain (Wentworth) :

Q. At what date was that circular issued? A. It is dated 11th November, 1885.

By Mr. Boyle :

Q. Was the London Mutual ever connected with any association, combine or agreement to keep up rates? A. No.

Q. Have inducements been held out to it to join? A. Yes; inducements have been held out to it by members of the association.

Q. By the members of the Fire Underwriters' Association? A. Yes.

Q. And what were your reasons for not going into the association? A. Well, we are opposed to it on the principle that we do not like bad company. That was one reason. We thought that the association was inconsistent with the principles of insurance, in this way, that an insurance company lost its identity by coming in and

forming a union with other companies whose modes of doing business were different from these it pursues; in fact, insurance companies have different rules and they stick by those rules and hold them out as an inducement to give their company the preference over other companies, and they lose all this individuality by joining a combination of this kind. In other words, some companies were well managed and others badly managed.

Q. Do you consider your company well managed? A. Yes; I do.

Q. And you did not want to connect your company with others which were badly managed? A. No.

Q. Were you opposed to it on principle, on the general principle of free competition? A. Yes; I believe in free competition in insurance.

Q. For what reason? A. Then every company stands on its merits.

Q. Is it because you think your company would do a better business, or the public be better served, or for both of these reasons? A. I believe the company which understands its business and has its modes of doing business, it should not be placed on a par with companies that are placed in the hands of inexperienced men, men who do not know an insurance policy from a piece of blank paper.

Q. What class of insurance do you cultivate? A. Our business is a private dwelling house and farm business.

Q. Do you do any commercial business at all? A. No; not now.

Q. You do a private dwelling house and farm business? A. Yes; farm buildings and churches and school houses and town halls, isolated and non-hazardous risks.

By Mr. Guillet:

Q. Are these companies that are in the Underwriters' Association engaged in the same business? A. Yes.

Q. They are competitors in the same business. A. Yes.

By Mr. Bain (Wentworth):

Q. But they also go much further? A. Yes; but they are competitors in the same business.

Q. I suppose the real facts were, that when your agents were asked to discontinue your company, that an agent with your lines combined also with the more hazardous risks in the other companies, if they wanted to drop their business, and then take your business in their hands? A. I presume so.

By the Chairman:

Q. Were there any companies belonging to the association which were doing business exactly on the same lines as your company? A. An American company called the Agricultural, of Watertown, does the same business.

By Mr. Guillet:

Q. They are not in the list of 1886? No; I only believe that they were.

Q. The Watertown Mutual Insurance Company? A. That is a commercial company.

Q. Is your company purely mutual? A. A purely mutual and non-hazardous company.

Q. I see here that an agreement laid down in the constitution makes an exception of these companies: "I further pledge myself to charge tariff rates for all business placed by me in any company, purely mutual offices alone excepted." A. What is the date of that?

Q. 15th October, 1886. A. I was not aware. I am not a member of the association.

Q. What is the object of that? I suppose it was that when they found you would not join, these agents were to be at liberty to go with you, and that the agents were to pledge themselves to charge certain tariff rates, with the exception of the purely mutual companies? A. The association, as I understand it, exempted our class of business from the operation of the tariff.

Q. Do they cut the rates in that class of business lower than the tariff rates? A. Yes; they have no tariff rates.

By the Chairman:

Q. There is no tariff? A. No; there is no tariff for non-hazardous business.

By Mr. Boyle:

Q. How do the rates of the association companies compare with yours for this class of business? A. I cannot tell you that. I do not think they have any stated rating. In some instances they are lower than we are.

By Mr. Guillet:

Q. Was that done with a view to resenting your refusal to join the association? A. I may be wrong, but we regarded that circular of November, 1885, as being pointedly directed at us.

Q. And if you had joined, and other companies similar to yours had joined, it would have brought about uniform rates? A. The effect I believe would have been that a uniform tariff would have been established for the non-hazardous business, and the rates raised on this class of business also.

By Mr. Boyle:

Q. You think your staying out kept up free competition? A. Yes; I am decidedly of that opinion.

By Mr. Bain (Wentworth):

Q. Did the competition affect your rates in any way? A. No; we have kept the same tariff for a great number of years.

Q. Were you often appealed to by your agents on the ground that they were offering lower rates than you were? A. We have frequently.

Q. But more so since this combination was formed? A. I will not say so. That is the cry all along, that companies belonging to this association attempt to cut on our class of business. Our agents complain that they are cutting under us.

Q. That they insure at less rates? A. Yes. I understand, though, of course, this is from hearsay, and Mr. McLean can explain that, that the western section of Ontario is better dealt with than the other, that in the western section of Ontario free trade still exists, but it is protected at this lower end.

By Mr. Boyle:

Q. There is not the same competition in the east as in the west? A. No.

By Mr. Bain (Wentworth):

Q. Is there any arrangement between you and the other mutual companies as to your rates? A. None whatever.

Q. Each one does business as they think best? A. Yes. I may say that we have a mutual association formed of the Ontario Mutuals, that is, the mutual companies in Ontario doing a non-hazardous business, but it has nothing whatever to do with regard to rates. It is only to watch legislation, to watch insurance legislation in Ontario.

Q. That more particularly applies to the Legislature in Toronto? A. Yes; to the Legislature at Toronto, but that has nothing to do with rates.

Q. I suppose the deposit is made here? A. Yes.

Q. So that you do a Dominion business? A. We have the privilege of doing a Dominion business, but our business is mostly in Ontario.

Q. Then your association is confined to Ontario exclusively? A. Yes; to Ontario exclusively, the mutual associations.

Q. You are chartered by the Government? A. Yes.

Q. Your association covers Ontario exclusively? A. Yes; a mutual association.

By Mr. Boyle:

Q. Do you place any special restrictions upon your agents in regard to doing business for other companies? A. None at all, sir. Well, we ask them not to insure a place in the same class of business as ourselves when we appoint them; no man can serve two masters.

Q. What is your limit? A. \$4,000.

Q. If your agent takes a little more than that, you reinsure. A. Yes; we reinsure.

By the Chairman :

Q. What are your rates? A. Cash system. 90 cents for three years on ordinary farm property, and fee and note rates $1\frac{1}{2}$ per cent., upon which we have made an assessment in no case exceeding 60 per cent.

Q. That would bring it up to 90 per cent. cash? A. Yes.

By Mr. Bain :

Q. That is your first class risks? A. Ordinary farm business; our tariff is lower on brick buildings covered with shingles, and lower still for a brick building with a slate roof. That is called first class.

By Mr. Boyle :

Q. If you require to make reinsurance can you obtain it from any of the companies in the association? A. Well, we have never sought it, sir, not of late years. I have insured one or two risks. I may state when we got this circular our agents were placed in this dilemma: If they gave up our business they would give up a valuable business and they would drop a valuable business if they gave up these insurance companies of this association. They had to choose between it.

By the Chairman :

Q. Between the devil and the deep sea? A. Exactly, and they chose the deep sea, I think. I don't know which they chose. We lost nothing at all events. We were forced for a while to take business, which we omitted to do formerly. We were forced for a while to insure very hazardous risks, but that was only for a short time.

By the Chairman :

Q. To keep your agents employed? A. To employ their agents who stuck to us, you know. A new mutual company was formed in London and many of our agents have taken the agency of that.

Q. Doing a hazardous business? A. Yes.

Q. You don't take flour mills? A. No, we take no mills. This City Mutual was established and it is doing a good business now. It was established in consequence of the tariff association.

Q. Do the agents acting for that company obtain renewals for more hazardous risks than you took? A. Not that company, sir. There is no connection between the two companies.

Q. You did not object to your agents doing that? A. We don't object to our agents acting for any company that don't interfere with our business.

By Mr. Boyle :

Q. Have you concurrent insurance with any of the association companies? A. No.

Q. Do you understand that they declined to accept concurrent insurance with your company? A. I have heard that they do, that they would not take any insurance from any person who would insure in a company outside of the association.

Q. They declined risks with companies, or with individuals who patronized companies outside of the association? A. I have heard that to be the case, and the consequence has been that a great many of our wholesale merchants, on account of the arbitrary treatment of this association, are doing their business on the other side now, and doing what is called underground insurance, writing their business in New York and other places. I know a large factory in London that has got all their business in this way, and one of the largest wholesale merchants in Toronto writes all his business in New York now.

By Mr. Bain (Wentworth) :

Q. Have you reason to believe that this class of business is great here? A. Yes.

Q. Are you offered a similar class of business from the American side. A. No; it is illegal also to canvass for that business in this country, but the way they get over it is, that the party who wants insurance can go over there and purchase it.

Q. I suppose you would find a difficulty in enforcing your claim in a court if it became necessary to do so? A. We would have to run the risk for it, or suing in the American courts.

Q. You would have difficulty in collecting? A. It would be the natural difficulty of collecting an American claim. You could not enforce a claim in the courts here, I should say.

Q. How do your rates compare with what they were 6 or 7 years ago. They are really about the same? A. Our rates have been the same for about 8 or 10 years.

Q. Were they lower during the dark days when insurance companies went down so thickly 7 or 8 years ago? A. No; our rates were I think a little lower about 10 years ago, and then we raised them to what I have mentioned and kept them up since. In fact I think the rates were almost better for the companies at that time than now. There is a new hazard springing up in our business. These steam threshers are universally used and they all become very liberal in the insurance of live stock from lightning in the fields. These two hazards are added to the others.

Q. You are unable to obtain a special rate against the risk from fire from steam threshers? A. No; we cannot.

Q. You take chances with ordinary precaution? A. Yes; we cannot enforce that extra rate.

Q. I suppose you object to paying the loss if they don't have a permit from you? A. Yes.

By the Chairman:

Q. What is the effect? How much have been the losses owing to steam threshers within recent years? A. I am only speaking from memory, but it has been increasing every year.

Q. It has been? A. Yes; I think the machines are no better than they were, but there are a great many of them being used.

Q. A little more carelessness? A. Yes.

Q. Too much confidence? A. Yes; too much confidence. A man uses a machine one season, and he thinks because he gets off that season he gets careless, and there is a good deal in that. Our losses have increased every year through steam threshers.

Q. Is there any special matter to which we have not referred. This is a new question with us. You are the first we have had, and we would like if there is any important matter that has not been asked of you that you would suggest it? A. No; I do not know of any, sir.

Q. Your opinion is about this combination in fire insurance that it is injurious to the public interest and harmful so far as your association is concerned? A. Well, I won't, perhaps, go so far as that. I mean to say that the association, I don't think, is much benefit to the companies, and where they interfere with other companies that is injurious.

Q. I am referring to this circular where they interfere—interfering with legitimate business and the freedom of other companies? A. I think they are harmful in that way, and then also they send arbitrary rates that I do not approve of. I know Mr. McLean and I don't agree on that.

Q. Would you explain the fixing of arbitrary rates—what effect it has? I think that is a very important thing. This combination fixes the rates and allows nothing for the judgment of the agent or for the character of the man insured? A. That is the way I understand their tariff. There is a tariff of rates fixed—the minimum rates. They may be added to as much as they please. There don't appear to be any discrimination allowed.

Q. They can put as much on but they cannot take anything off? A. There is not the natural freedom. They have a standard tariff, and in that way it takes from the freedom of the agent to a very great extent. Now, there may be two buildings precisely alike, and these buildings, according to that tariff, would have to be charged alike, although there would be a great deal more hazard in one than in the other.

Q. This cast iron arrangement does not take that into account? A. It gives no credit to moral hazard.

By Mr. Bain (Wentworth) :

Q. How do you deal with that difficulty in your company? A. Our opinion, sir, is that it affects commercial insurance more especially. We trust a good deal to our agents as to the character of the parties whom they insure. All the country is laid out in territories and our agents are supposed to know the residents of that territory, and he is supposed to know each person, and we have to trust to their knowledge of the people.

Q. That depends upon the character of the agent a great deal? A. Yes.

By the Chairman :

Q. You place the responsibility upon him? A. Yes; the success of the company depends upon the agents to a very great extent.

By Mr. Bain (Wentworth) :

Q. I suppose the agents send in the applications to the company and give the moral character of the applicant, and all that sort of thing? A. We have had men working for us for twenty-five years and they take an interest in the welfare of the company.

Q. After all, there is a difference between *agents* and agents? A. Yes.

Q. I suppose, on the other hand, you have one check, if a farmer is repeatedly incurring great losses you would have a tendency to drop him out? A. We have had men very unfortunate. We have had one or two men burned out three or four times, but every time it was an accidental fire. Well, we think it would be cowardly to drop him because he had had three or four fires, and in another case where a man has had one fire, and we would be glad to drop him.

Q. Yes; but after all it all just comes back to this, that it all depends upon the agent a great deal? A. Yes, it depends a great deal upon the agent.

Q. I suppose really the best precaution is where the agent gives you a close value? A. Our object is to insure for two-thirds of the value of the property, and we are endeavoring to keep that way, but, of course, there is a great difference of opinion as to valuations.

By Mr. Guillet :

Q. I think it is important that the standing of your company should be known in connection with your evidence. Has your company been successful? A. Yes.

Q. You are the largest western mutual, I think? A. We are the largest mutual company, we have more property insured in Ontario than any other company.

By the Chairman :

Q. What amount? A. I think the last return shows \$42,000,000.

Q. You are a very large company then? A. Yes.

By Mr. Guillet :

Q. You have accumulated a large rest or surplus? A. Yes; we have about \$47,000; we are a purely mutual company. There are no profits. We find our rates sufficient to carry on the company and to have that surplus, we have that surplus \$47,000 in debentures deposited with the Government here. We are only a mutual company, but we have a license from this Government, from the Dominion Government.

By the Chairman :

Q. Your business is nearly all in Ontario? A. We went down to the lower Provinces and got \$400,000. You see the class of property we insure is very safe. Now, for instance, you will find one of these other companies will take risks worth 10 per cent. per annum and all the deposit they have is \$100,000, and they will take risks from 75 cents per annum to 10 per cent. per annum. Ours is only 1½ per cent. for three years.

Q. Very hazardous risks? A. Yes

Q. What proportion of your cash policies and premium note policies? A. I think the premium note policies are about two-thirds. Our premium note is increasing all the time. We are encouraging it.

Q. The other you are not cultivating? A. We are cultivating the premium note business, as we regard it as the legitimate business.

By Mr. Bain (Wentworth):

Q. The \$400,000 you have is premium notes? A. Yes.

Q. You don't take a premium note from a tenant? A. No; they are all on the cash system. The assessment has been 57½ per cent. on our premium notes, and the higher assessment on premium notes has been 60.

Q. What per cent. is your premium notes? A. 1½ on all the farm property.

By Mr. Guillet:

Q. The collection is 52½ on premium notes? A. Yes; that would be 78 instead of 90, consequently our premium note business is the legitimate business of a mutual company, and it is increasing.

ROBERT McLEAN, sworn.

By the Chairman:

Q. Will you state your name? A. Robert McLean.

Q. And your occupation? A. Secretary of the Canadian Fire Underwriters' Association.

Q. Residence? A. Toronto.

Q. How long have you been secretary to this association? A. Since its inception in 1885.

Q. Were you one of the promoters and organizers of it? A. I was.

Q. Were you in the insurance business before that? A. I was.

Q. In what capacity? A. Inspector. Ten years for the Gore Mutual, afterwards for the Scottish Commercial, and afterwards for the British American, and then I became secretary. I have been in the business since 1864.

Q. Who is the president of your association? A. Mr. Kenny, of the Western Insurance Company.

Q. What companies are in your association? Is the list given here? A. Yes; it is given there. They are not all in. The Queen City is not in now.

Q. Strike off the ones that are not in. A. The Atlas has been added since. (Exhibit 43a.)

Q. Then there are about 32 companies at present?

By Mr. Bain (Wentworth):

Q. All stock companies? A. Except the Waterloo Mutual Fire Insurance Company. There are two classes of mutual companies, the mixed and the pure mutual. The Gore Mutual and Waterloo are mixed. They take risks on the cash principle.

Q. The Gore Mutual has no subscribed stock? A. No.

By the Chairman:

Q. Does this association work pretty well? A. Yes.

Q. You are quite satisfied with the result of your association being formed? A. Well, I do not know that there is any complaint.

Q. Have you had a good many fines? A. We have fined nobody.

Q. Any complaints made to your association about cutting rates? A. Oh, yes, certainly.

Q. I thought you said there were no complaints? A. I thought you meant from the public. There are complaints from companies of violation of the tariff by agents. If you turn to the end of that book (pointing to the minute book) you will see lots of them.

Q. A good many complaints there? You say there are no complaints from the public? A. I do not think so.

Q. I, as one of the public, have been complaining? A. Not to me. I am not going to give hearsay evidence.

Q. Your business is not with the public, but insurance companies? A. The public sometimes write to me as well as the companies.

Q. The people must understand the particulars of this association. You regulate the prices for all classes of risks. You have a tariff? A. We have a tariff for all classes of risks and for all places. We do not have the same tariff for all places. The tariff is fixed with regard for the facilities which each place has for extinguishing fires. You will notice by this book that we divide the risks into six classes: A, B, C, D, E and F. A, B and C are places having water works, D places having steam fire engines and other appliances for extinguishing fires, and E places having either hand fire engines or standard chemical engines, while F is for places having no kind of protection whatever.

Q. About your company or association; is there one association or two? A. Only one. It has two branches.

Q. Where are the two branches located? A. One in Toronto and the other in Montreal.

Q. Each one having equal power? A. Yes; concurrent power. (Exhibit 43a—Article 5.)

Q. Like the two Houses of Parliament; nothing becomes law unless it is passed by both? A. That is it, exactly, at the semi-annual meeting, when both branches meet.

Q. What do they do when the two branches meet? A. Whatever is agreed on there becomes law at once.

Q. That settles it, when both meet? A. Yes.

Q. When is this tariff arranged; at this semi-annual meeting? A. The tariff was principally arranged at the first meeting. There have been modifications of it from time to time.

Q. Look at this circular a moment (handing witness a circular respecting agents)? A. Such an arrangement was made at one of the meetings, and subsequently, as you will find in that book (pointing to the minutes), it was repealed at another meeting. I have marked it. It was repealed because all the companies did not give in their adherence.

Q. What is the date of this? A. The 1st April, 1886.

Q. You passed that resolution? A. Yes, at the previous meeting in 1885.

Q. Not the previous meeting, by a good many? A. The annual meetings are the thing. They do not deal with rates at any of the ordinary meetings. I do not think that is the proper date. Probably that was the date that that circular was sent out by that company.

Q. The 13th of October would be it, probably? A. Very likely.

Q. You had a meeting then for several days? A. Yes.

Q. I will read from the minutes: "The committee beg to report that after full consideration of the existing rule bearing on joint agencies, it is the opinion of this committee that they are sufficiently clear to enable the association to deal with the case at Toronto which has been brought under its notice. That in order to avoid similar questions in future, it be resolved that hereafter no office, or person holding official connection with a non-tariff office or acting as agent or sub-agent for a non-tariff office shall be eligible to represent or act for a tariff office, whether as general agent, sub-agent or in any capacity whatever." This was unanimously adopted. What was the difficulty in this Toronto case? A. It was with reference to the Millers' and Manufacturers'.

Q. What was it? A. They were taking premiums in cash at less than the association rates.

Q. Is that the Flour Millers' Association? A. It is managed by Messrs. Scott and Walmsley. It was not with reference to the London Mutual.

Q. You passed a resolution that no non-tariff agent should have any business. You say that was repealed. Now, when? A. March, 1886. The 1st of April; we call it the March meeting.

Q. It was repealed in March or April? A. Yes.

Q. Well, you say that the object of the resolution was carried, and then you rescinded it. Is that what I understood you to say? A. No; because one of the

companies would not agree to it. If any one company does not agree to anything that is passed—they were not present at the meeting, I presume—it is rescinded. We do not act unless there is unanimity in the association.

Q. It must be unanimous? A. Yes.

Q. I understood you a moment ago to say that the object of the resolution was passed? A. No; you misunderstood me.

Q. One company refused to go into this agreement? A. Yes.

By Mr. Boyle :

Q. What company was that? A. I think it was the Northern Insurance Company.

By the Chairman :

Q. I see this resolution, which had been passed at a previous meeting, was rescinded by a vote of 6 to 4? A. Yes.

Q. There were 12 members present; two not voting? A. Yes. You will find in the constitution that there is nothing new required, except that the agent of any of these companies in the association shall not place a risk in any of these cash Mutuals at a less rate than in a stock company. He is allowed to be an agent for any cash mutual, but not to insure in that cash mutual at a less rate than for the company he represents in the association.

By Mr. Boyle :

Q. He holds up the tariff rate? A. Exactly. You will see that in the book.

By the Chairman :

Q. What is he to do with the premium note? A. Does as he likes.

Q. Is he permitted to deal with the premium note? A. Yes; without any reference to us.

Q. Did all the companies come in? A. They were all in before. There is none of the companies left, except the Queen City of Toronto, and the Millers' and Manufacturers' Mutual.

Q. What companies had this resolution reference to, if they were all in? A. I do not know. It might have reference to more companies.

Q. Our friend Mr. McDonald? A. No; because he did not come into competition. Do you take cash mutual premiums, Mr. McDonald?

Mr. McDONALD—Yes.

WITNESS—Oh, you came in then? We would not have allowed an agent of ours to place a risk, a commercial risk, at less than the tariff rate. It did not mean him, because we had no tariff on dwelling risks.

By Mr. Guillet :

Q. Are these what you call non-hazardous risks? A. Yes.

Q. You are explaining the resolution in a wrong way. "Hereafter, no office, or person holding official connection with a non-tariff office, or acting as agent, or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office, whether as general agent, sub-agent, or in any capacity whatever." Then Mr. McDonald's agents would not be permitted to act for any company of your association? A. No.

Q. It was repealed, however, absolutely? A. Yes.

By Mr. Bain (Wentworth) :

Q. Your agents kicked? A. I am not in a position to know. I do not deal with agents. I do not know what they do to the companies.

The CHAIRMAN—He is secretary of all the companies and should know.

Mr. BAIN—No; the agent complains to the manager of his particular company. Here, the managers come together, as in an association, and Mr. McLean not being the manager of any company would not come in contact with the agents.

WITNESS—I do not represent any company.

By the Chairman :

Q. If he has come in contact with the people, he has come in contact with insurance agents? A. Very frequently insurance agents write to me, with regard to rates, and I invariably answer them.

Q. What companies was this aimed at? A. At all companies doing a cash business, and a mutual business still. It was aimed at Mr. Macdonald that far.

Q. If you had succeeded in getting Mr. Macdonald's agents away from his company on this resolution, you would have left him high and dry? A. Supposing the agent would rather stick to Mr. Macdonald than to the companies in this association, we would be left.

Q. But you had 32 companies and your object was to get the agents to make their choice as between the 32 companies or one? A. You must remember that there are a great many more mutual companies than stock companies—a great many more.

Q. After you failed to crush them out, you repealed the resolution? A. I beg your pardon, that was not the idea, and that was not the object. It would not affect companies doing a purely mutual business, as there was no tariff rate for them.

By Mr. Guillet :

Q. Coming back to that matter again, there was no rate on non-hazardous risks? A. No; not on farm properties. As a matter of fact, companies acted on that principle before there was any resolution. Supposing you are a manufacturer of agricultural implements, and you have an agent in London, who took an agency for some other manufacturer, and was selling his machine at a less price than yours; I do not think you would stand it. I do not think you would allow him to be your agent.

Q. It has been stated here that it was almost a necessity for an insurance agent, in order to be successful, to be the agent of three or four companies? A. He will do better, if he devotes his full time to it.

Q. You prevented Mr. Macdonald's agents from representing any of those thirty-two companies? A. No; he could not.

Q. That was boycotting Mr. Macdonald's company?

Mr. BOYLE—This only shows in a degree one purpose of the association.

By Mr. Bain (Wentworth):

Q. There is no restriction now? A. None whatever.

By Mr. Guillet :

Q. With reference to risks that are non-hazardous, what are these? A. There are churches, schoolhouses, dwellings, and all kinds of farm property.

Q. Those you have a tariff rate on? A. No; no tariff rate.

Q. Never had? A. Yes, we had; just the same as we had with others where their companies would agree to it. It was repealed. I think, however, in the Province of Quebec they have a tariff for farm property there.

Q. As a matter of fact, the association has removed from the tariff all non-hazardous risks in Ontario, but kept them in force in Quebec? A. They did not remove what was not in existence.

Q. Isolated dwellings and farm property, these risks were at one time under the tariff? A. Yes; for probably six months. A tariff was proposed at one meeting and repealed at the very next. Certain companies did not give in their adherence, so that it was not carried unanimously. You will see by the minutes how long it was in existence.

By Mr. Guillet :

Q. I see that the three years' non-hazardous risks are referred to at a meeting held in Montreal. The report of the meeting speaks of the then existing tariff rates for non-hazardous three years' risks, and a resolution was adopted to the effect that they be maintained. Then the question was under discussion then. How long previous to that was the non-hazardous risk established? A. Here it is, "that farm property and dwellings generally be rated likewise; churches, schoolhouses and all other exempted property to be included in the general tariff." They were not before that.

Q. When was the first attempt? A. April 2nd, 1886.

Q. As a matter of fact it was not reported at all as far as the general association was concerned, with the exception of the Province of Ontario? A. Yes.

Q. It was repealed for the Province of Ontario only? A. Yes.

Q. Then it is in force still? A. I think it is in Quebec, but I cannot speak so well of that Province. I see the minutes say: "The amendment was lost, and the main motion being put was carried by 12 ayes to 3 nays." Then it "recommends to the association that the schedule of minimum rates on non-hazardous risks as set forth on page 37 of the Ontario tariff be suspended so far as the Province of Ontario is concerned—exclusive of the City of Toronto." It is still in force in Toronto.

Q. Are you aware that this Mutual Insurance Company of London are not doing business in Quebec? A. I am not aware. I think they do business in Quebec.

Mr. McDONALD.—We do some business just on the border across the river here near where our Ontario agents happen to be.

Q. Then this action was forced upon the association by the action of the Mutual of London? A. I think it was in consequence of the losses on farm property in the Province of Quebec.

Q. But as far as the action in Ontario was concerned? A. It was in consequence of the members of our association being against it. That was the reason. It was carried unanimously in the first place, as you know.

Q. You think the independent competition of the London Mutual had no effect whatever in reducing that? A. I do not think so.

By the Chairman:

Q. There were twelve present, and only six voted for the repeal of it, so that it was not unanimously rescinded? A. It was rescinded all the same.

By Mr. Guillet:

Q. Why was the tariff not placed upon dwellings? A. Because certain companies were opposed to tariffs on dwellings.

Q. The London Mutual insures dwellings very largely, does it not? A. Yes.

Q. You do not think that influenced your action? A. No, I do not.

Q. Was it never reasoned and argued that the London Mutual would have the advantage if you placed the tariff on dwellings? A. Not with respect to the London Mutual, any more than any other.

Q. That was one of the objects of meeting this matter in this way? A. There are several reasons. For instance on isolated property, one company will take the whole of it, and they may take it under or over the tariff. There would be a difficulty in ascertaining whether the tariff was violated or not.

Q. Do you change your rates at certain points where you find local competition makes it necessary? A. They are all rated according to the places they are in.

Q. Do you vary your rates where you find local competition with the outside companies, because it would cause you to lose your business, unless you did? A. The rates are not varied, except in certain cases.

Q. Have you at any time modified your rates on account of local competition with companies who are not in the association? A. I do not think so.

Q. Was there any resolution passed in the case of Hamilton where it was stated that there was competition with outside companies? A. They have a board of their own in Hamilton.

By the Chairman:

Q. Does not your association fix the rate for the whole Province of Ontario? A. Yes.

By Mr. Guillet:

Q. Was it ever mentioned in the association that you were losing business in Hamilton on account of the competition at lower rates than your tariff rates? A. I cannot say that. A letter was read from the secretary of the Hamilton board at a meeting held in Montreal on the 12th, 13th and 14th October.

Q. Is that a meeting of the association? A. That is a meeting of the association.

Q. A meeting at Montreal. You were secretary of it? A. Yes.

Q. This clause refers to scheduled rates in Hamilton. It says: "The letter from the secretary of the Hamilton board, read at Tuesday afternoon's session (*vide*

No. 59), was taken up in conjunction with the resolution of that board passed on the 11th instant, as follows: 'Resolved, that the increased scheduled rates for specials in Hamilton is forcing some of the largest and best business risks into non-tariff and mutual companies, to the great loss of the tariff companies, and in view of this fact, the Hamilton Board of Fire Underwriters express a hope that the present position of affairs will receive the serious consideration of the general meeting of the Canadian Fire Underwriters' Association now in session.'" What action was taken upon that? A. No action whatever, except after the association was formed we took up this principle of scheduled rating.

By the Chairman :

Q. Have you answered Mr. Guillet's question? A. Which question?

By Mr. Guillet ;

Q. Was any action taken to meet that difficulty? A. I do not think so, with the exception of applying the tariff.

Q. Did you change the class in which Hamilton was? Was Hamilton always in class A? A. Yes.

Q. I see here with reference to scheduled rates in Hamilton this also: "The secretary was instructed in reply to the Hamilton Board to say the association had had under its consideration at this meeting the necessity of providing discretionary powers in certain cases with regard to schedule rating, and it is believed that the action taken thereupon will to a very considerable extent remedy the matters complained of?" A. Well, they gave me at that meeting certain discretionary powers in regard to special cases.

Q. You had discretionary power? A. Yes.

Q. And you applied it to Hamilton? A. Not specially to Hamilton any more than any other place.

By the Chairman :

Q. You are not answering the question? A. When the principle of scheduled rating was first introduced there was great opposition to it. It was not very well understood.

By Mr. Guillet :

Q. Did you exercise discretionary powers? A. We have now three experts in the whole Province inspecting risks and tell the insured what to do with respect to improving his risk, and thus improve his rate. He did so in Hamilton.

Q. And the result was that there was a reduction made? A. But they made improvements in the risk.

By the Chairman :

Q. Mr. Guillet is asking you with reference to the sending of an expert up to Hamilton and getting matters arranged. Can you not give a straight answer? A. You will surely allow me to explain how we carried out that inspection, Mr. Chairman, I have no desire to evade any question. When these American mutuals came over and were cutting in on underground insurance, we felt that we could not lose it from any others because all the stock companies are in the board.

Q. What do you mean by underground insurance? A. Underground insurance companies, companies not licensed by the Dominion or Local Parliaments. The way the business was going, these underground companies came here and cut into the Canadian and British and all companies, in fact, in the association. They had no deposit in this country, they were not licensed by the Dominion Government and had no right to do business. Against this sort of competition we were not protected in any way.

Q. Do those companies which are not licensed do business here, then? A. They do, sir.

Q. Is there no way of stopping them? A. We tried it, but were blocked in the last Parliament, and they came in and cut rates without contributing to the expense of the insurance companies. They pay no taxes, no commission to agents, and we cannot get the work done.

Q. How do they get the work done if they have no agent? A. They cannot have any agent.

By Mr. Boyle :

Q. The insured party goes outside of the country and places his insurance in American cities? A. Yes.

By the Chairman :

Q. The underground company does not come here at all then? A. No; because no agent can place a risk in an underground insurance company without a penalty. It must be done by the insured himself. He must go over to the United States and come back with his insurance policy in his pocket. He can come back with the policy in his pocket, but I am not allowed to go over and buy even a coat without paying the duty.

By Mr. Guillet :

Q. After all, the Hamilton board did say that they lost business through non-tariff companies? A. They could not put them in any other way.

Q. It is rumored that they did not say so? A. All the companies in Canada are in the association, with the exception of the Queen City of Toronto.

By the Chairman :

Q. The operation of these underground insurance companies is, as I understand it, that they send a man over here, and if you want the insurance you write over to Buffalo? A. If you write over to Buffalo you will find out about the underground companies.

Q. Is it not explained here? A. No.

Q. Probably that was after your tariff came into force. Perhaps your high tariff drove the people out of the country to do business? A. There was underground insurance before.

Q. Was there a grievance; was there much of it done before? A. We were not in the position to know that we are now.

By Mr. Bain (Wentworth) :

Q. There is one assumption at any rate, they get it at lower rates or they would not be induced to go there? A. They can afford to cut their rates if they have no office expenses in Canada, no taxes to pay in Canada and no license to pay for doing business in Canada.

By the Chairman :

Q. The expenses will be as heavy in a city in the United States as in Canada? A. But they have none here; they have no office expenses here.

By Mr. Guillet :

Q. Yes; but the parties who want to be insured have to go to some expense, and they are running greater risks than they would if they are doing business regularly? A. Yes, the agents take care that they do not take the risks. They are very careful of that. I think the penalty for that is \$1,000.

Q. Yes; but doing business in that blind way, they are not in a position to enquire into the risk, and must be doing business at a great deal of risk? A. Yes.

By the Chairman :

Q. Their agent comes over here and makes a survey, and that agent must have expenses? A. Yes; I suppose so.

By Mr. Bain (Wentworth) :

Q. Can you tell us any more about the process itself? A. I do not know that I can.

By the Chairman :

Q. What do you know about the operations of this underground business? A. I only know it from hearsay, but I understand that the way in which it is done is that a person comes over and reports to probably more than one company, and after he has made a survey of the country, he goes back again. He may be in the employment of several companies. He tells you what kind of a risk it is, and at what rate he can take it, but the insured himself writes and effects the insurance, which

he can do legally, but he cannot employ any agent in Hamilton, for instance, to do the thing for him.

By Mr. Bain (Wentworth):

Q. One other matter in connection with this: You say all the stock companies are in the combination and therefore the competition in the cities could not arise because they were the only ones that would do the business? A. Yes.

Q. Now, as a matter of fact, don't the other companies still do a pretty large business in the cities outside of the large commercial risks' on private dwellings? A. Private dwellings in Hamilton and Toronto are rated, but not in any other part of the Province. They are not rated in London perhaps.

Q. As a matter of fact, there is competition between you and the mutual companies for all that class of risks? A. Yes; they can be an agent and mutual agent. I know an agent in Hamilton who is agent for two companies.

Q. Mutuals take them up the same? A. Yes; I believe so.

Q. Mutuals would compete with you to that extent or the Hamilton agents would grumble about that? A. There are only two or three mutuals that take commercial risks. The Gore Mutual and the Waterloo Mutual are, I think, the only two mutual companies that take cash premiums, that take commercial risks. The London does not take commercial risks now, but it used to.

By Mr. Guillet:

Q. It takes non-hazardous risks in cities to the same extent? A. Yes; dwellings, churches and public schoolhouses.

Q. Then you never have placed a tariff upon dwellings and churches? A. Except as you saw it there.

Q. For that time? A. Yes. If you have time to go over that you will see the whole thing there.

Q. You think that action was not influenced by the fact that the London Mutual was in operation? A. Not a bit of it. It was in consequence of the opposition made to the companies in the association. It was not unanimous in the first place.

Q. But had there been no London Mutual or other companies doing business in that line there would not have been this opposition? A. Yes, certainly there would have been such opposition.

By Mr. Boyle:

Q. I was going to ask you the objects you had in view in forming the association? A. I can tell you the object we had in view. Well, our object was that we found that business was not paying. There were companies previous to the formation of the tariff in 1883, Canadian companies that went out of existence, the Canadian Fire and Marine, the Sovereign, Provincial, Stadacona, Dominion, National, Standard and Canada Agricultural and Ottawa Agricultural with a capital of \$21,500,000 and a subscribed capital of \$7,402,616.

Q. These were all stock companies? A. Yes; and in almost every case they lost the whole of their capital. This was previous to the formation of the tariff. Then I have here one of them, specially, the Sovereign. I have all the details of the Sovereign Insurance Company, when it was wound up they had lost \$129,880 of their capital after paying their losses.

Q. The object was you say to make some money out of the business and make the business pay? A. Yes; to make the business of insurance pay, which it had not done.

The CHAIRMAN—Confine yourself to the answer of Mr. Boyle's questions.

By Mr. Boyle:

Q. I have no objection to your making explanations after; why could not the business be made to pay like any other irrespective of the combination? A. Simply because there was such a competition and a rush for business at any price, that they took it so low that so many companies failed, and the others finding that the same kind of competition lasted, it would end in their failure too. Two of the companies withdrew from the country in consequence of it, the Stadacona Commercial and Scottish Imperial, with their usual Scottish foresight, left the country.

Q. These companies that withdrew their business failed in time? A. You will find that what I say of insurance companies prior to 1883 is true if you will take the trouble to look through this.

Q. Immediately after formation, what steps did you take to make it pay? A. Uniform rates for all companies, principally preventing their taking risks at low rates, having the same tariff for all companies.

Q. Only that the tariff was higher than when the competitive tariff was in operation? A. Very little though, I don't think that in many cases it is any higher. We took that tariff in 1878 specially in the first place.

By the Chairman :

Q. How did the companies break down? A. Because they were non-tariff companies.

Q. There were several companies that did not come into that association? A. No; I think they all came in at first.

Q. Now, how is this organization sustained? A. By a contribution on the companies in proportion to the premiums received by each.

Q. What is the percentage paid? A. Well, the association in Toronto I assess for all the expenses in Toronto. I think you will find it in one of these minutes. It will be about probably one-fifth of one per cent. on each of the companies. Now we have got expert insurance men, three inspectors to inspect risks. They explain to the insured how they can lower their rates.

Q. I asked you what was the rate per cent. charged for insurance last year? A. I could not give you that.

Q. About $1\frac{1}{2}$ per cent., was it not? A. There are so many different kinds of risks.

Q. The amount paid into your association by the different companies? A. Oh, it was not $1\frac{1}{2}$ per cent. Do you mean for the expenses of it?

Q. Yes? A. No, not one per cent. nor a half per cent.

Q. How much is paid in altogether by the 32 companies? A. If you will let me have that book I will let you know what is paid in one year. Probably it will be between \$3,000 and \$4,000, that is to pay my salary, which is \$2,000, and for other expenses; paying for the printing of minutes. They have to be paid for. It will be more now since these three inspectors have been appointed. They haven't been a year with us.

By Mr. Boyle :

Q. In looking over this report for 1886, I notice some of the companies paid considerable amounts? A. Is that of the association alone?

Q. Look at page 29, the City of London Company? A. Yes.

A. It says here, the Underwriters' Association, \$600.19 from one company? A. The City of London never paid that. I don't know what that meant; they only paid about \$87. They never paid anything of that kind.

Q. Turn to page 35, the Commercial Union? A. It would be what is paid to our association.

Q. \$937.92? A. \$937.92. Well, you see there are associations in New Brunswick and Nova Scotia. There is an association in Quebec and Ontario, and probably that is the whole.

Q. Take the Fire Insurance Association, page 39? A. Well, that is \$681.10. You will find that this is for the whole Dominion.

Q. Turn to page 43. This is the year 1886, \$641.14 I think it is marked there? A. It is expenses, \$641.14.

Q. Look at page 59? A. I was speaking for the Toronto branch of the association, \$768.19; insurance superintendence, \$238.02.

Q. I am speaking now of the sworn returns shown as being paid in for the purpose of keeping up the Underwriters' Association? A. Throughout the whole Dominion, I presume.

Q. You are the secretary for the Dominion? A. No; just for the two provinces.

Mr. BOYLE—Assuming the same rate to be paid by all companies, some of them do not give it in detail.

By Mr. Guillet :

Q. Do you mean to say that this association extends only over two Provinces?

A. The Canadian Fire Underwriters' Association only extends to two Provinces, at Montreal and Toronto.

By Mr. Boyle :

Q. That was what they paid to the Fire Underwriters' Association, which are sworn to and according to that it would make an income of \$20,000 a year? A. Yes.

By Mr. Guillet :

Q. You expended nearly \$46,000? A. I don't think that possible.

By the Chairman :

Q. How can you account for that \$20,000? A. I cannot say what it has averaged for the year in Ontario.

Q. We want to know where this \$20,000 went? A. I cannot tell you about that.

By Mr. Fisher :

Q. I understood you to say you were the secretary of the joint association in Ontario and Quebec? A. Yes.

Q. Were there not expenses in each Province independently of what you had? A. Yes.

Q. This association of Montreal had expenses of its own? A. Yes.

Q. And Toronto had its own? Yes.

Q. So that the expenses that you control are only that of the joint meeting of these two Provinces? A. The whole of the Province of Ontario so far as rating and everything else is concerned.

By the Chairman :

Q. You say that they only paid in \$37 and the sworn return says \$600? A. It may be 1887 that was \$89. It will be more now because this last year—

The CHAIRMAN—We are speaking of 1886—

Mr. BOYLE—McLean knows nothing about the difference; we accept your statement.

By Mr. Boyle :

Q. This Underwriters' Association may have some work on hand that you are not cognizant of? A. I am cognizant of everything done in the Province of Ontario.

By Mr. Bain (Wentworth) :

Q. What does it cost in the Province of Ontario under your supervision? A. I do not think, before the inspectors were appointed, it cost more than from \$3,000 to \$4,000. There is one statement here, in one year; I just happened to see it last night. I was away from home when I was asked to bring up the papers with me. I had only one day to prepare for this examination. Maybe it is in this other book; I think it is. The expenses the first year were \$2,215, in 1884.

Q. Can you give us in 1886? A. It is more.

Q. That is after the inspectors were appointed? A. Yes.

Q. How many have you? A. Three; the Montreal inspector is paid \$2,000 and his travelling expenses.

By Mr. Guillet :

Q. When were they appointed? A. Last year, 1886.

By Mr. Boyle :

Q. What would their expenses be? A. Probably about one-half the salary; I cannot speak for certain.

By Mr. Guillet :

Q. Three inspectors at \$2,000? A. One at \$2,000 another at \$1,800, and the other at \$1,000.

Q. And the travelling expenses would be how much? A. Half of that; I don't think it would be more; I cannot speak by the book.

Q. What would the expenses be of a full meeting from time to time; what would that amount to? A. I don't know whether they charge that. For instance, when they go from Montreal to Toronto, and from Toronto to Montreal, I cannot tell whether they have charged that to the companies or not; I presume they did.

Q. Your own expenses would be considerable? A. Yes, my own expenses would be considerable.

Q. Your salary was \$2,000 per annum? A. Yes.

Q. In 1886 your treasurer received a bonus of \$500? A. That was the Quebec one; he had been treasurer for a great number of years and he hadn't received a salary.

Q. Did that come out of that, then? A. Yes.

Q. And the travelling expenses of yourself? A. Lately I don't travel at all, since we had inspectors. Before that I travelled more. Probably my travelling expenses would not amount to more than \$200 a year.

Q. I see you have obtained a picture of the members of the association which cost you \$500? A. Yes; it cost us \$400.

Mr. GUILLET—This money is made out of policy-holders.

The CHAIRMAN—He has told us the expenses of the association was \$3,000 or \$4,000 in the past.

WITNESS—That is the Toronto association.

The CHAIRMAN—Yes; of course this year the expenses largely increased. The latest sworn returns show \$600, \$800 and \$900 from each company. It averages \$700 for three companies. That would be \$22,000 a year. This is a large sum. Now, we are striving to get at what is done with this money, or where it goes to.

By Mr. Guillet:

Q. The pictures of the members which was ordered to be framed, which was a group three feet and a half by two feet, cost \$300, and separate members got copies at \$2.50 each, and it was also recommended that the committee get a suitable frame. I presume that would cost about \$500 altogether? A. Between \$300 and \$400.

Q. Can you show us a copy of that picture? A. I haven't got a copy. I got one which I paid \$2.50 for out of my own money.

By Mr. Bain (Wentworth):

Q. This money you collected in that year? A. Every cent of it.

Q. This is all the legitimate expenses that you know of within your supervision? A. I know of nothing except legitimate expenses.

Q. These are moneys collected and paid out through you? A. These, yes.

By Mr. Boyle:

Q. Have you a detective? A. No, sir.

Q. Have you any legal assistance; have you a solicitor? A. No; we have no solicitor.

Q. Do you ever require the services of a lawyer? A. Yes; there was one case. In the case of the London people we had to use a lawyer. We oppose the system of taxation they had there and we had to use a lawyer in that case. They were assessing on the gross income instead of net income?

Q. Have you any system of contesting what you consider improper claims? A. Not as an association.

Q. Have you any understanding between the companies that certain claims shall be contested if the majority agree? A. No.

Q. There is no such arrangement? A. Not at all. The only agreement is with regard to Government losses. That has been left to a committee. Instead of having each company act for itself there has been a committee appointed, but without reference to ordinary losses with which the association has nothing to do. One company asked the association to help them to contest a case but they were refused. That is left to each independent company.

Q. You cannot give any other explanation of what is done with the fund sworn to as having been paid in? A. I have no doubt that they have been legitimately paid.

Q. For what purpose? A. I only know for my own Province of Ontario. I could have brought you down the account for each year.

By the Chairman:

Q. Could you send down those statements? A. Yes.

By Mr. Boyle:

Q. I want him to send down a statement of the amount paid to the Underwriters' Association by all the companies? A. I can only give you what is paid to myself. I have it in black and white. I have nothing to do but turn to it and give you the figures.

By the Chairman:

Q. You are cognizant of the business of companies doing business in Ontario. You know the moneys paid out? A. I have them all from companies doing business in Ontario.

Q. How do you explain the discrepancy between your statement and the sworn statement. It would be of interest to us to know? A. If you will pick out any company I will give you what they paid since the association was formed.

By Mr. Boyle:

Q. I did not ask that, but if you can do that you can do what I want; the amount paid in by each company belonging to the association? A. I will give you the amount they all paid for the purposes of the association.

Q. Throughout the Dominion? A. I cannot do that. I will only promise to give you what is in my own books for the Province of Ontario. I would have to go into correspondence for the Dominion.

Q. There must be some disbursements and collections outside of you? A. Certainly.

Q. In Ontario? A. No; every cent spent in Ontario goes through my hands.

By the Chairman:

Q. How do you account for that \$600 in the case of one company? A. It was probably on New Brunswick or Manitoba. They would have to pay for the board in Winnipeg and Nova Scotia and New Brunswick. They have organizations there.

Q. Oh, they have organizations there? A. Yes; that is what I said.

By Mr. Fisher:

Q. Have you any moneys you use for the joint association? A. When a meeting is held in Toronto the expenses of that meeting, publication of the minutes which is the principal expense, I pay; but I do not pay any expenses for members coming to Toronto to attend that meeting. It may be that they charge to the companies at home.

Q. Is the joint association not a separate organization from each local association. That is to say, are you secretary of the Ontario Association and over and above that secretary of the joint association? A. There are two secretaries.

Q. You are secretary for Ontario? A. Yes.

Q. And Quebec? A. Mr. Hager is secretary for Quebec and assistant secretary for the joint association.

Q. You are secretary for the joint association too? A. Yes.

Q. Have you any books in which you record the accounts of the joint association separate from the Ontario Association? A. No, none whatever.

Q. So the statements you are to send us are the statements of the Ontario Association? A. It is called the Ontario Branch and the Montreal Branch.

Q. Is there any common fund which the joint association has to draw from? A. No.

Q. Then when you meet in Ontario the Ontario Association pays the expenses? A. Yes.

Q. And when you meet in Montreal the Montreal Association pays them? A. Yes; but there is only the minutes to be paid for.

Q. Is there any other expense in which the joint association has a common fund? A. No; each branch pays its expenses.

By the Chairman :

Q. When they come to Toronto you pay the expenses? A. I do not pay them anything as individuals.

Q. You pay the expenses while they are meeting as an association—the printing? A. Yes; but no other. I do not pay their hotel expenses.

Q. Do you entertain them? A. Sometimes they have a little dinner.

Q. Any wine? A. No; I do not drink.

Q. But you pay the bills? A. Yes.

By Mr. Bain (Wentworth) :

Q. The personal expenses are charged to the different companies? A. I should say they would be. I do not know.

By Mr. Fisher :

Q. When you entertain them in Ontario that is charged to the Ontario Association? A. Yes, and paid for. I hate to sign the cheque too.

Q. The statement you are going to give us is a statement of the expenses of companies in the Ontario Association? A. Yes; and I promise if you say so that I will get the Montreal secretary to send you a statement of the Montreal branch also.

Q. I understand you to say there are other associations in other provinces with which you have nothing to do? A. No doubt about that.

Q. I understand then these statements in the blue books are towards all the funds in the Dominion? (No answer.)

By the Chairman :

Q. If they did the business in the Province of Ontario and Quebec all would come into the hands of Mr. McLean? A. The secretary in Montreal pays all expenses in connection with the Montreal branch.

Q. The association which has all its business in Ontario pays all its money to you? A. Yes, of course through me.

By Mr. Fisher :

Q. But there are associations in Ontario which have agents in Quebec and do business there. Such a company would pay its proportion of the Quebec business to the Quebec secretary and not to you? A. That is right.

By the Chairman :

Q. Does your association take into consideration the moral risk? There is not discretion. The agent is the only one who knows the character of the man whom he is going to insure. There is a cast-iron document he makes all comply with? A. The agent is supposed to give the moral hazard in the application and it will vary the action of the company.

Q. But it will not vary the amount paid? A. No; that would be a very difficult matter of business.

By Mr. Boyle :

Q. Your minutes show complaints coming in of companies violating the rates. What do you do? A. Nothing. We simply put their names there (pointing to the minutes). There is no expulsion or fine.

Q. They are compelled, however, in certain cases to cancel the risks? A. Yes.

By Mr. Casgrain :

Q. There is only the moral honor binding? A. That is all.

By Mr. Boyle :

Q. Then in such a case the man who believes that his insurance will hold for a year, and two months afterwards he receives a notice that he is not insured. That is one of the effects of this arrangement? A. Yes; I presume that will be the effect. An agent, in order to get business, will give what is not the tariff rate, and will say, "I am sure they will accept it." He sends it down in this way, and it is refused of course.

Q. In the case I have referred to the policy has been actually issued by the company? A. They have power to cancel it in ten days.

By Mr. Guillet :

Q. If made contrary to rule, you may cancel them? A. I will ask the company to cancel them. I have no power. I do not deal with the policy-holder.

Q. The secretary of the association has power to punish the company? A. No; we simply put their names in the minutes as having violated the tariff. That is the only punishment.

By Mr. Gillmor :

Q. Do you not put them out of the association? A. No; as soon as exposed, it is expected that they will be better boys the next time.

By Mr. Boyle :

Q. The practical unfairness is that the insured party suffers from that. There is a contract in honor if not in law, that they will have insured him and without any offence on his part, the contract is cancelled? A. He gets ten days.

By Mr. Fisher :

Q. Have you known any companies who refused to cancel such risks? A. Some have not. Their names are put down.

By the Chairman :

Q. A good many have been cancelled? A. Yes; or the agent collects the extra amount. It is no hardship. If they insure elsewhere they have to pay the tariff rate, and if they would pay us in the first place, they would save that.

Q. Here is a resolution adopted in reference to this point:—"If a company accepts and renews a risk below tariff rate, or if a company renews a risk more than once below the tariff rate, or accepts or renews a risk which has been specifically rated below such specific rating, the offending company shall not have the privilege of collecting extra premium, but must cancel the risk." What is the meaning of that? A. In that case they are offenders knowingly. They knew what their rate was.

Q. What is the meaning of not having the privilege of collecting extra premiums? A. They must cancel the policy.

Q. Suppose they do not? A. We have no measure to bring it about.

By the Chairman :

Q. There should be an Act of Parliament to give you that power? A. We do not want it. We are the only combine that reports our proceedings to the Government.

Q. Where do you send these private and confidential circulars. Do you send them to the Government? A. No.

The CHAIRMAN—Then the whole of your proceedings are not reported.

By Mr. Boyle :

Q. When did the Queen City Company withdraw? A. About a year ago.

Q. Why? A. Because the other company they have—the two other companies, the Millers' and Manufacturers' and Merchants' Exchange are mutual companies and withdrew. They once became members of this association and when they withdrew they withdrew the Queen City as well.

Q. Had you any censure passed upon them? No.

Q. Did they appear to be leading a pious kind of life in the association. A. Yes.

By Mr. Casgrain :

Q. Can you tell us how many companies outside of your book do business in Canada? A. There is no stock company outside of us.

Q. What about the Watertown Company? A. That is for farm property. They do not take commercial risks, as I understand it.

Q. Do you mean to say that all the stock companies have combined together? A. Yes, all of them; but any one of them may withdraw if they choose by giving three months' notice.

By Mr. Boyle :

Q. What is the meaning of "standard" in your constitution? A. We have a standard for each town. For instance "A" must have water works. You will get that in the book, too. The whole standard is what an "A" town must possess, and "B" and "C" and so on. I may tell you that this association has been the means of improving the fire appliances of many places in Ontario.

By Mr. Boyle :

Q. Is this the means of stimulating them to improve them ? A. Yes ; because they would get lower rates.

Q. There is another matter connected with Quebec. I see that the action of the Quebec Government in taxing your companies has created some dissatisfaction ?

A. Yes ; a good deal.

Q. And an effort has been made to recoup the companies themselves for these taxes ? A. Yes ; that is right.

Q. In what way has that been done ? A. I think it has been done by placing $2\frac{1}{2}$ per cent. I think in addition to the general rate.

Q. You say they are charged an extra rate ? A. You see they are charged much more than a general rate in Quebec. As a rule they tax absolutely each company without respect to the quantity of business, but in respect only to the amount of capital. In Ontario they tax according to the amount of business which each company does.

Q. Is that all over the Province of Quebec, or in the cities only ? A. I think it is in the Province of Quebec, but I think it applies everywhere except to the city of Montreal.

Q. It applies especially to the city of Quebec ? A. I think it does.

Q. Has it been successful ? A. I could not say.

By Mr. Guillet :

Q. I see there are a great many complaints of the infractions of the tariff, and that at a meeting of the association held on the 16th of March, a lengthy discussion took place on the principal causes which gave rise to the Citizens' grievance. It was agreed that the company had just cause for complaint, and it was agreed that the Citizens' Company "having complained of this, that their loss of business through the brokers of other companies making infractions of the tariff, and it was made a recommendation that the association at its approaching annual meeting do take into its serious consideration the necessity of amending the rules in the direction suggested by the Citizens'." What were those suggestions ? A. They did not get their way. They wanted to fine the company.

Q. Had the annual meeting taken place ? A. Yes ; I find it was in that book, and I find that he has not put the last one in, but I can tell you that was not carried.

By the Chairman :

Q. They proposed a system of fines ? A. Yes ; but it was not adopted.

By Mr. Guillet :

Q. Was there a vote taken ? A. No ; it was put down at once.

By Mr. Boyle :

Q. Have you any knowledge as to where the most losses occur with the company ? A. I have no knowledge. I could not tell you.

Q. You have no knowledge whether the city or country business entails the most losses ? A. I could not tell you.

By Mr. Guillet :

Q. I see the president at the annual meeting referring to the competition of other companies in regard to non-hazardous risks, the president in his annual address on the 22nd of March, 1887, says : "With this exception a tariff for three years' risks was adopted, but after a few months' trial it unfortunately was rescinded so far as the Province of Ontario is concerned, partly on account of the difficulty above mentioned, and the fact that two Ontario companies, members of the association, claimed that they had joined the association on the understanding that the risks should not be rated (dwelling risks), and they found the competition from the local mutuals rendered it necessary for them to be free with regard to the risks in question." That refers to the action of the local mutual company and that is one of the reasons why they did not want non-hazardous risks to be rated ? A. We were taken—

Q. The president refers to these associations, the Ontario Mutual and the Mercantile Fire Insurance Company, and the Waterloo Mutual Companies. It was because there was competition with these companies that they did not want these

risks to be rated, and that they found the competition from the local mutuals rendered it necessary for them to be free with regard to the risks in question, so that the competition from these local mutuals was what rendered this necessary? A. The London Mutual stated to-day that they did not think it injured them.

Q. I suppose they were enlarging their business, being free? A. These mutual association companies made offers at our late meeting for us to combine with them. There is an association of mutuals as well as an association of stock companies.

Mr. MACDONALD—It is not the same at all.

By the Chairman :

Q. But they did not fix a tariff?

Mr. McDONALD—But they wanted us to fix a tariff in this class, for these steam threshers and for insuring cattle against being killed by lightning and by putting a clause in the insurance policy to only pay 75 per cent. of the total loss, and to have a co-insurance clause in all policies.

By Mr. Guillet :

Q. In reference to this you say this application was made at your last association meeting? A. Yes; that application was made at our last association meeting. We told them to agree among themselves first.

By Mr. Fisher :

Q. They have not agreed among themselves? A. They have not had any meeting since.

By Mr. Casgrain :

Q. Have you made a particular study about tariffs of insurance as to high or low rates, can you say technically or by your study or knowledge whether these combined tariffs are high or low, or are medium tariffs, and whether it is injurious or beneficial to the public? A. I believe it is beneficial to the public. I believe it is a minimum tariff and as low a tariff as can pay at all, and your own inspector of insurance in 1883 gives the losses of the companies and regrets that they have been so great.

Q. But of your own particular knowledge I am asking, not that of the Inspector of Insurance? A. Of my own knowledge, I believe that these rates are as low as they ought to be, because the companies have not made 4 per cent. on their capital within the last eighteen years, and you can see it in this book.

By Mr. Bain (Wentworth) :

Q. How do your rates compare with what they formerly were? A. They are very little higher. In some cases they are higher, and in others they are not higher.

Q. What would be the average percentage of increase? A. You could not tell, there are so many. For instance, first-class stores are only 65 cents, and the contents of first-class stores are 75 cents per hundred dollars, that is in an "A" town. In a "B" town it is higher, and in a "C" town higher still, and so on.

Q. You would have the same gradations, however? A. No; they did not have the same gradations before, and I believe that that was one of the reasons of so many companies failing. They insured in places where there were no fire appliances, for the same rate as in those places which had fire appliances.

Q. But there has been a slight increase in farmers' rates? A. No decided steps in fire protection have been taken.

Q. How is it in the cities? A. I do not think it is any higher. It might be in some instances, but I know that in schedule rating, in some instances, it is lower.

By Mr. Boyle :

Q. The companies pay only 4 per cent. dividend? A. According to this statement they do.

By Mr. Casgrain :

Q. I think we are all agreed that it has been a profitable business? A. I see here the Inspector of Insurance says, in one of his reports: "The hope expressed in the last report, that the unfavorable results shown by these tables for the three years previous would soon be reversed, has been disappointed. The experience of Canadian fire companies, since the disastrous year 1877, has been very unfortunate,

no less than eight of them having ceased business. Of these, only one (the Provincial) went into insolvency, and another (the Canadian Agricultural) was placed in the hands of trustees for liquidation. The remainder voluntarily relinquished business and have been wound up, and it is highly satisfactory to state that in none of these latter companies have policy-holders sustained any loss, the claims having been discharged in full. In addition to the above, two marine companies have also retired, but without detriment to the policy-holders. The losses to the shareholders, on the whole, could not have fallen far short of two million dollars. The companies still acting have also lost considerable during this period."

By Mr. Guillet :

Q. Is it not stated by good authorities on insurance, actuaries and others, that the policy of granting commissions on the premiums instead of having a fixed salary is a bad policy and encourages a large amount of bad business? A. Yes; that is a thing that a good many good insurance men have said repeatedly.

Q. Well, it is considered to be one of the great causes that your losses are so excessive? A. I have no doubt but that is one of the causes.

Q. There is a remedy? A. We cannot pay, I mean that probably it would be impossible for a man to get a salary in some instances.

By Mr. Boyle :

Q. Taking the last insurance return for 1886, I see the percentage of losses paid to premiums received was \$66.75 in Canadian companies, \$68.59, in British companies, and \$50.59 for the American companies, an average all round of about \$65. Do the expenses consume the balance of that? A. The expenses of a company as a rule are from 25 to 33½ per cent., according as it is managed.

Q. I am surprised at the proportion of the expenses? A. Well; you know the agent gets in many companies fifteen per cent. to start with. Here is a statement that shows eighteen years' business.

Q. Well; then the expenses consume from 25 to 33½ per cent? A. From 25 to 30 per cent. anyway.

By Mr. Casgrain :

Q. It is more than that the first year? A. Yes; it is more than that the first year because the company is organizing then.

By Mr. Boyle :

Q. Is the business more profitable to your association now than before the combination took hold of it? A. I have no means of ascertaining. I could only tell you from these books. I have no means of knowing except by these books.

By the Chairman :

Q. Do you know from the books? A. Yes. I do know from the books. I see by these books that in eighteen years they have lost money.

By Mr. Boyle :

Q. I asked you whether the association has resulted in increasing the profits of the insurance business? A. I have no means of ascertaining that.

Q. I see a table here from 1869 to 1886? A. And that averaged \$74.15, and in 1877, the year of the St. John fire, it averaged \$225.58, more than double the amount of the premiums received. Leaving out that year the average would be about \$60.

Q. Taking out that year the average would be very much smaller? A. Not over \$60. There is a liability of there being a large fire at any time.

Q. While we think it is prejudicial to the company to take any one year, do you not think it has resulted beneficially to the company? A. I could not tell that.

Q. Including the year of the St. John fire it only reached \$74.15? A. Exceptional losses must be considered. Last year there were exceptional losses in the city of Montreal.

Q. I asked you that question before, where the losses were? A. There is a great deal in Montreal, but it does not come under my observation at all.

WILLIAM HUGH LOWRIE, of Russell, sworn :

By the Chairman :

Q. You are doing an insurance business, Mr. Lowrie? A. I have not been doing any insurance business for the last year.

Q. You have had how long an experience? A. About eight years' experience.

Q. As agent; whereabouts? A. In the county of Russell.

Q. You have had experience then during the combination that has been formed and previous to its formation? A. Yes.

Q. What is your opinion of this association or organization, or the effects of it?

A. My experience was that there was a great falling off in the better class of business in the country. Where there were no fire appliances at all I found that the better class of risks were dropping off.

Q. But the tariff did not materially increase? A. Yes; afterwards risks that were taken at one per cent. were raised to one and one-quarter per cent.

By Mr. Guillet :

Q. What class of insurance business were you engaged in? A. A commercial and farming business. I have not been doing business for the last year.

By the Chairman :

Q. You found the tariff materially raised? A. Yes.

Q. And the effect was that many of the better class of customers would not insure? A. Yes.

Q. How was the moral risk affected? A. We were not allowed to take any moral risks, more than that for a man with a good moral character we could take a lower rate. But under the tariff all wooden buildings came under a certain class, and we could not take below the rates fixed. Of course we were allowed to go above it where we thought it was necessary.

Q. And the effect was that the moral responsibility of the agent ceased? A. We did not take that into consideration at all. Thus we could not make it any lower.

Q. Do you think it is better for the insurer, for the country to have that association agreement, that cast iron agreement abolished altogether? A. I think in country districts it was much better. I think it would be better for the insurance companies and better for the public. That is my experience.

By Mr. Gillmor :

Q. You think it would be better for the company and the country if agents were allowed to consider the morals of the insured? A. Yes; sometimes a building is made as safe from fire as possible while others are not. Of course if there is no tariff you can make an allowance for that. Where there is a tariff you cannot.

By Mr. Fisher :

Q. Your experience would lead you to take this moral risk and make a difference between them? A. Yes.

By Mr. Guillet :

Q. What company did you represent? A. I was a sub-agent under Mr. Mund for the Royal of England, and for the North British American Insurance Company.

Q. What percentage of commission did they allow you? A. About 10 per cent. Of course I had to collect it.

Q. I suppose the agent had a commission also? A. I suppose. I think he did. I know nothing about that.

Q. Your own was about 10 per cent.? A. Yes.

Q. Well, this tariff rate didn't apply to farm buildings? A. No.

Q. How was it affecting your business? A. In villages, in a great many country villages where there were no fire appliances.

Q. The tariff did apply to them? A. Yes.

Q. Did you find that it had any affect upon your farm risks as well? A. No. No tariff, they didn't change the risks.

By the Chairman :

Q. There is no tariff on farm property? A. These companies charged a higher rate than some of the mutual. We have always insisted on a 1 per cent. rate on all farm buildings.

Q. For three years? A. Yes. A first class building it would be 85 to 90. Of course other companies, the Watertown Mutual, would take the same class of buildings at 90. but that didn't affect the tariff.

By Mr. Guillet :

Q. You say there was a uniform arbitrary rate. Would it apply to risks good and bad alike, good risks and poor risks whatever the moral quality of the risk was you could not make a lower rate if one risk was not as good as another in that respect? A. Not lower than 1 per cent.

Q. There is no reason why you could not raise the rate on a poorer risk? A. No; no reason; we are expected to select the better risk on farm property.

By Mr. Bain (Wentworth) :

Q. That was just where the difficulty occurred? A. That is the way the tariff affected it.

Q. How did you operate the moral risk there? For instance, in a village there are two houses side by side, one is a good man and the other is not quite so careful? A. In that case if there was a poor risk the good man had to pay the same as the poor risk.

Q. Two men were side by side and were reasonably alike, you would not be able to make the difference between the rates. There would be a row with the man who was charged more? A. I always make it a point to give the good moral risk a less rate.

Q. How much less? A. A quarter or off one and a-half per cent.

Q. Some of the regulations required them to have certain protection or you would not take them at all? A. There is no fire protection.

Q. I mean the internal economy, such as chimneys? A. Yes; if there were no chimney we would not take them at all.

Q. You have a standing rule for all these things, whatever kind of a risk you take? A. There must be chimneys and sometimes other precautions would have to be taken, but under the tariff you are not allowed to make any allowance for that.

Q. You don't make allowances for a defective chimney? A. If the chimney is defective we don't take them.

Q. You made as much difference as one-half per cent. formerly? A. Yes, one-half per cent.

Q. Then what did the new tariff increase these rates to? A. On a first-class risk it was one per cent, if it was a first class brick building, one per cent.; on a wooden building it was increased to two and a quarter per cent. The classes were varied according to the class of building—4 classes of buildings.

Q. The actual increase would be from a $\frac{1}{4}$ to $\frac{1}{2}$ per cent, would it? A. Yes, on first class buildings it would be increased one per cent., and on second class about the same, and on wooden buildings the increase would be about $\frac{1}{2}$ per cent.

Q. That is a very small increase on the most hazardous class of buildings? A. Yes; it was not in proportion.

By Mr. Guillet :

Q. Do you know the rates now of the villages? A. I don't know of any change this year.

Mr. GILLMOR—I know there is down with us quite an increase.

By Mr. Bain (Wentworth) :

Q. Did you do any business where they had fire appliances? A. No. I had a few risks here. I took them according to the tariff, but I have had no experience where there were fire appliances.

By Mr. Boyle :

Q. There is room for judgment in the transaction in any case? A. Yes.

Mr. McLean gave the following rates for country stores: First class, \$1.50; second class, \$1.75; third class, \$2.00; fourth class, \$2.25. These are buildings not detached. The rates for detached buildings and contents are as follows:—\$1.25, \$1.40, \$1.65, and \$1.75, respectively.

Mr. GUILLET.—I see that when the Canadian Fire Underwriters' Association was first established, at a meeting held on the 31st July, 1883, the rates for country stores were: Building and contents, not detached, \$1.25, \$1.50, \$1.75 and \$1.75. Then for isolated buildings and contents, \$1.25, \$1.40, \$1.75 and \$1.75.

The Committee adjourned.

HOUSE OF COMMONS, 26th April, 1888.

The Committee on Alleged Trade and Insurance Combinations met this day, Mr. Wallace, Chairman, presiding.

JAMES BOOMER, sworn.

By the Chairman:

Q. What is your occupation? A. Secretary of the Western Assurance Company, Toronto.

Q. Where is your residence? A. No. 47, Isabella Street, Toronto.

Q. What is your business address? A. On the corner of Scott and Wellington Streets, Toronto.

Q. What position do you hold? A. I am the secretary of the Western Fire Insurance Company.

Q. Is your company in the association, in the Underwriters' Association? A. Yes, sir.

Q. It was stated here by the secretary, Mr. Robert McLean, that there was a resolution passed in the Underwriters' Association that those agents who were doing business with non-union companies were not to do business with companies in the association, and that they were to elect which they would serve. Do you know whether that resolution is still in existence? A. It is not. It was repealed.

Q. When? A. Speaking from memory I could not tell you. Two or three years ago, I should think.

By Mr. Bain (Wentworth):

Q. I may say that the minutes show that that agreement that they had formerly, binding agents not to do business with non-union companies, was moved on the 14th of October, 1885, and according to the minutes it was rescinded on the 1st of April, 1886? A. Yes, about two years ago.

Q. It was in force from October, 1885, to April, 1886—

The CHAIRMAN.—Would you read the resolution rescinding it, because one witness denies that it was rescinded wholly?

Mr. BAIN then read the resolution on the 30th of March, 1886, page 6, of a file of documents before him.

By the Chairman:

Q. They rescinded part of the resolution? A. I don't know what the other part is. Yes; it is understood that all agents are to adhere to the rates fixed by the association.

By Mr. Bain (Wentworth):

Q. You divided the resolution into two sections, one referring to the rates, and the other to doing business with non-tariff companies. Is that the division that is spoken of? A. That is in reality part of that resolution.

By Mr. Boyle:

Q. The practical effect of it is that your agents if they accept risks for other companies must adhere to the rates laid down by your companies? A. Yes; that is the practical effect of it.

Q. The other companies then had to become a part of the union? A. That is not in force now. The agents of our company are allowed to take risks at less rates than we ask.

By Mr. Bain (Wentworth):

Q. In the same lines as you do? A. In the same lines.

By Mr. Boyle:

Q. Are your agents not bound by some agreement or understanding that if they act for outside non-tariff companies that the rates must be at least as high as your company's? A. No; there is no such resolution as that in force now.

Q. Or no such agreement? A. No.

By the Chairman:

Q. The original resolution was that they could not act for any other company?
A. Yes.

Q. Now you have repealed part of it, they can do business with another company? A. They can charge whatever rates they like as far as we are concerned.

Q. For the same class of hazards? A. Yes; for the same class of hazards. That is the way I understand it. That other rule is not in force as far as I know.

By Mr. Boyle:

Q. Has that been rescinded, that part of the resolution? A. It has as far as I know.

Q. Or is it simply a dead letter on the minute book? A. I could not tell you whether it has been rescinded or not. I know that I don't take any cognizance of it at all, and I deal with the agents. That is my business. I have charge of the Canadian branch.

By Mr. Bain (Wentworth):

Q. If I understand you, so far as your practice goes, your practice is without regard to that resolution existing at all if it has not been repealed? A. Yes; that is the practice.

By Mr. Boyle:

Q. When did your company join the association, Mr. Boomer? A. At the time it was started.

Q. One of the first? How long ago was that? A. Three or four years ago—in 1883.

Q. What was the motive for organizing the association? A. Well, it was to establish rules for the guidance of the companies, to bring the experience, the wisdom and the ability of the different officers together to make these rates and regulations?

Q. You represent the Western? A. Yes.

Q. Was not the Western Assurance Company conducting a good sound business before that? A. Well, of course we always considered that it was, as far as we knew, but we were willing to take the benefit of all the experience we could get.

Q. Had you any other purpose in view in organizing the association? A. Well, I suppose it is for the interests of the companies themselves, and I believe it is in the interest of the public.

Q. You were acting chiefly in the interests of the company, no doubt? A. Naturally, I suppose.

Q. How did you proceed then to work out the interests of the company? A. By forming these rates and rules and disseminating them amongst the agents.

Q. What are the rules? A. I could not give you the rules from memory. The principal one is to adhere to the tariff.

Q. You fixed a tariff then? A. Yes; there is a tariff in force now.

Q. Is the tariff much in the interest of the public or higher? A. Well, I know in some cases it is pretty hard to tell whether it is or not. I have never made up any statistics with regard to it, but my impression is that in a great many cases the rates have been lowered. I know that they are on the flour mills. I have hesitated taking some of them, thinking that they would not pay. I thought the judgment of the association good enough because all these risks are inspected. The inspectors inspect all the risks insured with the companies, and they give them points how

they could fix their building so as to lower their rates and make them safe in their own interest as well as the companies, I should say.

Q. You divide the risks into classes?—

By the Chairman :

Q. You say the risks are lower in some things? A. By the schedule rating.

Q. Before you lowered it they raised the rates all round, practically? A. Well, it would be very hard to say whether they raised them or not, because the companies were charging according to their own discretion.

Q. Take your own company, for instance? A. Well, in some cases we got lower rates. I could not tell now, exactly. That is five years ago.

Q. My experience with your company was that you raised them? Yours is only one branch of the business though. There are two or three branches.

By Mr. Boyle :

Q. My own was raised 25 per cent.?

The CHAIRMAN.—By the Western?

Mr. BOYLE.—Yes; by all of them.

By Mr. Boyle :

Q. Have you found business more profitable since the organization of the association than before? A. Well, I really could not tell you from memory. I don't think there is very much difference in the results of our company. That blue book will tell. It will give our business and the business of all the companies for years. All the information is there, my own impression is that it is somewhere about the same.

By the Chairman :

Q. That has not done you much good, then? A. Well, it has steadied the business. There is some sort of rule or system about it now, that is about the principal thing. Of course, there are some agents who are not responsible parties, and if there is a loss they don't have to pay it, and the commission is a good deal.

Q. Their reputation counts for something, too? A. Well, it does; but you will understand that in a small place it is impossible for agents to devote all their time to insurance, because it would not pay them. It is just a supplementary business. You take a small town; the average agent would not make a hundred dollars a year out of it. He could not devote his time to that, of course; he would have to be instructed from the head office as to the rates and rules.

By Mr. Boyle :

Q. Have you increased your expenses in consequence of the formation of the association? A. Well, not perceptibly.

Q. Did you pay anything into the association? A. We are assessed by the association in proportion to our business.

Q. Will you tell us what you paid last year into the joint fund? A. I could not tell you from memory.

Q. You can tell pretty nearly. You are the secretary of the company. Was it a thousand dollars? A. No; it was not a thousand dollars.

Q. Was it \$600? A. I don't think it was \$600. I cannot tell that. The assistant secretary, Mr. Hadrill, can give you some information about that, I don't remember what the assessment was.

By Mr. Boyle :

Q. A few of the companies have given the amounts, and they vary from \$600 to \$900? A. How much?

Q. \$600 to \$900. The City of London gave \$660 and the Commercial Union \$937? A. That must be that there is a local board established by the other provinces, the Maritime Provinces and the Province of Quebec.

Q. All the reports made to the Government do not express the amount. There is a general item which covers it. All these other companies have given it in detail. You have not given it in detail? A. Yes; well, I could not really say. I could not really remember what was the amount we paid, there are so many accounts.

Q. Do you think you paid \$600? A. We must have paid that. We are assessed in several branches. It is rather too complicated to know what the amount is. We get an assessment from Quebec and another one from Ontario.

By the Chairman :

Q. McLean said the Ontario and Quebec companies were all in one? A. They are all under our management, but different branches.

Q. No assessment for the two provinces are paid in to him? A. McLean receives the Ontario and Hadrill the Province of Quebec.

By Mr. Boyle :

Q. What use is made of this central fund? A. It is for the expenses of the association; of course there are two secretaries, one in Toronto and another in Montreal?

Q. There are thirty-two companies in the association, and their average payment would probably be between \$60 and \$900. There must be a revenue from that source of \$30,000 a year? A. Well, the Commercial Union do business about the same as we do. It are larger about \$30,000 or \$40,000. You can judge from that how much we pay.

Q. You pay about \$900? A. It would be a little more than that. It would be \$1,000.

Q. What we would like to find out is what benefit is it to the public? A. Well, what I understand is that I think the system of inspection by the association is in the interests of the public. Of course, it is a national loss if property burns, the insurance company pays the loss, still that property is gone, and if the association can by any means at their command improve the risks, I think it is a benefit to everybody, the insurance companies and the public. I think that is what they are doing now. They have certain standards for fire appliances, and they supply the mayors of each of the different municipalities with information whereby they can decrease their rates; this is a benefit.

Q. How many inspectors do you employ? A. Well, we have in Ontario, we have two.

Q. Employed by the association? A. Two in Ontario, and another in Montreal.

Q. Does your company employ a separate officer of that sort? A. Our own company?

Q. Yes? A. We have an inspector of the company, but it is simply for the business of the company—settling losses.

Q. What are the duties of these association inspectors? A. They have to examine the risks and go out and report on them. We have forms of the schedule of rating that are filed in the office of the association. There are certain requirements and certain charges for deficiencies, these are all pointed out to the parties owning the properties, and they are shown how they can make their mill or factory better than it is, and where they can get a less rate.

Q. They have nothing to do with the agents? A. Nothing whatever.

Q. Not even enquiring into the details of their work? A. No; simply the association. I may say that there is another rule adopted which I think is for the benefit of the manufacturers: that is the co-insurance, where they can get a less rate; 15 per cent. off, if they insure up to three quarters. It is in their interests to do that.

Q. Do you accept re-insurance from non-tariff companies or re-insurance with companies in the association only? A. Not without we cannot place it in tariff companies.

Q. You give the tariff companies the preference? A. We do. In fact we have applied for re-insurance to non-tariff companies.

Q. In Canada? A. Yes, in Canada.

By the Chairman :

Q. This joint action, you say, is an advantage to those who get insured, the insured parties? A. I think so.

Q. Can you not have that joint action and the assistance of those travelling agents in promoting the general welfare without fixing the cast-iron rules? A. I do not know how we could do it; unless there was an association, there would be no one to regulate it.

Q. Could you not have an association without having a uniform cast-iron tariff?
A. That would be impossible.

Q. Without fixing the prices uniformly? A. There would not be much object in it. I do not think we could accomplish anything either in the public interest or in any other way.

Q. Why not? A. I cannot say.

Q. Can you not employ these travelling agents to give assistance to the various associations? A. We could if the public would pay for it, but they won't.

Q. But you say it pays you and the public as well. Can you not employ them in the same way? A. I do not know how that would be possible.

Q. Then it follows that by the combination you have raised the prices so that you have a fund which can be devoted for that purpose? A. Well, the fund is so very small. If you take a large number of companies it might be sufficient, but if you take a small number of companies or even one company the expense would be greater. I think if you take a percentage of the expenses that it will be found to be so very small that it is hardly appreciable to the public, whereas I think their benefits are greater.

Q. It would not be appreciable by the company if they chose to go on with it without a uniform tariff? A. I had never thought of that.

By Mr. Boyle:

Q. The standard rates you have I see here are from "A" to "E" classes? A. They just indicate certain towns, and how it is served with fire appliances and fire protection in general. "A" is a first class place like Toronto, Ottawa or Montreal.

Q. Can you state whether there has been any increase in class "A" since the combination? A. There has been no increase.

Q. No rates or percentage charged? A. I do not think so; in fact I do not remember any increase, although there may have been. I do not speak positively.

Q. "A" is the first class? A. Yes, "A" is the first class.

Q. What is the rate for the "A" class? A. A brick store is 65 cents.

Q. That is the best class? A. That is on a non-hazardous risk. It is the minimum tariff of course.

Q. Can you recollect what it was on the same minimum class before the combine? A. Well, I could not tell you.

Q. Was it not 62½ to 6.5? A. It might have been, could not say.

Q. You think it might have been though? A. Yes.

Mr. Wilson (Argenteuil) asked permission to put a few questions to the witness, which was granted.

By Mr. Wilson (Argenteuil):

Q. Has it not been on account of the number of insurance companies in Canada that the cost of conducting insurance in Canada has increased and that has caused the combinations? A. I should not say so. On the other side, in Detroit for instance, there are two hundred companies doing business and here we have only thirty or thereabouts.

Q. Do you do, *pro rata*, as much as they do? A. Of course, we do a larger business in Canada in places of the same size.

Q. But taking the whole country? A. We do a larger business in Canada.

Q. You do a large business? A. Yes.

Q. Do you not think that the field is already covered, more than covered by the insurance companies? Has that not caused the combination? A. I do not think the field is more than covered. I know that in Toronto we have not enough companies to insure the risks.

Q. You won't take the risks. A. No, if we have not enough companies.

Q. You have limited your lines? A. We have to do that in common prudence.

Q. Is that not the reason of the insurance companies going out of the country?
A. Of course we limit it in our judgment.

Q. I understand there is not any material arrangement limiting the amount on certain blocks? A. I think not. That is entirely in the jurisdiction of the companies themselves.

Q. Does the association control that?

Mr. TATLEY, Montreal—They do not.

By Mr. Boyle :

Q. What is the minimum rate in class "B"? A. I think it is about 75 cents, about ten cents more.

Q. What is the difference between that class of risks now and before the combination was formed? A. I could not say. I cannot remember what these rates were at all before the combination or before the tariff was fixed. In some of these places I am satisfied that we get higher rates and I am satisfied that in some of these towns they deserve to have lower rates and they did not get them, when there was no tariff, but they have got them since the tariff was established.

Q. Is it within your recollection that there has been a change in class "B" since the association was formed? A. I could not say.

Q. Surely you can recollect it. You are an expert in insurance? A. When once the changes were made—

By the Chairman :

Q. Have you any documents with you? A. I have none in my control at all. The secretary of the association has them all.

By Mr Boyle :

Q. You have nothing that would guide you? A. None. There are the old tariffs. I do not remember anything.

Q. Is your memory just as defective as regards the other three classes, "C," "D" and "E." A. I do not say that my memory is defective, only that I do not remember the changes.

Q. You cannot recollect any changes? A. No. In respect to that I know that there have been changes in individual risks, but not as a basis.

Q. In regard to the business done, where do you find the greatest percentage of losses, in the city or country business? A. We have not got our business classified so as to give you a reply to that. I think that is varied. I know that it varies; I know that within the last year or so we had an immunity from losses in small towns and I think that the cities suffered more severely.

Q. You suffered more losses from your city business? A. Yes; but there are exceptions, of course.

Q. How did you find business in Montreal last year? A. We found it a loss.

Q. Your losses were greater than your receipts? A. Yes; I think that for some years past we have made no money in Montreal. Take the last five or six years we have had a loss.

Q. How do you explain that? A. That, of course, I cannot tell you. Some say that it is the fire department, but I do not know.

Q. You receive a very large amount of business from Montreal, do you not? A. We have a fair amount of business done there.

Q. You are very anxious to retain business in a city of the size of Montreal, are you not? A. Of course in a city like Montreal we would not like to be unrepresented there.

Q. And you make your rates as low as you can to reach that business? A. Yes; I think the rates now in Montreal are higher than in Toronto.

Q. Still you are meeting with loss, and experience for several years back shows that there is nothing made in Montreal? A. Yes.

Q. Do you meet with any competition outside of Montreal? A. I believe in some of those large manufacturing towns the risks have been got hold of by mutuals on the other side.

Q. An underground business? A. Yes.

Q. And you find competition keener in Montreal than in Toronto and other places? A. I do not say that. We have competition in Toronto and some of our risks have gone away. I do not know that any more competition is experienced in one place than the other.

Q. But in consequence of that competition rates have been levelled down, so to speak, to meet this outside competition? A. On what we call standards, the first-class risks we have an option.

Q. How do you make up your losses which there must be on the other business? A. Of course you must understand that the losses vary in the different years. In both the United States and in Canada the losses might be the largest in the cities in one year and the next it might be the largest in the smaller towns. In some years we have attributed our losses to the smaller towns, but I think last year the losses were in the cities, notably in New York. We cannot tell from year to year where we are going to get our losses. We have to make an average. If you could possibly regulate the losses as to where they would occur, then we could speak with confidence and fix rates, but we have to judge them to the best of our ability.

Q. Then the city business has been unprofitable, as a whole, during the last two years?

By the Chairman :

Q. Toronto has not been unprofitable? A. No, Toronto has been profitable, but we have made losses in business in some cities.

Q. What has been the experience of the last half dozen years of insurance in the cities, say Toronto, Hamilton and Montreal? A. I think if we took all the cities we would find a profit, but that is only individual companies. I may say that we do a large business in Toronto, but another company might do a small business in Toronto and a large business in Montreal.

Q. But give us your own experience? A. Our own experience is that taking the cities we have a profit.

Q. Taking the whole of them together? A. Yes.

Q. But Montreal has not been profitable? A. No; not of late years.

By Mr. Boyle :

Q. Your company does business outside of the Dominion, does it not? A. Yes, we do business all over the United States.

Q. Do your association rates apply over there? A. Oh, no.

Q. You are able to do business cheaper over there than in Canada? A. No, in some places we get higher rates. We get higher rates in Detroit than in Toronto, and Detroit, I think, is a better built city.

Q. Has your American business been as profitable as your Canadian business? A. Not altogether.

Q. If you are getting better rates? A. Well, I don't know.

Q. But you ought to know? A. I know that a minimum of the rates are much higher there than in Canada.

Q. I see in the report of the Inspector of Insurance there is a detailed report of your company's operations beginning at page 122 and extending to page 126? A. The expenses are much higher on the other side.

Q. I have left out the expenses? A. That goes to make up the profit.

Q. But I have left it out in your favor. I have taken the profits and losses. You see the net income from premiums for the year 1886, which was the last return we have, in all other countries was \$796,342, that is what was paid in, and I see that the losses are given in all countries as \$513,691. I think this is signed by yourself? A. Yes; that is a correct statement.

Q. I was figuring that up, and I see the percentage of losses to premium on your American business was 75 per cent. I made no calculation as to expenses, which would of course make it worse, as you say the expenses are greater in the United States than in Canada. The net income in Canada was \$331,000 and you paid out for losses \$186,000, which makes a percentage of losses of 59½ per cent. in Canada, so that you must be doing business cheaper in the United States than in Canada? A. That does not follow. You take only one year.

Q. You say, Mr. Boomer, that the percentage of losses was 25 per cent. lower in the States than in Canada? A. I can refer you back to some years where our percentage of losses is much less.

Q. That is before the combine? A. If you go back about three years and look at our record you will find it was about 70 per cent.

Q. Perhaps in some years it is not so great, but of course if you can show that in other years it is different we will be very glad? A. Taking one company is rather a narrow way of getting at the fact. If you take the average of all the companies and then take the average on the other side you would get at it better. A good deal would depend on the agent and management of the company. In 1884 the amount of premiums received was \$330,000.

Q. How long have you been doing business in the States? A. About 15 or 16 years. Of course the losses paid and the losses incurred are not the same thing. We may have incurred more losses in that year, but in 1884 we received in premiums \$330,000 and paid out in losses \$249,000. That is about 70 per cent., and if we were to pay out as much as we received we would have very little compensation.

By the Chairman :

Q. Here is the statement for 1883. Paid for losses incurred during the year \$228,000 in Canada. Cash received from premiums \$432,000? A. That is gross. The gross and net are two different things.

Q. Take the net. The net amount was \$183,000 for losses and the net amount received for premiums was \$332,000 in Canada. The American business paid for losses \$611,000 net and the amount paid for premiums \$826,000? A. You will understand that a local company has a better chance of getting better business than other offices in the United States.

Q. If you will take the *Ætna* or any of the companies in Connecticut and compare their ratio with ours in Canada, you will find very little difference.

By Mr. Boyle :

Q. The return for American business is not given in this report? A. If you will take that, you will find one thing, that is, the average loss ratio on the other side is less than the average loss ratio in Canada of all the companies, and that is the way to judge them. It is much less. That indicates the business here in 1869, there was no tariff and the premiums of the Western Insurance were \$154,000 and the loss was \$73,000.

By the Chairman :

Q. Take the *Ætna*. The cash for premiums was \$114,000, and the amount of the net loss, \$57,000; just 50 per cent.? A. They vary. The *Phoenix* of Brooklyn's ratio of loss was 117 per cent. last year.

Q. It was only 40 per cent. in 1883. They have \$37,000 of net income and \$15,000 of loss. That was exactly 40 per cent. A. That is a small business.

By Mr. Boyle :

Q. Your company appears to have been heavier losers in Canada? A. In the United States, too, a long way heavier. All you have to do is to take the average loss ratio in the United States and compare it with Canada and you will find that Canada is higher. I have not the statement with me, but I can find it in our office.

Q. Could you tell us what dividend your company paid during the last year or year previous? A. 10 per cent.

Q. On the original capital? Your stock is at a premium? A. On the par value stock.

Q. Do you recollect what it paid in 1882? A. I cannot tell you whether it was 12 or 15 per cent. We changed the dividend. We paid during the years there was no tariff about 15 per cent., but since the tariff was established, I think we paid 10 per cent. or less. We went down to 8 last year.

By the Chairman :

Q. What becomes of the argument that it was necessary for the protection of the companies that this association should be formed? A. I have not been arguing that.

Q. Mr. McLean said that, and said that for their preservation it was necessary; that they were not making more than four per cent.? (No answer.)

By Mr. Boyle :

Q. The percentage of losses given for the whole of the companies in 1885 was 55 per cent.; in 1886, 66·93 per cent. What becomes of the rest of the premium? A. Well, as the average is 74 per cent., there is nothing left. That is the average for a number of years.

Q. Yes; taking in 1877 when you had the losses in St. John? A. But those are the sort of things we have to lay up a rest to meet.

Q. Is it possible it could be 25 or 30 per cent.? A. I think it is. We calculate ours at from 25 to 26 per cent.

Q. You think the American business is more expensive than a Canadian business? A. It is, I know; but the ratio of loss is less.

Q. What would your American business average; what percentage, 35 per cent.? A. No; I do not think it would. It is calculated and I think it is somewhere in the neighborhood of 28 per cent., of course, the ratio of loss being less in the United States than here.

Q. Your losses appear to have reached 75 per cent. of the premium and the expenses 30 per cent. in the United States. You are evidently doing business at a loss in the United States? A. Yes; but we did it at a profit before. We do not know whether we should have a loss or not. The business you are speaking of is 1886. Last year I think our business was more favorable.

Q. In 1886 you must have sunk money in the United States business? A. Yes, but in the years before we made money. In insurance you cannot from one year to another judge what a company is going to make or lose.

Q. At all events you made 10 per cent. last year, and the year before what did you make? A. 10 per cent. for the last two or three years.

Q. You made losses in the United States but you made them up in Canada? A. We are not altogether in fire insurance. We do a large business in marine, and we receive interest on our investments. I do not claim that we have been paying these losses out of our Canadian business.

Q. This small business has paid all the American losses, and paid a 10 per cent. dividend? A. We do a marine business as well and make an interest out of our investments. The marine business is done all over. I think we lost in the Canadian marine, but not in the American.

By Mr. Bain (Wentworth) :

Q. What is the amount of your paid-up capital? A. \$500,000.

Q. And the subscribed? A. \$1,000,000.

By Mr. Guillet :

Q. Are there any fines for the infringement of the tariff rates? A. None.

Q. Never have been? A. No.

Q. What effect has the tariff rate had on your business with your agents. I suppose you come in contact with the agents a good deal? A. Yes.

Q. And know whether they have grievances. How do you get along with the rates lately. Are you troubled with agents cutting the rates? A. I can say safely that we have very little trouble.

Q. Occasionally they bring in policies at lower rates? A. That is very likely to occur. We appoint new agents and all they have to guide them is this tariff. They make a mistake; it is not by design.

Q. They do not leave out a point to indicate that they have taken it too low? A. Not so far as the tariff is concerned, the tariff being minimum.

Q. If you got an agent who did not go below the minimum rate but did not give you proper details; that is made misrepresentations, would you bounce him? A. The assured must suffer in that case.

Q. But it would bring him into a lawsuit? A. We always insist upon them giving us full details in the application they submit to us.

Q. You would have more difficulty under the old system where competition was keen and there was no understanding? A. The business was in a sort of chaos. We were just as likely to charge more than what was right as less.

Q. That would not hurt the company? A. No; the company raised no complaint.

Q. But in cutting they would as likely take the minimum rates as the higher? A. They usually took the representations of the assured.

Q. Did your agents always inspect the risks? A. We have a question, have you personally inspected "the risk" on the application?

Q. The effect under the old system would be that you took them at an average lower rate? A. As I say, we made on some risks and on others I think we would get hurt. It would depend altogether upon the intelligence of the applicant whether he knew what the rates of insurance were. It was left in the hands of agents. It left a good deal more to him than now, as now he has some basis to go on.

Q. The effect is that you have a basis on which your agents have instructions to take risks? A. Yes.

Q. There is a minimum rate below which if they go the company will not accept? A. That is it.

Q. You are all operating on that? A. Yes.

Q. The tendency is that when the Underwriters' Association think that the rate is too low and put it a little higher it stays there all round? A. Yes.

Q. Or if they lower it a little it is rated all round lower? A. Yes.

Q. That does not leave the agent very much to do? A. There are other considerations outside the ratings which are very important.

Q. Speaking of your American business, how do you do it? Do you have a local superintendent in each state? A. We have an inspecting agent who visits each state. In some cases we have a general agent and in some we have reporting agents. Our tendency has been to dispense with the general agents and put in local and also to put in special agents who will settle losses as well.

Q. His duties would be to travel about over the territory? A. Yes.

Q. There was something came up here incidentally with respect to underground insurance. Do your agents complain much? A. You mean at places like Windsor. It is comparatively an unimportant point and we do very little business. There is not much business to do. There are not any risks of any account in any of them.

Q. Do they touch you in Toronto and St. Catharines? A. Yes; they have taken large risks there.

Q. Do they take large risks? A. Yes; large manufacturing risks.

Q. They do not drift into ordinary small risks? A. No; I know of no small risks.

Q. When there is a really first class valuable property to be insured they try to take that? A. I know they cut quotations, but of course we get very little information. It is all surmise on our part where it goes; they say: "we placed it elsewhere." In a great many cases people threaten to do this when they cannot get better terms. American companies as a rule fight shy of Canada. They look upon Canada as a very bad field, notwithstanding the tariff.

Q. Then the tendency was to do business with men who could offer them a first class risk and induce them to take it at lower rates? A. Yes; that is the tendency.

Q. Then the assumption is that they cut on rates? A. These are all mutuals. No stock companies on the other side that I know of do that.

Q. Do they take them on a cash basis here? A. I think not. I think it is on a mutual plan.

Q. They take their risk with other members of the association in their assessment? A. Yes; that is the way I understand it, but I have no definite information on these points.

Q. So far as you are aware that is the case? A. Yes.

Q. That is, that it is not the American stock companies, but it is the American mutuals? A. You will see that although there are very large stock companies over there, very few come here to do business.

By the Chairman :

Q. Did you not have a schedule of your prices before the Underwriters' Association was established and pretty strict rules for the guidance of your agents? A. No;

years ago we had a book of instructions printed; but we had nothing printed or written of any account.

Q. You had a classification, whether printed or written? A. We had with reference to classes of buildings.

Q. Not of prices to give your agents? A. No.

Q. How did they go? A. "Go as you please." They had the current rates.

By Mr. Bain (Wentworth):

Q. You had no printed tariff for the guidance of your agents? A. We had none.

Q. None previous to this combination? A. Years ago there was a book issued by our company in which we gave them a general idea of what the rates were, but we gave them no tariff.

Q. But a man going out into the country would he not have some idea? A. No; that is a small business.

By the Chairman:

Q. Were there no rates for wooden stores or brick stores? A. No; we had no rates. We had no rates we would take them at. There was nothing definite to give an agent.

Q. They are, of course, submitted to you, and, therefore, when the application came in you could send it back if you refused it? A. You know there was a tariff before this last one established in 1872, or somewhere thereabouts. The companies had been going on on the basis of these rates. They had not been sticking to them, but they had been going on the basis of these rates.

MR. BAIN.—Mr. Boomer is speaking of a uniform tariff as between companies, and we are speaking of a uniform tariff as between companies and their agents. He is assuming that there was a combination rate.

THE CHAIRMAN.—He says his company had no tariff.

WITNESS.—We had no tariff of our own. We had this tariff years ago that they were supposed to go on.

Q. It would be chaos without a tariff? A. That is exactly why this association was established. That is what we think this association supplies.

Q. How could you control your agents without that? A. You will understand, sir, that the combined experience and wisdom did not amount to very much. If they took a risk it might be declined by the company.

By Mr. Boyle:

Q. That is not the point the Chairman is asking. Could you not instruct your agents? A. We gave them general instructions. We had no special instructions.

Q. Did you lay down a tariff like that? A. No; I did not do it.

THE CHAIRMAN.—There is a farm building that is a quarter of a cent. There is a factory, that would be 65 cents.

By Mr. Bain (Wentworth):

Q. You would be at sea without a tariff. The agent might take a risk at anything. An agent might take a rate on a dwelling at 50 cents without a tariff when it should be from 75 to 80 cents? A. That is the way they were doing. For instance, if an agent gave us a risk on a dwelling house which was perhaps 20 feet from a planing mill, the applicant is equally responsible with the agent, because he signs the application.

By the Chairman:

Q. Who is the agent for? A. He is the agent for the company.

By Mr. Bain (Wentworth):

Q. You make out that he is the agent of the insured? A. Well, I don't know that we do.

Q. Is that not the custom? A. To make the agent—

Q. To make the agent the agent of the insured instead of your agent? A. We are not responsible for his acts if the application is signed by the insured.

Q. For instance, if an agent took a risk on a building and there was a planing mill twenty feet away and the application did not show that so that an increased

rate could be had, you would repudiate it on the ground that the man signed the application? A. Yes; the man signed it.

Q. Your agent drew it out? A. He acts as the man's agent if he draws it out.

Q. He comes with the application as the agent of the company and the application is based upon the representations of the agent? A. It is the representation of the assured.

Q. He is there on the spot and knows the character of the property and he fills it out? A. Exactly.

Q. If he does not inform the company of that he is certainly committing a breach of trust? A. We consider that he is the agent of the man. The applicant is certainly responsible for the application that is signed by himself. We have certainly to pay losses we are not liable for.

By Mr. McKay :

Q. What do you pay the president of your company? A. The president of our company does not get a salary. He is voted something at the end of the year. He has the director's fee. The managing director manages the business.

Q. What amount is voted to him? A. \$1,000, I think, he gets, in addition to all his director's fees.

Q. What are the directors' fees? A. It is so much divided; I think, \$3,000 amongst them. Their attendance regulates what they get at the end of the year. That is divided amongst them at the end of the year. Their attendance regulates how much they get.

By the Chairman :

Q. What is the salary of the managing director? A. \$6,000.

Q. Is that the average salary for insurance companies of that sort? A. In the United States they pay much higher. That is not very much for a business of \$1,500,000 to \$2,000,000. Looking at that way it is not very much.

By Mr. Boyle :

Q. In that report, the last one published by the Government, the miscellaneous payments for general American expenses were \$66,552, while the Canadian general expenses were \$9,042, so that American business is more than the Canadian business. A. It is more than that.

Q. One is \$331,000 and the other is \$796,000? A. That is about 2½ times.

Q. So the American business costs more? A. Yes.

The Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 27th April, 1888.

The Committee on Alleged Trade and Insurance Combinations met this morning, Mr. Wallace, M.P., in the chair.

WILLIAM TATLEY, sworn.

By the Chairman :

Q. Give your name, occupation and address? A. William Tatley, Manager of the Royal Insurance Company, Montreal.

Q. Is this the English Royal? A. Yes; the other is called the Royal Canadian.

Q. You are connected with the Royal Insurance Company? A. Yes, of England.

Q. Your residence is Montreal? A. The head office of the company is Montreal.

Q. Where does your company do business? A. All over the Dominion and all over the world, in fact.

Q. In all the Provinces? A. Yes.

Q. Are you company members of the Fire Underwriters' Association? A. We are.

Q. How long have you been connected with that association? A. I think the association was established in 1883. We have been members of it in the commencement.

By Mr. Casgrain :

Q. This association is for the Dominion only? A. Yes, for the Dominion.

Q. Not abroad? A. This association only applies to the Dominion.

Q. Your company is doing business in England and other places? A. We do business all over the world, in all the countries.

Q. In the United States and Great Britain? A. Yes.

Q. Your association in Canada regulates the tariff, that is one important object?
A. Yes.

Q. They make a uniform tariff for all the members of the association? A. Yes.

Q. There is an association in England as well as this one in Canada? A. Yes, and it has always been so.

Q. Do they regulate the tariff? A. Yes.

Q. Binding each company down to certain tariff? A. Just so.

Q. Have you any special knowledge of that association in England? A. Well, I have been connected with insurance for thirty years. I was brought up with the Royal, and for fifteen years of that time was connected with British business, and my knowledge of it comes from that source. I have been fifteen years their manager in Canada.

Q. You say that they have an association in England as well as this in Canada, that you are connected with it, and that they regulate the prices the same as your association in Canada does? A. Yes; but not perhaps on the same lines because the business is done differently there; but they have a tariff regulating the prices of risks in Great Britain.

Q. Are these the tariffs of individual companies or the association? A. The tariff of the association.

Q. Are all companies in England in the association? A. To the best of my knowledge every company in England is. I have been some time away, but at the time I was there every company was a member of it.

By the Chairman :

Q. Are you aware that a resolution was passed that agents must give up doing business for non-tariff companies? Are you aware that such a resolution was passed in your association? A. I am aware that such a resolution was passed in the winter of 1885, but I believe it was rescinded within three months.

Q. Be careful. A. I think so.

Q. Was it not rescinded in 1886? A. Well, I am speaking entirely from memory.

Q. It was passed in October and rescinded on the 1st day of April, just about six months. Are you aware whether that was re-enacted? A. I am not aware that it has been re-enacted.

Q. Do you know that it is not re-enacted in either of these associations? A. Since it has been rescinded it has not been re-enacted.

Q. Do you know that of your own knowledge? A. Yes.

Q. And there are two associations, one for Quebec and another for Ontario?
A. That is so.

Q. Do you know that it was re-enacted in Ontario? A. I am aware, of my personal knowledge, that the matter was rescinded and has not been re-enacted. I know it from my own individual company.

Q. Do you know of your own knowledge that it was not re-enacted? A. It was not re-enacted. I am certain of it.

By Mr. Wood (Westmoreland) :

Q. Your association is not incorporated. It is simply voluntary? A. Yes, it is simply voluntary.

By Mr. Guillet :

Q. Have your agents carried out the tariff strictly? A. Yes.

Q. Has there been no complaints made? A. Yes; occasionally they may send down a risk below the tariff rate, but is simply refused.

Q. Have any of your agents been dismissed? A. No.

Q. Is it the custom to dismiss them for infractions of the tariff? A. I am not aware of any being dismissed, but if an agent refused to carry out his instructions he would certainly be dismissed.

Q. There is some rule, I understand, that he will be dismissed? A. I do not know exactly what the rule is, but the secretary can inform you. I am not aware of any.

Q. Do you pay agents at all by commission? A. We might, in exceptional cases, for instance where they control a district.

Q. Does a salary vary in proportion to the business? A. No.

Q. You do not pay any proportions of the profits that are made? A. Well, many of our agents are paid a commission on the profits and more especially agents who control a district. They get a salary as well, or not exactly a salary but a small allowance in addition.

Q. Do you believe that this Association of Fire Underwriters has resulted in any benefit to the companies? A. Well, I undoubtedly do.

Q. You have better rates? A. It is not so much the fact of getting better rates as of steadying them.

By the Chairman :

Q. Have you better dividends? A. Of course you are speaking of Canadian companies?

Q. Canadian companies or the Canadian business of the English companies? A. I do not know as the result of this tariff has had the effect of giving the companies any material difference in the profits, because the rates as a whole have simply been steadied, and in fact the association has been an advantage to the public, because as an association we are able to bring a good deal of pressure to bear upon the towns to improve their appliances and so we get a better grade of insurance.

Q. But by this adoption of a cast-iron rule you make no allowance for the moral hazard? A. You cannot possibly diminish the moral hazard under any circumstances.

Q. You could if you did not fix a cast-iron tariff? A. I do not see that.

Q. By fixing a cast iron tariff you leave nothing to the discretion of the agent? A. If a man wants to burn his place down, if a man's moral perceptions are so bad, it does not matter what kind of a rate he pays, because the difference in the rate is so small that it would not be worth his while.

Q. There are a great many gradations between a man who is upright and a man who deliberately goes into an insurance company with the deliberate intention of burning down his buildings. There are men who are a little indifferent who might be just as anxious to get the money, but they would not burn it down themselves. There are all gradations between these two extremes? A. It is impossible that you can tell where the moral hazard comes in. Not one man in ten could do it.

Q. The agent seeing a man and knowing his character, if he was allowed a little discretion and used it judiciously to take into account the moral aspect of the case. Did it occur to you that by your tariff you did not allow that? A. I think that the agent is in a vastly better position by the tariff than he has hitherto been without it. For instance, suppose that tariff has the effect of enabling the agent to get better rates; therefore, if he has not tariff he works harder and gets the same amount of money and the tendency would be for him not to be so careful, but that he would be more careless as to the kind of risks he would take.

Q. These are the minimum rates? A. Yes.

Q. Do you know of any insurance companies that have insured above those tariff rates? A. Certainly; many places that are endangered are not taken into a company unless we get a higher rate.

Q. What provision is made for them? A. That is always taken into account. We charge a higher tariff for a frame building, and if that frame store was in a block of frame buildings, no company would take it at the minimum rate.

Q. I do not say the minimum rate, but in the whole tariff there is a minimum for each class. You have a class that would go in? A. Yes.

Q. You have a rate fixed for it? A. Yes.

Q. And you take it at the fixed rate, at the tariff rate? A. We must not take it at any less than that.

Q. Do you charge more? A. Very frequently we charge more.

Q. More than the highest rate marked? A. Yes; it depends entirely upon the risk. That is all taken into account. For instance, take a frame building in amongst other buildings, or that has a planing mill forty feet from it.

Q. You have an arrangement for that? A. No.

By Mr. Guillet :

Q. I do not see where the moral risk comes in if the agent is bound down. A man who is intemperate in his habits and principles, and who is, perhaps, liable to go into insolvency, a man like that would be as much sought for as another risk. There is no question as to the character of the risk if the agent recommends it. It meets all the requirements according to the tariff? A. Your ideas of the moral hazard run on different lines from what I mean. I am speaking of the moral hazard—

Q. I understand that there are certain classes which you consider more hazardous than others. Insurance men have told me that, but I do not see where there is any opportunity of dealing with the moral risk when an agent simply depends upon the amount of business he does. He would recommend anyone willing to pay the tariff laid down? A. I have said that it is impossible for the company to control a moral hazard. The moral hazard is where a man insures his property with the distinct purpose of burning it down.

By the Chairman :

Q. Oh, no? A. That is what we understand by a moral hazard. We do not understand any other kind of moral hazard than that.

Q. Is not the moral hazard a man's general reputation and his ability to pay? He has a flour mill, for instance, or a saw mill, and the stream is dried up and there is no further use for it. Does not the moral hazard come in there? A. Well, of course, there is a certain amount of moral hazard.

Q. You say that the only moral hazard that you know of is the man who insures his property with the deliberate intention of burning it down. You know of no such man, because no man would ever tell you that. A man may take out an insurance policy with the purpose of burning it down, but he never tells you that? A. We inculcate upon our agent to be careful, and all companies do. They inculcate upon their agents the necessity of being careful in the interests of the company that they are representing.

Q. That is not the question? A. That is the question in this way, that if a man takes a risk—

Q. We are talking about the moral hazard? A. I am giving my view of the moral hazard. I know of no other view of the moral hazard than the one which I have expressed.

Q. No other view except that of the man who insures for the purpose of burning down the building? A. No.

By Mr. Guillet :

Q. Are the rates higher in Quebec than in Ontario? A. Not in towns of the same grades, with the exception of Montreal, which we have had to deal with exceptionally on account of our experience there.

By Mr. Casgrain :

Q. Large fires? A. Yes; extremely disastrous fires during the last two or three years.

By the Chairman :

Q. Where have you met with losses during the last two or three years? Which has been the less profitable, the town or country districts? A. If you speak of any given year, I may say that last year the cities were the most unproductive, but by

only taking one year you cannot arrive at the average. With the higher rate we get in places which are not so well protected, it enables us to get about the same rate of margin, but the cities give us more profit one year and the towns another.

Q. Can you tell us the basis upon which all the insurance companies come to an understanding about the uniformity of the tariff? What I want to know is this: Where you take all your different tariffs together as business men do, upon what basis did you start? A. Well, there have been at different times a lot of tariffs in force at different times. There have been times of course that they haven't been in force, but there has always been something upon which to base the rates at which risks can be taken everywhere.

Q. All over the world? A. All over Canada.

Q. Do you make a difference for the Dominion on account of the length of winter? A. No, that is the same all over; we regulate the rates almost entirely upon the appliances of a town for suppressing fires, and from the general character of the construction of a town.

Q. It was stated here yesterday by a witness I think that his company had no tariff, no rule in fixing prices, or anything approaching it, previous to the formation of this association. What was the rule that your company had to guide all your agents? A. Well, the way we did, when there was no tariff in an instruction book to agents, the old tariff in force which is graded according to the appliances in use in each town, and we required agents to get that rate, and if they did not get that rate to give us good reasons why they did not get it, and we exercised our own judgment.

Q. You had a tariff? A. We had a tariff, but it was not binding.

Q. You allowed some latitude to your agents, just the same as a man in a store as to the prices of things. They are marked at a certain amount, but the clerk exercises his judgment in giving any discount? A. Except in this case, the latitude allowed would be on account of the competition with other companies, subject to the approval of the head office.

Q. You had power to cancel any of them, of course, if they did not meet with your approval? A. Yes.

Q. Then you had a tariff? A. In that limited sense.

Q. In no limited sense; you had a tariff and that tariff was subject to the approval of the head office? A. As I said before, the rates that we gave to the agent were a guide to him which he was at liberty to —

Q. If he varied from it he had to give a reason, and in addition to that you were not bound to accept it? A. No.

By Mr. Casgrain:

Q. Is your tariff the same in all parts of the world or in the Dominion? A. Oh, no; the circumstances of climate and everything else have to be taken into account. The rates here are different from what they are in Great Britain, but they are pretty much the same in the towns and cities of the United States, where the climatic conditions are about the same.

By Mr. Wood (Westmoreland):

Q. There are companies in Canada not included in your association? A. I am not aware of any stock companies not included in it. I believe all the stock companies are included in it. There are mutuals in it.

Q. Mutual fire insurance companies? A. Yes, I think there is one stock company not included in it, one only. The Queen City, I believe, is the only one.

Q. Do you find competition in these mutual companies or stock companies. Really, they are all competitors? A. Well, so far as my own individual experience goes, I don't find their competition very keen. The competition between mutuals and stock companies is of such a character that you cannot compete with them. In fact their principles of doing business is so entirely different that there are no means whatever of competing with them. Mutual companies do business at cost and they don't know what the cost will be till after the year is over, and then they make their assessments accordingly.

Q. After you joined the association, was your tariff increased? Your general tariff? A. I cannot say that as a general rule it has been increased. It has been rather more the effect of steadying the rates. It was one of the very strong points expressed by the head companies, or at all events some of the head companies of the association, that we should be careful not to go to the extreme, but bring about rates satisfactory to the public, and it is rather for the purpose of making the insurance body an influential body as a whole, in order to endeavor to improve their business. Of course, you will understand that the companies can exercise an influence in a body that is much more powerful than that exercised individually.

Q. The competition, before the association was formed, resulted in the failure of companies? A. Undoubtedly. I think I can show you by your own blue book that 15 years ago there were 13 Canadian companies, now there are only five in existence. The rest have gone out of existence, and these 5 they are by no means, some of them, strong.

Q. What was the cause of these others going out of existence? A. Simply that business was done at an unpaying rate. There are only five Canadian stock insurance companies now.

Q. Did they go out of existence before the association was formed or since? A. To the best of my recollection, they all went out previous, when there was no tariff.

By the Chairman:

Q. Speaking of no tariff, that is not a correct expression? A. Well, there was a non-binding tariff.

Q. You mean a uniform tariff? A. Yes.

By Mr. Wood (Westmoreland):

Q. These companies were all driven out by the competition of the foreign companies? A. Well, I cannot say exactly. They were driven out by the competition with other companies which has been so very disastrous.

By the Chairman:

Q. Confine your replies to the answer of his question instead of making a little speech each time? A. Well, there was no binding tariff at the time that they went out but it was simply the disastrous results of their business that ruined them. They took poor risks.

Q. You say there are only five stock companies in Canada to-day and there were 13 some years ago. How about the English and American companies? Have they decreased too? A. No, they have not decreased, although some of the English companies have likewise had to retire.

Q. How do the numbers of the English and American companies compare? A. Two British companies and two American companies have had to retire, but on the other hand they have been replaced by others.

Q. What is the result? Have we more American and English companies now than we had, or less? A. More English companies. About the same number of American companies, I think.

Q. Give us the figures? A. The Canadian companies that are here now, are the British America, the Citizens'—

Q. Give us the numbers? A. Five Canadian companies here now.

Q. And there were 13? A. Yes.

Q. In what year? A. There were 13 in 1873.

Q. How about the English and American companies? A. That I shall have to look at for comparison.

Q. How many British and American companies are there now? You have a list there? A. Yes. There 19 British, and there are 5 American companies.

Q. That is 24 outside companies doing business here? A. Yes.

Q. How does that compare with 1873. I think there are 32 companies in your association? A. There are 32 now in 1887. There have been three since. There is the Mercantile and Waterloo. There are two that don't register in the Dominion.

Q. What British and United States companies were in existence in 1873? A. I see that in 1873, there was 12 British companies only.

Q. There are 19 now? A. 19 now; yes.

By Mr. Casgrain :

Q. As appears by the report of the Superintendent of Insurance? A. Yes.

By the Chairman :

Q. And the American companies? A. There were six. You have two additional American companies, and one that went out.

Q. And we have an addition of—? A. Seven British companies.

Q. Making the number of companies altogether about the same? A. Yes; about the same.

Q. Well now, perhaps the decrease in the number of Canadian stock companies may be accounted for by the increase of the number of mutual companies. Do you know that to be the fact? A. No; I don't, because I have an impression that quite a large number of mutual companies have likewise ceased to exist. I can remember several of them, but I am not prepared myself to give the exact number that have.

Q. You know that a large number have come into existence during that time? A. Yes; small township mutuels.

Q. Larger ones like the Millers' and Manufacturers'? A. Yes; that is one.

Q. There is one called the Millers'? A. Yes.

Q. These two have come into existence within the last few years? A. Yes.

Q. Now, you say the effect has been to steady the prices; the effect of this arrangement of the Fire Underwriters, that that is one of the great advantages. Perhaps I may not see it in that light. Steadying prices means to make a cast-iron rule that does not leave anything to the discretion of the agent who has a special knowledge, and, therefore, the steadying of the prices, though it might benefit the company, might be an injury to the insured of the community? A. Well, of course, I am speaking generally when I speak of steadying the prices. I have made the statement that we have gone on pretty much the same, except that we gave discretionary power to an agent.

Q. Do you think the steadying of prices is a benefit to the insured? A. Yes; I do.

Q. In what way? A. Because if the insurance companies do not get such a rate for their risks as will enable them to pay their way and provide something for conflagrations, it is simply to the great disadvantage of the insured. The companies could not do business here if they did not get a fair rate.

Q. That is, it is to the interest of the insured to see that the companies make a good profit? A. It is to the interest of the insured to see that the companies make a fair margin of profit to enable them to provide for emergencies. We get one or two conflagrations in Canada every year.

By Mr. Bain (Wentworth) :

Q. What supervision do you take on the nature and character of risks taken by your agents? Have you any inspector? A. Yes; certainly, we have our own inspector.

Q. What is the nature of his duties? A. The nature of his duties is chiefly to attend to the adjustment of losses, but he is travelling about the greater portion of the year inspecting our risks.

Q. His first duty is to settle losses? A. Yes; not exactly to settle them, but to attend to the settlement of them.

Q. To adjust the losses, upon which you agree. Of course, his adjustment is not binding until your company considers it? A. Yes.

Q. Then he gives the surplus time after that to inspecting any of the risks taken by your agents? A. Yes.

Q. Do you furnish him with a general list of the risks, or just special cases? A. Our agents have the risks. He calls upon the agent and he gives him his risks.

Q. The main operations of your company are in Quebec? A. Yes.

Q. How much does your company pay? A. Do you mean what it amounts to in a year?

Q. Yes? A. It costs us something like \$650 a year. Our tax for five years amounted to \$3,400.

Q. How do you raise the money? A. That we pay ourselves.

Q. Was there a special tax on the assured? Do we in Ontario help to pay it? A. No, sir; we have put the tax on the Province of Quebec business only, we have included it in the rate.

Q. You have included enough to cover the amount fully? A. Well, we hope so.

By Mr. Bain (Wentworth):

Q. I think you can fairly trust the companies in that direction. What proportion of time is your inspector able to devote to the inspection of risks, as a rule? A. I should think fully one-half of his time. You see, if we have a loss in Belleville, he attends to the loss there, and then he will remain over a day or two longer. Where he goes to attend a loss he spends some time inspecting risks.

Q. Still it will often happen that there are other losses that will require his immediate attention, so he will then be unable to devote very much time to some localities? A. That is not the case, because while that is his first duty to attend to losses, that is not the only one that we depute that duty to. There are special adjusters employed, somebody the company will have confidence in.

Q. Your inspector does not do all your adjusting of losses? A. No.

Q. How then is he able to supervise risks in localities? Do they come under supervision once a year, as a rule? A. He is not able to do the whole Dominion in one year. There are some places he will not get at perhaps but once in a couple of years, but he is, therefore, about pretty nearly all the time.

Q. Once in two or three years he is expected to inspect and report on the general character of the risks in the localities? A. The difficulty that comes is that he will be in a town three or four times in a year, but we cover such a wide space of ground that it might result in him not being able to get there only once in two or three years. That is in some places.

Q. Does the result of this inspection often lead to the cancelling of risks? A. Yes.

Q. Frequently? A. Frequently.

Q. I suppose the difficulty in insurance is that the tendency on the part of agents is to take up too high value? A. It is the case of agents who have not had much experience, but with the experienced agents that is not the case.

Q. They take pride in that? A. They take a pride in it. A well managed insurance company will take care before accepting a risk that the proportions of insurance and value are not exceeded. The application calls for the value and the amount of insurance is proportionate.

Q. In the fixing of that value comes the importance of having first-class agents? A. That is the case, but at the same time an agent may be deceived, and the agent cannot tell the value of dry goods, say, in stock.

Q. There is that difficulty, but that is only a greater reason why you should have a careful man? A. Yes.

Q. I suppose your agents are paid by commission? A. Our agents are induced not to do any private business by just getting a commission on the business. The amount of business done in a town is small. A man would not make much over \$1,000 a year in a small town. Where we have agents controlling a large business and devoting their attention to it, in perhaps three or four cases we give a salary as well as a commission, or a commission on profits.

Q. Where you find them especially desirable men? A. Where we find them especially desirable men.

ALFRED W. HADRILL, SWORN.

By the Chairman:

Q. Give your name, occupation and address? A. Alfred William Hadrill, Secretary of the Canadian Fire Underwriters' Association, Montreal.

Q. Are you an officer in one of the insurance companies as well? A. No.

Q. What is your business? A. Attending to the work of the association solely. The same business as Mr. McLean does in Toronto.

Q. Were you connected with any insurance company before that? A. I was secretary of the Insurance Exchange before, but I have not been intimately connected with any of the offices.

Q. Have you any special statement to make with regard to your association. We have the constitution of the Canadian Fire Underwriters' Association, is that it (pointing to exhibit previously filed.—(Exhibit 43a.)? A. Yes; that is the constitution.

Q. We have spoken to other witnesses about keeping business from those who were doing business for non-tariff companies. Do you know in the first place that a resolution was carried on that subject? A. Yes.

Q. Was it repealed? A. It was repealed.

Q. Was it re-enacted in the Province of Quebec? A. No; it was not re-enacted in the Province of Quebec.

Q. What resolution was there referring to it? A. We have a resolution in the Province of Quebec that an agent for a company in our association cannot place business in a non-tariff company, a mutual company excepted; but not in a stock company.

Q. This is at present in effect? A. It is in effect, but in the Province of Ontario, I believe, it is a dead letter.

Q. I see here "I further pledge myself," &c. (Exhibit 43a, sec. 8)? A. He must charge the tariff rates.

Q. He must bring them into the association for that? A. He must charge the full rate.

Q. He must charge the full rate. A company cannot make its own rate? A. I believe that resolution has not been put into effect in the Province of Ontario.

Q. They bind themselves not to do any business except for those who are members of this association? A. Except for mutual companies.

Q. Then the other half of the resolution is that they will not do any business with any outside companies. That was re-enacted because that is their present binding constitution? A. It has a very different effect.

Q. This permits them to do business but they must charge the company's tariff? A. The association tariff.

By Mr. Bain (Wentworth):

Q. Are you the secretary of the association in Quebec the same as Mr. McLean is in Ontario? A. Yes; in Montreal.

Q. You were to hand in a statement of expenses? A. Yes; I expect that this will be very similar to what has been handed in (financial statement handed in), this is a statement for three years previously and also the expenses for the last year. (Exhibit 44a, b, and c.)

Q. The expenses are about \$5,478? (Exhibit 44a.) A. Which is one-third of one per cent., a mere infinitesimal amount.

Q. You are not as luxurious as the Toronto association in the items for champagne and other refreshments? A. I might remark, with respect to these expenses, that if companies themselves undertook to do the same work, they would individually have to bear much larger expenses in printing these tariffs. Each company would have to print this tariff while we undertake it for all companies, instead of leaving each individual company to do it. We have nothing to do with adjustment.

By Mr. Guillet:

Q. Do you include in that statement the salaries of inspectors? A. Everything.

Q. How many have you? A. We have one at present. I inspect myself occasionally.

Q. What was the amount of expenses for the Ontario association?

The CHAIRMAN.—Last year it was \$7,293.

By Mr. Bain (Wentworth) :

Q. Have you much competition in Quebec with local mutuals? A. Not to any extent.

Q. They do not exist to the same extent as in Ontario for local purposes? A. There are one or two in the Eastern Townships.

Q. Are your agents restricted from taking risks for them? A. They would be.

By the Chairman :

Q. When did the Queen City Company leave the association? A. That is an Ontario company and my connection has been with Quebec.

By Mr. Bain (Wentworth) :

Q. Have you had any companies withdraw in Quebec? A. No; except such companies as left the country.

Q. Have any companies still doing business withdrawn? A. No.

By Mr. Guillet :

Q. Do you know whether the Millers' and Manufacturers' is a stock company? A. It is an Ontario company. It has a local charter and does not come under my knowledge? It is on a mutual basis somewhat. It has a guaranteed stock.

Q. Were there any fines or any resolution imposing fines in your association? A. We have a by-law in the association that if an agent violates the rules a fine shall be imposed, but as a matter of fact a fine has never been imposed. The company is liable for the fine or the dismissal of the agent.

By Mr. Bain (Wentworth) :

Q. As a matter of fact companies would look after that in their own interest? A. You might look through the minutes and you will see the number of infractions.

Q. You could deal with that when the application comes up? A. I have nothing to do with that, it belongs to the company.

Q. Do you have any rule which imposes fines on companies? A. No.

Q. The only case of imposing a fine in your association would be if a company issued a policy below tariff rates? A. You are speaking of prices by companies' agents. We have no such rule.

By Mr. Guillet :

Q. At the Toronto meeting was any question of imposing fines considered? A. No; it did not come up.

Q. I see it was to come up before the meeting according to the minutes here? A. I know there was some discussion about changes of tariffs, as you will see by the general minutes there.

Q. Here is what I was referring to: "Further correspondence was read from the Citizens' in reference to their complaint the subject matter of item No. 1, 53, in the last minutes. The companies took strong objection to the inefficiency of the rules to protect a company who lost risks by adhering to tariff rates, and their inefficiency to deal with the agent or broker placing the risk, and forcibly urged the necessity of the association taking such action as would remedy the evil complained of and offering some suggestions in that direction for consideration at the annual meeting. After a lengthy discussion on the particular case which gave rise to the Citizens' grievance it was agreed that the company had just cause for complaint, and it was made a recommendation that the association at its approaching annual meeting do take into its serious consideration the necessity of maintaining the rules in the direction suggested by the Citizens'?" A. That was a complaint more in reference to a broker than to a company.

Q. You did not take any action? A. We made some slight changes, but nothing important.

By Mr. Bain (Wentworth) :

Q. What was the offence; taking risks below the tariff? A. It was partially that, but it was more in the way it was done.

Q. Cutting into each other's business unfairly? A. Yes; you might call it that.

Q. There are various ways of evading the tariff. Do you think any means are resorted to to evade the tariff by agents? A. Are you speaking of managing agents

of companies or local agents? I do not think the paid agents do, or the companies themselves; but companies have local agents all over the country of various characters and they make evasions.

Q. Do they give gratuities? A. I do not think so to any extent.

Q. What is the nature of the business that a broker does for these companies? A. He might not be specially attached to any office, but he will get the business and place it among half a dozen offices. There are only brokers in large cities like Montreal and I do not think there are any in Toronto. He gets his business and places it among large companies and looks after renewals.

Q. He takes it at a general rate? A. No. He takes at the tariff rate and gets his commission.

Q. On this particular occasion did he take it below the tariff rate? A. You are speaking of the Citizens' company. Yes; he did.

Q. That was the offence really? A. Yes.

Q. He had taken it below the tariff rate and the company that the Citizens' complained of accepted the application? A. Yes.

Q. Then, of course, the company were really the offenders? A. It would appear so, but in that particular instance it would be hard to explain the whole circumstances. When a broker is doing business, a company would naturally place some reliance in him.

Q. But the first thing that is done when an application comes in is to see that the rates are according to the tariff? A. But we usually carry those rates in our head.

Q. Yes; but I can understand that there are 1,000 inducements to make a man take a smaller rate? A. It is natural that companies would want business and it is equally natural that agents would want to do the same.

Q. It would appear at all events that the company was aggrieved? A. Yes; I would say that directly the company had their attention drawn to this, they rectified the mistake.

Q. By putting up the rate? A. No; by cancelling the risk.

By Mr. Guillet.

Q. If the companies do not cancel the risks the Underwriters' Association have no power to do so? A. It is voluntary with the association entirely.

The Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 30th April, 1888.

The Committee on Alleged Trade and Insurance Combinations met this morning, Mr. Wallace, M.P., in the chair.

HUGH SCOTT, sworn.

By the Chairman:

Q. Would you give your name, occupation and address? A. Hugh Scott, managing director of the Millers' and Manufacturers' and the Queen City Insurance Company, and manager and secretary of the Hand in Hand Fire Insurance Exchange.

Q. How many years have you been in this business? A. 30 years, devoting my whole time to it.

Q. Before we go into the subject of your objections, if you have any against the Fire Underwriters' Association, we had some witness here, one in particular at the last examination, who spoke of the moral hazard. He did not seem to understand that there was any moral hazard except in the case of the incendiary who deliberately insured for the purpose of burning down his premises. Will you tell us what you know about the moral hazard? A. I think I can best answer your question by reading my instructions seventeen years ago to my agents which I think gives that from a Canadian standpoint. I think he was giving it to you from an English standpoint. "You will guard against accepting proposals from persons of doubtful

character and those for insurance of property in the occupation of disreputable tenants." (Exhibit 450. rules.)

"Other considerations such as the pecuniary embarrassment of the applicant and disposition to overvalue his property, risks from threat or probable designs on the part of enemies of the applicant and any other peculiar conditions which may commend themselves to you as worthy to influence you in accepting or declining should command your scrutiny."

These were the elements except in certain cases of hazard such as tanneries which are remote from water and mills where the water is dried up. These were called moral hazards. There may be many classes of incendiaries. There may be for instance culpable carelessness. I do not think the incendiary, that the man who deliberately puts a torch to his mill, prevails to the same extent as we suppose. I think the chief class of incendiaries are people who are careless and it becomes unprofitable to have such cases. These persons become indifferent to the care of their property, and such things are circumstances which we consider enter into the moral hazard.

Q. Would you consider a moral hazard the case of a man who has his place mortgaged up to its value and would become indifferent as to what became of it? A. Certainly, that enters very largely into that question. In application for insurance my instructions were: "Applications for insurance on mortgaged property should be made by the mortgagor in order to avoid the possibility of a double insurance by the mortgagor and mortgagee on the same property." These are important questions on leasehold property.

By Mr. Wood (Westmoreland):

Q. Should be made by whom? A. The mortgagor. We have had instances where both covered by insurance, and in one case (the law has been somewhat changed), they were in a position to both recover.

Q. I thought there was a condition in the policy that they could not recover? A. But when an insurance company takes your interest as mortgagee and insures you definitely as such, that is a different thing. There was a case occurred a good many years ago on a mill in Dundas.

Q. In that case could the mortgagor recover? A. In that case he did, owing to the peculiar circumstance that the company protected his interests. That insurance was made as mortgagee.

By the Chairman:

Q. Are you a member of the Fire Underwriters' Association? A. Well, I am and I am not. I do not know. They say "The Canadian Fire Underwriters' Association" and I have no evidence that I am not a member. Owing to a certain rule, however, that they have, they pronounced us out of the Toronto Board.

Q. Were you a member? A. Yes, sir.

Q. And your company? A. Yes; the Queen City was from the very inception of it.

Q. Did you resign? A. No, sir; I did not resign.

Q. Did your company withdraw? A. No; we did not. They, so to speak, expelled us.

By Mr. Bain (Wentworth):

Q. Is that from the Toronto Board? A. Yes; it is a sort of mixed position, and if you will permit me —

By the Chairman:

Q. We were just asking you questions that would lead up to this. Have you any grievance against this association? A. Yes.

Q. To you individually and the public interest as well? A. I think that their actions at times have been of a character not in harmony with the association as it was originally formed.

Q. How does it affect the public? You say it has not been to you as a manager of an insurance company? A. I think that they have adopted rules for the purpose of persecuting us.

Q. Persecuting you? A. The association drifted into an association for that purpose.

Q. How does their association affect the public interest? A. At the time, or since then, I was also manager of the National Insurance Company of Ireland. I ought to state that I was also senior in the firm of Scott & Bolt for the National Insurance Company of Ireland.

Q. Perhaps you had better give us in consecutive order the state of affairs? A. Perhaps if I could read a statement which I made to the National Insurance Company of Ireland. I will commence by reading an extract from a letter written to Mr. Engebach, manager of the National Assurance Company of Ireland dated Toronto, 23rd February, 1886:—(Exhibit 45a $\frac{1}{2}$.)

“Notwithstanding what I stated to you in my last hurried scrawl from Kingston, I must afflict you with the history of the origin of the ‘Millers’ and Manufacturers’ so that you may clearly understand the position of affairs.”

“We (the association) framed a tariff in October, 1883, in which, on flour mills that had been written at one and one-half per cent. we advanced it two per cent., and on those which had been written at two per cent. and two and one quarter per cent. we advanced to two and three quarter per cent. At a meeting of the association held in Montreal in September, 1884, which virtually closed on a Friday evening, after which most of the western members left for home, presuming that at the Saturday meeting the unfinished business only would be dealt with. This, however, did not prove to be the case as, at the Saturday meeting, flour mill rating was again taken up, and in the face of remonstrances from Mr. Wood, of the Etna, and Mr. Wickins, of the Commercial Union, the only western representatives present, another increase of three quarter per cent was added to all mill and their storehouse rates.” (Exhibit 45a $\frac{1}{2}$.)

Q. That is flour mills alone? A. Yes; and their storehouses.

Q. They had added 50 per cent. before this? A. Scarcely that (witness continued reading) “thus making two jumps within one year without any regard whatever to the moral hazard or the internal or external equipments for preventing fires. Old “fire traps” and slovenly managed mills as well as those most carefully conducted were all placed on the same basis and forced to pay the same rates. It was but natural that such action should create considerable feeling when the policies on the better class of mills became renewable, and I am sorry to say the friction caused thereby is not confined to millowners, but has extended to the other manufacturers in this province. Mr. Howland’s repeated assurance of the organizations determined on, in consequence of what was considered unjust action, I doubted until I could no longer do so, and, therefore, felt I was best serving all interests by taking a position through which I might bring about a better feeling and the relation that should exist between supply and demand.” (Exhibit 45a $\frac{1}{2}$.)

WITNESS—Just at this juncture, Mr. Howland waited on me and asked me if I did not think a great injustice had been done to the mill interest. The reason I mention Mr. Howland is because he was president of the Millers’ Association Insurance Company. (Continued reading.)

“You know as I do that it is the insured that should and do pay the losses and expenses, and also in addition thereto, a fair compensation for the hazard assumed in a well managed company. To my mind it was, therefore, folly to irritate and create such bad feeling with the source from which we derive our very existence. It is, however, the chronic characteristic of many of our eastern members to do so whenever they mount a hobby. We have also created a serious competition on the part of American companies. When in New York, last summer, I saw a whole page covered with the names of applicants for insurance, in sums ranging from \$27,000 to \$40,000 each, to the Mutual Fire Insurance Company, 155 Broadway, New York, from Hamilton, Toronto, Kingston and Montreal. I enclose one of Secretary Armstrong’s letters, and send you by this mail a copy of their last annual report. See also enclosed letters from Montreal correspondent of the *Mail*. Harbor commis-

sioners there have placed the whole of their property with American companies." (Exhibit 45a $\frac{1}{2}$)

WITNESS—In this connection I may state that the representative of the Harbor Commissioners was also president of the Royal Insurance Company, and yet they placed their property with American companies. (Continued reading.)

"Last week the Merriton Cotton Mills Company placed \$100,000 of their risk in American companies, \$10,000 of which was covered last year under your National Policy, 201842; as a great personal favor we were able to retain \$5,000, covered now by your policy. All our policies on the Riordan Paper Mills (202411, \$5,000) were cancelled last month, and the whole placed with our Yankee cousins. I could fill a letter citing similar cases that have been or are about being taken to the other side. I had, and still have, strong hopes that the Millers' and Manufacturers' would, in a measure, arrest this exodus of business from our midst. What exercises me most over this matter is, the fact, that it is the very best class of risks of their kind that we are losing in this way. Those of a 'sing'd cat' character will not be taken by them, and are, therefore, left for us to squabble over, and such will continue to be the case while we are sleeping over a promise made last March that equitable schedule rating would at once be adopted." (Exhibit 45a $\frac{1}{2}$.)

Q. Who is Mr. Englbach that you are writing to? A. Manager of the National Insurance Company of Ireland.

Q. When you refer to these American companies do you mean what you call underground insurance, or American companies who have their offices in Canada? A. You can scarcely call it underground insurance, for when I was in Mr. Armstrong's office there was a gentleman there who was interested in these paper works, and who was applying for insurance. They asked him to send on and have his property inspected.

Q. Are those companies who have no office in Canada not complying with any law? A. No.

By Mr. Bain (Wentworth):

Q. Companies not having any legal standing in Canada? A. You must not mix the two.

Q. What class of companies are these? A. You take the New England companies that are covering large paper mills and large woolen manufacturing companies, they are the very ones I am referring to.

Q. Do they put up a deposit? A. No, it is not necessary.

Q. Have they agents here? A. No; no agents at all. There may be another class called underground soliciting business here.

Q. What is meant by underground insurance is when companies come into Canada and do business without submitting to the Canadian law or not having to put up a deposit, or being recognized in any way in our inspection or courts? A. Just so.

Q. The truth is you take the risk in an American mutual company and of going over there and prosecuting your claim in the American courts? A. Just so.

Q. In saying underground insurance there is no insinuation that they are not first-class companies? A. That is a different thing. The underground are companies who solicit you for business in an underground way. These companies, however, do not act in that way. You go to them and it would be interfering with the individual rights to prevent it.

Q. Are there any companies that are doing in the way you speak of? A. Not just now. There are western mutuals that come in, but they claim that they have in most instances been solicited. They send circulars, and owners of factories asked them to come and make these inspections, and in that way they are not infringing the law. But if one of their agents came in to solicit business he would be exposed in the Province of Ontario to a very serious fine.

Q. There are not any in Ontario doing that class of business? A. Not to any extent.

Q. Where a good business man makes application there are then cases of that kind? A. Yes; we are following out in our companies precisely their lines.

By the Chairman :

Q. But so far as the tariff of the Fire Underwriters' Association is concerned you say these companies are taking the best business? A. Yes.

Q. For the reason that they charge as much for the safe ones as the poor ones? A. Yes; there was no discrimination until they promised to give this schedule rating, and in consequence of that promise we went in, but they broke faith with us and in consequence of that we went out.

By Mr. Guillet :

Q. Did you say that the applications are made personally to these companies or by letter? A. Sometimes personally. In the case I spoke of I met a gentleman in Mr. Armstrong's office applying for insurance and asking if he could not take the whole of his paper mill.

Q. Who is Mr. Armstrong? A. The secretary of the New York Mutual Fire Insurance Company that I refer to in this letter.

By the Chairman :

Q. Where is his office? A. 155 Broadway, New York.

By Mr. Guillet :

Q. The applications are made personally as well as by letter? A. Yes, certainly. That extends to a visit to the city. They are constantly doing it by letter.

By the Chairman :

Q. And he was asked to send their man on to inspect the risk? A. Yes. That has been the outcome of these arbitrary ratings.

By Mr. Wood (Westmoreland) :

Q. Is your company a mutual company? A. Yes, all my companies are mutual with the exception of the Queen City, and that company has been established since 1871.

By the Chairman :

Q. The Queen City is not a mutual? A. No, sir; it is a stock company, but we pay a dividend to our policy-holders.

Q. Well, you may proceed with your statement, Mr. Scott? A. Well, prior to 1883 when this Canadian Fire Underwriters' Association was formed, we had local boards in Toronto, Hamilton and London.

Q. Prior to what year? A. Prior to 1883, the time of the formation of the Canadian Fire Underwriters' Association.

By Mr. Bain (Wentworth) :

Q. What do you mean by local boards, Mr. Scott? A. Some companies have local boards composed of their local agents, for framing tariffs and issuing rates.

Q. So as to act in concert? A. Yes, to act in concert.

By the Chairman :

Q. Were you present when the secretary of the Western Insurance Company gave his evidence? A. No.

Q. I am sorry. Mr. Boomer stated distinctly that there was no tariff fixed by a company or any association of companies previous to the Fire Underwriters' Association of 1883? A. Oh, well, there is no question about that. I can show you some of the minutes. The Toronto Board has existed since 1872 or 1873.

By Mr. Bain (Wentworth) :

Q. And I suppose any company you are cognizant of previous to that time had a tariff for its own guidance? A. Yes, sir, there is my tariff. (Exhibit 450—Scale of Rates.)

By the Chairman :

Q. And every company that you knew of, had they a tariff for their agents and their business? A. Oh, yes; they had tariffs. In that letter I referred there to those exorbitant rates, the exorbitant jump that was made on those mills.

Q. The first raise was about forty per cent. on the premiums, and the next three-fourths of one per cent. on the risk? A. Three-fourths of one per cent. on everything, a cast-iron advance of three-fourths of one per cent.

Q. Twenty per cent. more? A. Yes, fully. That caused such a feeling that at a meeting of mutuals in Toronto, held on the 20th March, 1885, a resolution was passed and a prospectus was issued.

Q. What was that? A. The prospectus and resolution of the Mutual Fire Insurance Company (Exhibit 45a) was the outcome of a meeting of millers held in Toronto on Friday, the 20th March, 1885. I will read you what it says:—

“PROSPECTUS.

“MUTUAL FIRE INSURANCE COMPANY.

“The committee appointed to carry out the following resolution, adopted at the meeting of millers held in the Board of Trade Rooms, Toronto, on Friday, 20th March, 1885, viz.:—

“Moved by Mr. D. Plewes, Brantford, seconded by Mr. A. Watts, Brantford;

“Resolved, that it is expedient to establish a Millers' and Manufacturers' Insurance Company under the Acts of the Province of Ontario regarding Mutual Insurance Companies, which provide for a stock capital; and that Messrs. Whitelaw, Paris; H. N. Baird, Toronto; D. Plewes, Brantford; M. McLaughlan, Toronto; J. D. Saunders, London; W. H. Howland, Toronto; S. Nælon, St. Catharines; James Goldie, Guelph; E. W. B. Snider, Waterloo; and A. Watts, Brantford, be a committee to carry the above resolution into effect.—Carried.

“Have concluded to do so on the following basis:—

“To raise a subscribed capital of at least \$250,000, on which ten per cent. will be called up (\$25,000). On this paid up capital, it is proposed to pay an annual dividend of ten per cent. As the earning powers of this sum will not be less than six per cent., it will at once be seen the additional four per cent. will be a very small tax on the revenue of the company, compared to the security it will give and the confidence it will inspire.

“The rates of premium it is proposed to charge will be a cash payment one-quarter (25 per cent.) less than the now exacted rates, and an undertaking to be given for a similar sum. It is expected this cash premium will be largely in excess of the losses, and the surplus, after providing a reserve fund, will be apportioned among the insurers, and allowed as a rebate or dividend off the cash premium payable at the end of each year on the renewal of the policy, thus giving insurance at cost.

“A local company having a limited number of risks is obliged to write small lines and hence afford only partial protection to its members, while one with a capital and an ample cash reserve fund, covering a large extent of territory, will be able to give, conjointly with existing mutual companies, by way of re-insurance or otherwise, all the protection required at much less cost than the rates now exacted.

“It is not the intention to employ local agents, but have all the risks examined by competent inspectors who will have no interest in recommending undesirable hazards.

“The first required step towards organizing is to secure the promise of a given amount of insurance, and you are therefore requested to fill up the enclosed form, stating what sum you will insure with the company.

“If it is your desire to become a stockholder, we have to ask you to also fill up in the enclosed form the sum you are willing to subscribe for of the contemplated capital.

“As it is desirable the company should be established as soon as possible, an early reply is requested, addressed to W. H. Howland, Toronto.

“JAMES GOLDIE, *Chairman.*

“TORONTO, 27th March, 1885.

“P. S. Should you desire any further details of the scheme, kindly communicate with W. H. Howland, Toronto, who will be happy to furnish you with the fullest particulars.

“N. B.—The payment of the ten per cent to be called up on the subscribed capital can be arranged to suit your convenience.”

On the other side we printed a cutting of an article that appeared in the *Popular Science* monthly referring to the textile manufacturers' insurance, and the establishment of mutual insurance among the mills of Rhode Island by the Hon. Zachariah Allen, of Providence, in 1835. The rates charged by the stock companies then were from $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent.

Q. That does not bear upon the evidence before the committee? A. That was before this committee when they framed this rule striking straight at that company and myself. You see it is a purely mutual company. There was no intention to do any other business.

By Mr. Bain (Wentworth):

Q. What was the rule that induced you to form this association? A. The jump of three quarter per cent.

By the Chairman:

Q. They increased about 40 per cent. on the premiums and then added $\frac{3}{4}$ per cent. on the risks? A. Before passing away from that, I want to allude to the fact that the rule of the association was that we would not allow representatives of the tariff offices to represent non-tariff offices, purely mutual companies excepted.

Q. When were these resolutions passed that you were referring to? A. 13th October, 1885.

Q. After your company had gone into operation? A. Yes. They held the meeting in Ottawa. It was the annual meeting and was held in Ottawa because small pox prevailed in Montreal to a great extent. I will read from the report of the meeting: (Exhibit, 4^b—Sec. 41.)

“Agents representing Mutual or other Non-Tariff Companies.”

“The committee beg to report that after full consideration of the existing rule bearing on joint agencies, it is the opinion of the committee that they are sufficiently clear to enable the association to deal with the case of Toronto, which has been brought under its notice, but that in order to avoid similar questions in future, it be resolved that no officer holding connection with a non-tariff office, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office, whether as general agent, sub-agent, or in any capacity whatever.”

Q. Were you present at that meeting? A. No.

Q. Are you still a member of the association? A. Well, I would like to know where I am. When this resolution was adopted I was occupying the position of agent of the English company. It was a regular conspiracy to decapitate me. When the matter came up, my partner, Mr. Bouit, withdrew. If I was having any conflict for the trust I was representing, his National of Ireland, he should have remained there and attacked me surely, or, on the other hand, have remained to defend me, because I find when this resolution was adopted he was present, and it was carried unanimously.

By Mr. Bain (Wentworth):

Q. Were you connected with the association at the previous time when the rule was adopted respecting the restrictions to be imposed upon agents for non tariff companies? A. Mutual companies?

Q. Yes; mutual companies. What date was that? A. When they brought this in, that is when they introduced it, it was the 13th October.

Q. Was it not the 15th of October, 1885? A. Yes; the meeting commenced on the 13th and they carried it over to the 15th. (Exhibit 45b.)

Q. At any early stage of this association in October, 1883, when they adopted the resolution forbidding their agents to act for non-tariff mutual companies? A. No. That is when they did it. Prior to that they did not affect the mutual companies, purely mutual companies being excepted.

Q. It was in consequence of your company that this resolution was introduced? A. It is quite possible that that was the case in Toronto. They would not mention my name.

By the Chairman :

Q. Was that resolution repealed? A. I will just say that in December I had a strong feeling. I always voted in favor of the business of insurance being put upon an equitable basis, of seeing an association purely and simply for that purpose, because it is neither in the interest of the insured or the insurer, particularly that of the insurer, that it should be taken at a loss, because all insurance is mutual—you can call it by whatever name you choose, stock or mutual, but it is the insured that pay the loss and expenses. Capital is no factor in the matter of insurance. It is only the bank which you can fall back upon to meet a sudden contingency and to recoup yourself again or go to the wall. In consequence of this there was a meeting held in Toronto in December, and Mr. Howland and I were present.

Q. In December, 1885? (Exhibit 45c.) A. Yes, December, 1885. "Mr. W. H. Howland addressed the meeting at some length in explanation of the order and mode of insuring adopted by the Millers' and Manufacturers' Mutual, with which he and Mr. Hugh Scott were connected. Messrs. Smith, Tatley and Magurn spoke in reply, after which Messrs. Howland and Scott withdrew." On the 8th December it was continued to the next meeting. "Mr. Howland addressed the meeting for some time, defending the position taken by him in the formation of the Millers' and Manufacturers' Mutual; that he, and not Mr. Scott, was responsible for the organization of that company."

Q. Does that appear? A. We went into the association on the assurance that these things were to be remedied, and that the industries of the country were not to be assessed exorbitantly, which we felt had been done. They gave us this assurance that the schedule rating which they referred to in that letter, which was written in February; these proceedings were taken in December.

By Mr. Bain (Wentworth):

Q. And you say you went into the association. Were you one of the original promoters of the Fire Underwriters' Association when it was first organized, or did you become a member subsequently? A. No; I came in at the time. I will explain that when I come to touch on the Toronto Board.

By the Chairman :

Q. You joined at the beginning? A. Yes.

By Mr. Bain (Wentworth):

Q. Then you were a member at the time this difficulty occurred in 1885, when the Millers' and Manufacturers' Association was formed. You were a member up to that time? A. Yes; until the Millers' and Manufacturers' went in. Mr. Goldie and Mr. McCulloch did not think we could work in harmony with them. Mr. Howland and myself thought differently. We thought the schedule rating would bring it down to a fair basis. Then the next meeting was held on the 30th March. It depends upon whose ox was gored as to what rules they adopted, because Mr. Taylor of the Northern and Caledonia, I think he represented, came up to Toronto at this meeting and they rescinded this obnoxious part, leaving it as it was originally cast. (Exhibit 45d, section 40.)

Q. What date was that, Mr. Scott? A. The meeting commenced on the 30th March and closed on the 2nd or 3rd of April. (Exhibit 45d.)

By the Chairman :

Q. This resolution was dated the 1st of April? A. Yes.

By Mr. Bain (Wentworth):

Q. That had existed from October until the 1st of April? A. Yes; they rescinded it because it was affecting their individual business. Here is an extract from the board minutes of the Millers' and Manufacturers' books, dated 14th April, 1886 (Exhibit 45e):

"The following letter from the Canadian Fire Underwriters' Association was read:

“ TORONTO, 7th April, 1886.

“ The secretary Millers' and Manufacturers' Insurance Company, Toronto.

“ DEAR SIR,—I am in receipt of your notice of the withdrawal of the Millers' and Manufacturers' Insurance Company from the association. I beg to refer you to article eleven of the constitution, that such withdrawal shall not take effect for a period of three months from the date of such notice. You will kindly send me the company's cheque for \$25, being the proportion of your company towards the expenses of the association, and which by article ten of the constitution, that all dues to the end of the current year must be paid.

“ I am, dear sir,

“ Yours truly,

“ ROBT. McLEAN, *Secretary.*'

“ The following statement from Mr. Howland, referring to above, was read and approved:

“ Referring to the letter from the secretary of the Board of Underwriters, dated 2nd April, I will state as a matter of record that at the interview with the Canadian Fire Underwriters' Association in December last it was stated that the schedule rating then in progress would materially reduce the rates on mills and other special hazards, and the safety of any company underwriting at a lower cash basis than scheduled rates after they came into force was questioned.

“ It was on this understanding I urged joining the association. The schedule rating as promulgated I now find to be the reverse of what I was led to believe it would be; in place of materially reducing the then exacted rates on mills, it makes a material advance on them, in some cases upwards of 25 per cent. I therefore, in view of all the circumstances, can see no reason why the withdrawal should not take effect from the date of the notice of withdrawal sent to the association, viz., 6th April.

“ W. H. HOWLAND, *Vice President.*'”

Then we withdrew.

By the Chairman :

Q. Now, that resolution was passed on the 15th October and rescinded on the 1st of April, was it ever restored? A. Well, I explained to you that the branch board virtually under the constitution was a member of the main body. This association is an arm of the main body. For instance, they had power at any time in Hamilton or London, if they found that the agents were not working as harmoniously as they should, they at once dissolved the board and dropped them into class “A” in the general body. They are composed of the same companies. There is no member of the Toronto Board that is not a member of the association.

Q. What was the effect? A. The effect was that in the Toronto Board they restored them. I should tell you that at the time the Queen City was organized they insisted upon the Queen City coming into the Board. At that time our charter restricted us to doing business within the county of York. I declined to join. I said I had no necessity, and refused to become a member of the association and contribute to expenses for which we received no benefit. They then came back to us again, and I said we would join on one condition, that is, that I will have a full voice in the meeting and on the regulation of the tariffs, without contributing towards the expense of the thing where we received no benefit. On these terms they accepted the entrance of the Queen City into the association. That I had a full voice in making the rates and taking part in the deliberations without any cost to the company, and on that basis the Queen City joined.

Mr. Bain said it was not clear to his mind yet whether the combination restored that clause in their regulations or not. He read the clauses referred to.

By Mr. Bain (Wentworth) :

Q. It is a simple question, have they or have they not? A. Here is the Toronto Board. I am trying to explain that the Toronto Board is an arm of the main association.

The CHAIRMAN—That is not answering Mr. Bain's question. We understand the connection between the two.

By Mr. Bain (Wentworth) :

Q. Have they or have they not? Are you aware? A. I am going to show you how the minutes of the Toronto Board restored it. They are the same companies. They are part and parcel of the same companies.

Q. Have the Underwriters' Association restored it, or haven't they? A. The Toronto Board have restored it (Exhibit 45f—Sec. 33 *re* "non-tariff company") but they are the same persons. They haven't restored it, but they have adopted it in the Toronto Board after rescinding it in the association.

Q. The Toronto Board have again passed that resolution. Is the effect of that that it is in operation everywhere again? A. No, sir. In operation in Toronto.

Q. It is in operation in Toronto? A. It is in operation in Toronto.

By Mr. Guillet :

Q. Is the Toronto Board an association in the Province of Ontario? A. No sir, in Toronto. I tried to explain that.

By Mr. Bain (Wentworth) :

Q. Perhaps I did not comprehend you before, but I think I have got it. The resolution has been again passed by Toronto Board, and is in force in Toronto but not elsewhere? A. Yes; but not elsewhere.

The CHAIRMAN.—Then there is another question which just follows. If it is in force in Toronto, the Toronto company that has an agent in the county of Wentworth or some place outside of Toronto, does it prevent that agent of the Toronto company from accepting non-tariff and tariff business.

Mr. BAIN.—No; I understand by this that it does not apply anywhere outside of Toronto. Before it would be applicable all over the province it would have to be adopted by the board whose minutes we have here, the Canadian Fire Underwriters' Association. This is under the jurisdiction of the Fire Underwriters' Association for the Province.

Mr. SCOTT.—Yes.

Mr. BAIN.—Of which the Toronto Board is a branch?

Mr. SCOTT.—Yes.

By the Chairman :

Q. There is the Montreal Branch and the Toronto Branch forming one association. The Toronto Branch as I understood it had jurisdiction in Ontario while the Montreal Branch had jurisdiction in Quebec.

Mr. BAIN.—Exactly, and the Toronto Board is again underneath the Underwriters' Association, especially for the city of Toronto, and they passed resolutions in the Board which were regulations for Toronto.

WITNESS—Yes.

The CHAIRMAN—I did not hear anything before of the Toronto Board as distinct from Ontario.

By Mr. Fisher :

Q. I would like to ask whether companies whose headquarters are in Toronto and have branches elsewhere in Ontario whether their agent would be under this rule? A. No, sir. This is not a portion of the Canadian Fire Underwriters' Association.

Q. It does not matter where the headquarters of the company are as long as where the agent is? A. Not at all.

By the Chairman :

Q. Read that resolution? A. It is an annual meeting held on the 19th January. "Agenda No. 10. Annual meeting *re* agents representing non-tariff companies. Resolution on this subject adopted at the annual meeting was inadvertently omitted from the minutes and is as follows: That hereafter no officer nor person holding official connection with a non-tariff company, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office or receive or

place business or receive commission with or from a member of this Board, whether as general agent, sub-agent or in any capacity whatever." (Exhibit 45b—Sec. 41.)

Q. That was passed by the Toronto Board? A. By the Toronto Board.

Q. It guides the Toronto men? A. It guides the Toronto men.

Q. It would guide them all over the Province? A. Oh, it does not. That power is relegated to the Toronto Board by the parent association. They are composed of the same persons.

Mr. FISHER—A good many rings within rings.

By Mr. Bain (Wentworth):

Q. I suppose Toronto and Hamilton are allowed certain powers within their own association? A. Exactly, under the control of the Canadian Association.

Q. The power underneath them adopts it? A. Yes.

By Mr. Guillet:

Q. I understand there is a Toronto branch of the Underwriters' Association and a Toronto Board under that branch? A. No, sir.

Q. An Ontario branch and a Toronto Board? A. They came in both. The branches are for convenience of legislation.

Q. The men who constitute or form the Ontario branch are not the same men who form the Toronto Board? A. Certainly. There is no member of the Toronto Board who is not a member of the Canadian Fire Underwriters' Association.

Q. Are the members of the Ontario Association and the members of the Toronto Board one and the same men? A. With one exception. Yes; they are one and the same men, all of them. They are the same body of men.

Q. Still they have two sets of minutes? A. Yes.

Q. They are two distinct organizations, practically? A. Yes.

By Mr. Fisher:

Q. In the Canadian Fire Underwriters' Association their limits are not only there in Toronto but all over the country? A. Yes.

Q. The Toronto men are only a portion of the Fire Underwriters' Association? A. Yes, they are; but these powers are relegated to them by the parent institution.

By Mr. Guillet:

Q. There is a Hamilton Board? A. Yes.

Q. Do you know whether they adopted that rule or not? A. No; I do not think that they ever did.

Q. Do you know whether the London Board did? A. No; I don't think it.

Q. We had a London gentleman here who said it was aimed at him. He thought he was the target, and you think you are? A. I think he must have referred to the general Fire Underwriters' Association.

Q. That is what I am referring to—the original resolution? A. You see they pointed to the case in Toronto. That is quite clear. Here is where they restored it in Toronto. The Toronto Board restored it, a board which is virtually part and parcel of the same organization.

By the Chairman:

Q. We understand that part clearly—proceed? A. Then you asked me what my position is owing to discriminations. For instance, take the matter of churches and colleges and educational institutions. It has been offered at 45 and 50 cents in the city of Montreal, and outside and in the city of Toronto they compel the agents there to exact one per cent.

Q. Where? A. In Toronto.

Q. In the city of Toronto? A. In the city of Toronto.

Q. It is down to 45 and 60 cents in Montreal? A. Yes. Take the hospital there. They exact only 60 cents in Montreal and they compel the hospital at Toronto to pay one per cent., which we consider a very unfair discrimination.

Q. Give us a parallel case of 45 cents in Montreal and one per cent. in Toronto? A. The Jesuit church in Montreal I know to be insured for 45 cents and none of our churches are permitted to be rated at less than one per cent.

By Mr. Fisher :

Q. Is that owing to the resolution of the Fire Underwriters' Association or the resolution of the Toronto Board? A. The Toronto Board. They are one and the same people.

Q. There are two different sections? A. Yes; the same heads to both.

The CHAIRMAN—He says they are the same individuals with the exception of one person.

Mr. FISHER—Yes; the Fire Underwriters' Association extends outside of Toronto. There may be certain individuals who belong to the Toronto Board, but the Fire Underwriters' Association extends all over the Province. If it was a resolution of the Fire Underwriters' Association it would extend to the whole Province, whereas what Mr. Scott says it only belongs to Toronto.

WITNESS—That is discrimination, certainly.

By the Chairman :

Q. Even the printed tariff that Mr. McLean showed us, that was binding all over the Province of Ontario? A. No, sir; I will give you an instance that took place with the college at Pickering.

By Mr. Bain (Wentworth) :

Q. I understand you to say where there are two risks under similar conditions, one in Toronto and one in Montreal, they have discriminated against Toronto and charge higher rates? A. Yes.

Q. Does that apply to any other city in Ontario? A. Yes.

Q. Toronto rates are especially high? A. Yes.

Q. Then the tariff of the Canadian Fire Underwriters' Association, as adopted, does not apply in all cases where the risks are alike? A. No, sir.

Q. You mean to say distinctly that they charge special rates in the city of Toronto? A. Yes.

Q. How do they reconcile the action of the Toronto Board with the general association that forbid any company to make any discrimination in the rate? A. That is what no person can explain.

The CHAIRMAN—Montreal and Toronto are in class "A" and they must be the same. The rates must be the same. How do you explain the fact that they charge a 45 cent rate in Montreal and a dollar in Toronto? They are both in class "A"? A. That is the contention that we have been fighting for for a long time.

By Mr. Bain (Wentworth) :

Q. Their minutes indicate that? A. We left the association in 1885. This was the letter (Exhibit 45 g) addressed to Mr. McLean in 1885: "The following letter from Messrs. Scott & Walmsley was read:—

"TORONTO, 20th July, 1885.

"ROBERT McLEAN, Esq.,

"Secretary Toronto Board of Fire Underwriters, Toronto.

"DEAR SIR,—The following is an extract from the minutes of a directors' meeting of the Queen City Fire Insurance Company held this Monday, 20th July, 1885:—

"Ordered, That this Board cannot consistently sustain a principle that sanctions the insurance of sacred edifices, &c, &c., in the Province of Ontario, which are situated beyond the city limits at a rate of only thirty-five cents (35) per annum, and compels them to exact fifty cents (50) for similar hazards within range of the fire brigade protection in this city; this company must therefore withdraw from the Toronto Board of Fire Underwriters, while such an anomaly continues to exist. A copy of this order as a notice of withdrawal to be sent to the said Board of Underwriters.

"Yours faithfully,

"SCOTT & WALMSLEY,

"Managers."

We had promises that this would be remedied.

Mr. BAIN (Wentworth).—They promised to place you on equal terms.

INSURANCE.

By Mr. Fisher :

Q. This does not state that the charge is \$1. They are 45 cents or 50 cents?

A. Outside, sir.

Q. They are more in the city than outside the city? A. Yes, sir. Take the college at Pickering. That is charged only $\frac{3}{4}$ per cent. because it is outside the city limits and Wycliffe college pays 1 per cent., one is wholly without protection and Wycliffe college is surrounded by a fire brigade.

Q. They may be different classes of risks? A. Wycliffe college is completely isolated in the Queen's Park.

Q. Tell us why the Toronto rates are higher than the general rate. What is the tariff that they have filed here. It would be most satisfactory to turn it up from that, you know. A. I don't see anything about hospitals here. They have nothing here for dwellings. They have not given dwelling house tariff rate.

By Mr. Bain (Wentworth) :

Q. Your complaint is that you require to charge 50 cents where in other places they charge 35? A. That is outside of Toronto.

Q. I think you said you were required to charge \$1? A. Fifty cents for one year would be 1 per cent. for three years.

Q. What would you take it under their rates for three years? A. I am merely stating a fact given me by an inspector of one of their companies, that a church in Montreal was taken for 45 cents for three years.

Q. That was stated to you by one of their inspectors? A. Yes; of the Fire Insurance Association.

Q. Their required rate here is 35 cents per annum? A. That is outside of Ontario.

Q. What is it in Quebec? A. I do not know, I am speaking of Ontario exclusively.

Q. Was it in consequence of that you wrote this letter? A. In consequence of our knowledge.

By Mr. Fisher :

Q. I see in the tariff book the following :—

“TORONTO, 16th April, 1888.

“The following rates come into effect on and after the 1st of May next on all three years' risks situated in Ontario, east of the counties of York and Simcoe: Academies, churches, day schools, colleges, banks, insurance offices, court houses, charitable institutions, drill sheds not used for other purposes, hospitals, houses of refuge, nunneries and their contents.” I was going to say that I see Toronto is not given in the list of cities here at all. There is a classification of places, and we have Guelph, Hamilton, London and St. Catharines, but Toronto is left out? A. I might mention to you that when the Board was not working harmoniously, then they put them in class “A,” and thus discrimination has been made against Toronto. They charge 1 per cent. there for three years, and outside 70 cents and 75.

Q. I understand you to say that this Toronto Board is under the control of the Ontario Fire Underwriters' Association? A. They gave them these powers. For instance, when the London Board were not working harmoniously they legislated them out of existence and put them under class “A.” They could do that with the Toronto Board to-morrow.

Q. But the Toronto Board has independent powers? A. So long as the parent association lets them.

Q. Then they do let them? A. Yes; just now.

Q. This appears to be a special creation for Toronto? A. For Toronto? For the association.

Q. Do you know whether there is any such arrangement in Montreal as there is in Toronto? A. I am not aware. At the meeting of the Toronto Board, held in January, 1887, they adopted rule 20, as follows:—(Exhibit 45f,—Sec. 20.)

" DEPOSIT GUARANTEE.

" That a guarantee deposit shall be made by each company with the secretary of the Toronto Board of \$50, as a guarantee of, and to secure the payment of any fines that may be imposed under the rules—any fines deducted from this deposit to be immediately reinstated by the company. This deposit shall be made on or before the 15th day of February, and the other regulations shall come into force on the 1st day of March next. Should it be shown to the satisfaction of the Toronto Board, by a two-thirds vote of the members present at any regular meeting—the usual notice through board's printed minutes of the previous meeting having been given—that any of the officials or employes, or a company—a member of this board—has violated any of the rules or regulations, the board shall impose a fine on such person or persons so violating as follows, namely:—Twenty-five per cent. of the correct premium involved in the transaction, if it be a question of tariff, or commission, or consideration violation; and in other cases, a direct fine of \$5 for the first offence and \$10 for each subsequent offence by the same party or parties (but in no case shall the fine be less than \$5); and the report of the same, with the names of the offenders and the amount of fine to be conspicuously printed in the minutes of the Toronto Board of that date." (Also Exhibit 45p,—Sec. 58.)

By Mr. Bain (Wentworth):

Q. This is the decision of the Toronto Board? A. Yes; of the Toronto Board.

By the Chairman:

Q. Would you kindly tell us who the chairman and secretary of the Toronto Board are? A. Robert McLean is secretary and I think Mr. Alfred Smith is vice-president, and Mr. Henderson was president last year.

Q. They have the same machinery as the others? A. Yes; just the same.

Q. Were you fined? A. No; because I did not violate any rule. I was trying to live up to the tariff, but trying to get them to modify it and make it just. It was a pretty hard fight, however, for one company to do that. I remained in the Board and tried to do that. I induced the Toronto hospital trustees to spend something like \$1,000 or \$1,100 to protect their building from fire, and after doing so in the full expectation that it would be taken into account, it was brought up and voted down. That put me in a very awkward position, and if they cannot get it at a fair rate they will carry it to the other side. They are not anxious now.

By Mr. Bain (Wentworth):

Q. You have been in connection with this association while a member of the Toronto Board? A. Yes; up to that time and from the beginning.

Q. Was it common with that Board to occasionally fine members when they transgressed, or was this the first occasion? A. They have fined them.

By the Chairman:

Q. Were fines recorded on the minutes? A. Yes; there was one I could give you a record of.

By Mr. Bain (Wentworth):

Q. Then it was the custom of the Toronto Board, while you were a member of it, to impose fines on their members? A. I only, as a fact, know of one fine being imposed. Here is a record of the meeting (Exhibit 45h.): "Mr. McGurn's notice of motion re Mr. Pringle—letters were read from T. M. Pringle and Mr. F. A. Ball relative to the above, in the former of which was enclosed \$50, payment in full of fine imposed upon Mr. Pringle, the 5th day of June last, in consideration of which Mr. McGurn asked permission of the Board to withdraw the notice of motion which had been given, and moved in its stead:—

"That Mr. T. M. Pringle having now complied with the rules of the Board, the secretary be directed to communicate that fact to the manager of the London and Lancashire Fire Insurance Company; also, that it be printed in the minutes. Carried."

Q. He was suspended then until he paid his fine? A. No; he was not actually suspended, although it sounds like it.

Q. You were present at the meeting? A. No; I must have been present when it was discussed, but this was done in consequence of allowing commissions, which was a violation of the rules of the Board.

Q. How allowing commissions? A. Well, allowing commissions to the insured for the sake of securing business.

Q. Dividing up his own commission? A. Yes.

Q. That was practically giving to the insured a lower rate? A. Yes; giving away his salary to secure the business.

Q. It was like this, he divided his own commission? A. Yes.

Q. What process did you pursue? A. A committee would be appointed to examine into it.

By the Chairman:

Q. Did he divide his own commission? A. He must have attempted it.

Q. Did he divide his commission though? A. It would be hard to tell how it was done. It would depend on the working of the company for which he was doing business. In some cases where they allow a commission they allow an extra commission to the agent. For instance, if the agent sends down a voucher showing that he has paid out a portion of his commission he is allowed an extra commission. He might also give the whole of his commission away.

By Mr. Bain (Wentworth):

Q. But if he came back to the company and said he had to make a concession to get this business? A. Then the company would be responsible.

Q. Otherwise it does not appear in that case to have been the charge, because I understand you to say that it was dividing his commission or taking half of it? A. I remember the circumstances sufficiently clear to know that a rebate was allowed in this case.

Q. That was an offence in the eyes of the association? A. Yes.

Q. Did these fines frequently occur? A. This is the only case that I remember of.

Q. Did you while you were a member of this Board have investigations of this kind? A. No; what I suggested I think was adopted. There were frequently investigations held but I do not know that any of the charges were brought home so that a fine could be exacted except in this particular case.

Q. How were they conducted? A. Generally a committee was named.

Q. Did they administer a declaration? A. At one time they did but not a statutory declaration. We rescinded that.

Q. About what time was that in operation? A. I think it was about this very time. This was in 1884 and I think it was rescinded some time in 1885.

Q. It was not found to work well in practice? A. Persons objected to take the affirmation although it was the simplest way of getting at the facts. Then I received a letter from Mr. McLean.

By the Chairman:

Q. What was that payment? A. For the purpose of fines that might be imposed. The company had to deposit that and keep it good. You had to make the deposit so that the fine might be enforced.

Q. They take it from the company's guarantee? A. Yes.

Q. You acted in good faith? A. Yes; and that cheque came back to me in this form.

Q. Then you considered yourself a year ago a full fledged member of the association? A. Yes; and the cheque came back accompanied by this letter:—
(Exhibit 45i.)

“TORONTO, 2nd April, 1887.

“DEAR SIRS,—I am instructed by the Toronto Board of Trade to see that all companies comply with the rule adopted at the last annual meeting *re* agents of non-tariff offices which is as follows, viz:—

“That hereafter no officers, nor persons holding official connection with a non-tariff company or acting as agent, or sub-agent, for a non-tariff office, shall be eligible

to represent, or act for a tariff office, or receive or place business, or receive commission with or from a member of this Board, whether a general agent, sub-agent or in any other capacity whatever.'

"As you represent non-tariff offices, the Queen City cannot continue as a member of the Toronto Board and in consequence I am not permitted to send you as formerly the official ratings or other papers connected with the business of insurance. I therefore enclose the deposit guarantee cheque which you sent me on the 16th ultimo.

"Were your non-tariff companies to join the Board as the terms laid down in the minutes of the Toronto Branch of the Canadian Fire Underwriters' Association of the 8th December, 1885, and in accordance with which the Millers' and Manufacturers' Insurance Company joined the association, the rule above referred to would not require the withdrawal of the Queen City from the Board.

"I need scarcely add that I very much regret that the companies you represent are outside of an association in the formation of which your Mr. Scott took so active and lively an interest and which has done so much in placing the business of insurance on a sound basis, by rating risks on their merits, reference being had to the means possessed by each city and town for preventing and extinguishing fires.

"I am, dear sirs, yours truly,
"ROBERT McLEAN, Secretary."

I sent that back to Mr. McLean, because it was not my firm that sent it to him. It was from the Queen City and he returned that letter together with a cheque addressed to the president. The letter was as follows:—(Exhibit 45i.)

"TORONTO, 19th April, 1887.

"W. H. HOWLAND, Esq., President Queen City Insurance Company, Toronto:

"DEAR SIR,—On the 2nd inst. I wrote a letter to Messrs. Scott and Walmsley in which I returned the deposit cheque of \$50 made by the Queen City Insurance Company on the 12th inst. I received a letter from these gentlemen returning the cheque and stating that any communication I had to make on this subject should be addressed to you.

"I beg therefore to send you herewith the said deposit cheque for \$50, and also the letter of the 2nd inst. above referred to, in which you will find the reason for returning that cheque, and why the Queen City Insurance Company cannot continue a member of the Toronto Board.

"I am, dear sir, yours truly,
"ROBERT McLEAN, Secretary."

(Exhibit 45f, Agenda, sec. 16, and Minutes, sec. 33.)

By Mr. Bain (Wentworth):

Q. They practically fired you out? A. Yes; they fired us out.

Q. At that stage of the proceedings? A. Just there. I would like to know whether I am a member of the association.

Q. You were fired out of the Toronto Board? A. They swore to you that I was not a member of the association. If it is not one and the same thing, how could they fire me out?

Q. You are out in the woods so far as Toronto is concerned? A. They tried to do that.

Q. In this particular occasion you were not asked to explain? A. No; not in that matter.

Q. That is hanging a fellow first and holding an investigation afterwards? A. Yes.

By Mr. Fisher:

Q. The statement that they make there is true, that you are representing a company not in the association, a non-tariff company? A. Yes; all my other companies are mutual; there is no doubt about that.

By Mr. Bain (Wentworth):

Q. But up to this time they allowed you to represent these mutual companies and be a member of that board? A. Yes; certainly.

By the Chairman:

Q. Did this resolution passed at the Toronto Board become law without the assent of the higher association, of the Canadian Fire Underwriters' Association? They proceed to rate a building, for instance; does that become law without further action on the part of the higher board? A. Yes; I think it is objected to.

Q. Then this resolution was passed? A. Yes. You see all the companies are represented there.

Q. Now, since this Underwriters' Association was formed have you made a tariff of rate? A. Yes; I assisted in framing it.

Q. Was that higher than the previous tariff of the companies? A. No; there was a great deal of pains taken to try and make it equitable, and I did so far as my changes were concerned.

Q. Yes; but did it mean a general raising, did it raise the rates? A. No, sir, it did not as a whole.

Q. Did you lower any? A. Yes, sir, we did.

By Mr. Casgrain:

Q. Do I understand you to say that it did not raise the rates as a whole? A. No; I do not think that it did.

By the Chairman:

Q. You are speaking of the schedule you made in 1883 or 1884? A. In some instances the rates were raised and in some instances they were lowered.

Q. Were they rated on their merits? A. Yes; as far as one can.

Q. Then why did you object to this tariff? A. They jumped it up to three-quarters of one per cent. without any discrimination, without it being known. None of us were present at that meeting. We virtually left as I said in that letter, on the Friday, and the business on Saturday to be finished up was routine business (Exhibit 45 a $\frac{1}{2}$). It is in the minutes.

Q. In this letter to the National of Ireland you made objections that four mills advanced to two per cent., and those at two per cent. to two and one-quarter per cent. and two and three-quarter per cent., that is an advance of about 33 $\frac{1}{3}$ per cent.? A. Yes.

Q. Do you think that was justified? A. Well, from the experience we then had before us, it was.

Q. Do you think to-day, from your knowledge of that business, that it was justifiable? A. No, sir.

Q. Taking the cast iron rule without taking into consideration the moral hazard? A. You see, I was only one in the community there.

Q. I want your individual opinion as to the justice of that? A. No, sir. I think we have got nearer the basis in what we are doing in our companies now. We gave them 25 per cent. below that and are able to do it.

Q. Then after this raise of practically almost exactly 33 $\frac{1}{3}$ per cent. in your business, you thought the important business was over. The association raised it how much? A. Three-quarters of one per cent. on everything.

Q. Three-quarters of one per cent.? A. Yes.

By Mr. Bain (Wentworth):

Q. On their whole business? A. Yes; mills and storehouses.

Q. But they did not raise it on their other class of risks? A. No.

By the Chairman:

Q. You think that was wholly unjustifiable? A. No, sir; we had not tested it.

Q. The result was that there has been an increase of 60 per cent. with these two jumps? A. Yes. These are the facts. I think I will show you what our experience has been. That is the plan originally of the Millers' and Manufacturers' Insurance Company.

Q. Now your Millers' and Manufacturers' Association form a tariff on this same class of risk. How would your tariff compare with that? A. An average of 25 per cent. less.

Q. An average of about 25 per cent. less? A. They brought it back to about the tariff I had framed, to pretty nearly my own tariff.

Q. Not any higher? A. No; not any higher.

Q. And your experience after three years of that has been ample? A. We have been able to return ten per cent. on a cash basis and have been able to put up a very nice reserve.

Q. You paid ten per cent. to the shareholders? A. Yes; ten per cent. to the shareholders. The earning power of our capital is about six per cent.

Q. What percentage of reserve have you had this year to the paid up capital? What is the amount of your reserve? You paid in \$25,000? A. We found a difficulty in raising the capital. We stopped when we got to \$125,000.

Q. And ten per cent. of that is paid up? A. Yes.

Q. What is the amount of rest that you laid by? A. We have to balance, of the profit and loss account at the close of 1887, \$28,037.27. I am going to take the undertakings in force. We have reinsurance reserve of \$11,191.

Q. And in addition to that, you have cash to the amount of \$28,037? A. That is our reinsurance reserve. Our cash assets, which includes office furniture, which is a small thing, are \$32,308.39. Then we have our capital stock to call up.

Q. How do you make out capital stock not called up \$112,000? A. \$125,000 was the capital. I take this from the president's report at the last annual meeting in February:—"It is on the insistence of your having such appliances, combined with care, order and cleanliness, that we can expect to maintain in the future, as we have in the past, such a substantial reduction in the cost of insurance as 32½ cents on each dollar of premium paid, or an average of 48 per cent." That is virtually what we have saved the millers. They would have had to pay 48 per cent. more had they gone into an ordinary stock company on their ordinary basis of rates, and much more when you go into the schedule rating, as a man conversant with the spirit of the thing can see. There is an ideal mill. It is not according to the genius of Canada at all. Whoever went into a mill here and found it equipped like that?

By Mr. Guillet :

Q. Your tariff rate is lower than that which applies to the ideal mill? A. Yes.

By the Chairman :

Q. The ideal mill commences with a minimum rate of 2 per cent. and then it has additions of 25, 5, 10, 10, 25, 10, 25, 50, 25, 15, 25, 15, 10, 50 and 25 per cent. respectively, and only one deduction of 10 per cent. The ideal mill is a perfect mill, of course. There is none of that kind. You think that on a fairly good mill that tariff will be higher than the other one? A. No doubt it is. I might have put in a sample here to-day. If you would like me to put one in I might show you.

Q. Here is the same mill which is a little higher? A. There are some risks that we won't write on at any rate. For instance there is one that was burned. Mr. Hanson inspected this in 24th November, 1885, the Jonathan Ellis mill of Port Dover. Mr. Hanson's remarks written on that day are: "There is no fault to be found with the cleanliness and order. The machinery is first class; there is no crowding; floors, shafting and machines are kept clean. Everything is being worked to advantage and a large and profitable business is being done. Cotton is used pretty extensively; and the kicker revolves 1,100 per minute."

Q. What kind of a mill is that? A. A woollen mill, a knitting mill. Mr. Hanson remarks: "Consider it uninsurable until a number of radical alterations are made. This policy for \$6,000 expires January, 1886. He is willing to make alterations. Ellis is about purchasing the property." These are the defects that he reports. One feature in connection with our business is this that we do not ask the insured to sign anything. We take the responsibility; we see that the doors and everything else are all right, so that in the event of a loss we cannot raise any technicality as to whether this or that existed, and here is a specimen: "No fire doors

between boiler house and finishing room and boiler house and factory. Opening between boiler house and finishing room boarded up; should be bricked up. Picker room in attic (lined with tin; ceiling excepted). Steam jet inside. Picker room ceiling not lined with tin (lathed and plastered); not sufficient pails around, not sufficient water barrels. He wants a list of alterations required sent to him." That was burned down.

Q. Did he make the alterations that were required? A. No; we are on his new mill now. He made his improvements because we did not go on.

By Mr. Bain (Wentworth):

Q. And then it was burned up and you paid? A. No, sir; we did not go on.

By the Chairman:

Q. It is a good thing to have a good inspector? A. Yes; and we have a good inspector. I take a little pride in him because I trained him myself. He was not in the business until he came in with the Millers' and Manufacturers'.

By Mr. Guillet:

Q. With reference to the flour business, the roller mills and the old process mills? A. We make no distinction when we accept them unless they are not doing a profitable business.

Q. There is no distinction on the tariff of the Underwriters' Association? A. No; no distinction.

By Mr. Bain (Wentworth):

Q. You look at the moral hazard, however, very closely? A. Yes.

By Mr. Guillet:

Q. The moral hazard is greater in the old process mills? A. In some instances it might be. Where they are doing a nice custom business and the moral hazard is all that can be desired.

Q. They are getting out of date. Do you not consider there is more risk of their being burned in order to get the new process? A. That would be as defined the other day. A man who deliberately set fire to it.

Q. How many of these old process mills have you? A. Two or three. I want to draw your attention to the fact, while I am on that subject, that the association do not take into consideration the moral risk at all. That was stated to you on Saturday, to my amusement. They did not understand that there was any moral hazard except the one of incendiarianism.

The CHAIRMAN—Here is a paper that Mr. Scott submits in connection with the question as to whether they are boycotting (Exhibit 45k).

“BOARD OF FIRE UNDERWRITERS, TORONTO, 23rd February, 1888.

“DEAR SIR,—I am directed to request a reply in writing, to the following, to be forwarded in time to be presented by me to the next Board meeting.

“By order of the Board
“ROBERT McLEAN, Secretary,”

Query:—

“1. Has your company renewed any risks with the firm of Scott & Walmsley, or any employee of the firm, with or without commission, contrary to Rule No. 8, which reads: That hereafter no officer nor any person holding official connection with a non-tariff company, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office, or receive or place business, or receive commission with or from a member of this Board, whether as general agent, sub-agent, or in any capacity whatever,” and came into force annual meeting January, 1887. See names below.

- Firm of Staunton & Co., King Street, West.
- do do Factory, North Toronto.
- Firm of Ely, Blain & Co., Front Street East.

Reply.....

Signature.....
“RICH SCOTT.”

Mr. BAIN—This is from the Toronto Board. Is it?

The CHAIRMAN—I think Mr. Robert McLean was unfair with this Committee.

By Mr. Bain (Westworth):

Q. Is that the Toronto Board, Mr. Scott? A. Yes; that is the Toronto Board.

The CHAIRMAN—Mr. McLean told us that that resolution was rescinded. What is the date?

Mr. GUILLET—February 23rd, 1888.

Mr. BAIN—It appears from that McLean was the secretary of both these associations.

The CHAIRMAN—He said there was a joint association for the two provinces. He led us to believe—

Mr. BAIN—I don't think he said anything of the Toronto Association, Mr. Chairman; I may be mistaken.

The CHAIRMAN—It would be desirable in the interests of the Toronto people that Mr. McLean should be again summoned before this Committee to explain. We were asking for full information, and he gave us this information, that this resolution was passed, that it was rescinded and that there was no such resolution in existence and that there was no boycott.

Mr. BAIN—Until Mr. Scott spoke I don't remember of having heard of a separate association for the city of Toronto.

By Mr. Guillet:

Q. What has been the object or effect of it? Has it been to raise the rates or lower the rates? A. Well, it has kept up these rates, as I told you. I have got the hospital authorities to spend some \$1,100 in order that they might lower their rates. I am placing hospital risk at $\frac{1}{2}$ per cent. for three years, and they pay the association $33\frac{1}{2}$ more. Mr. Tatley told you of the disastrous fires in Quebec. They have had a good many that I knew of in the last ten years, yet their rates are much lower than in Toronto.

By the Chairman:

Q. The rates for the city of Montreal are lower than in Toronto? A. Yes.

Q. How do you account for that? A. Owing to the extraordinary influence of the English companies.

By Mr. Bain (Westworth):

Q. Suppose you give us a specific quotation? A. I am giving you the Jesuit Church.

Q. Come down to the business transaction? A. Well, I heard of schools. You would get them down in Montreal for 45 to 50 cents and they would charge 60 cents in Toronto; I am speaking per annum. My impression is that that would be about the rate. It would be 10 cents more in Toronto.

Q. What do they charge for a wholesale warehouse along the front of the city? A. Their rate is about 60 cents on wholesale places. That is about the minimum figures.

Q. In Montreal 45 or 50 cents. Any greater security? A. Not such great security, I contend. I might say that the Queen City in 17 years, out of a \$10,000 capital has earned \$158,000 or 400 per cent. As we say: "This company has demonstrated in the most practical form the value of the system of 'inspection' and 'selection' in fire underwriting, having returned, since its organization in 1871, to its shareholders in dividends, \$66,000; now has at the credit of rest, \$75,000 and of profit and loss, \$17,254.74, making a total of \$158,254.74, earned by a paid-up capital of only \$10,000."

By Mr. Wood (Westmoreland):

Q. Does not the Underwriters' Association keep up rates of the stock companies; would that not operate then to the advantage of the mutual companies? A. Yes, but—

Q. Does it not operate to the advantage of the mutual companies? A. I think that it will, now that persons are becoming alive to it. You see that many of our important industries have got to resort to loan companies and banking parties,

and as a rule they have ostracised mutual companies, and we have broken the ground, as the Millers' and Manufacturers' Insurance Company is being accepted by all the loan companies that I know of.

Q. The banks and loan companies are doing this? A. That is the general objection to mutual companies.

Q. It is the banks and the loan companies that affect you rather than the association? A. That is true, so far as that is concerned. You can easily understand that there is no capital at the back of them vested in trustees.

By Mr. Bain (Wentworth):

Q. There is just this difficulty: You have to give a premium in a mutual company and you have a distinct liability as long as you are in a mutual company? A. We only take a man equal to the amount paid in cash.

Q. You take a premium note for the balance upon which they are liable to be called? A. If it is one per cent. we take a premium note for one-half, and collect one-half, so that the insured is never at any one time liable for an assessment of a greater amount than the amount of his cash premium.

Q. He has already paid his cash premium? A. I say in addition to his cash premium. In the English mutuals they take five times.

Q. It is not a question of quantity, but all the same you have a double liability? A. Yes; it is a double liability.

By Mr. Guillet:

Q. Do you confine your business to Toronto? A. No, sir. Last year we extended the Queen City charter to all over Ontario. We had our charter extended.

Q. You do business outside of Toronto? A. We do now. Before, when we first applied for a charter, we restricted it to the county of York until we built up our reserve. Since we have our reserve we are extending.

Q. Do you do a pure mutual? A. The Queen City is stock. We give a portion of our dividend to our policy holders now that we are in that position.

Q. You put up your deposit and do a provincial business? A. Yes.

By Mr. Guillet:

Q. Have you established agencies outside of the county of York? A. No; we are trying to do it on the same lines as the way we commenced, by direct inspection, giving a benefit.

Q. You have to receive applications direct, irrespective of agencies and canvassers? A. Just salaried officers. They go there.

By Mr. Bain (Wentworth):

Q. You are doing the same business that you have heretofore been doing in the Millers' and Manufacturers'? A. Yes; just so.

By Mr. Wood (Westmoreland):

Q. Are you of the firm of Scott & Walmsley referred to here? A. Yes.

Q. I can see that one ground of your contention. The Fire Underwriters' Association has this rule or regulation that they prevent an agent from doing business for any company not in the association at the same time he does business for his own? A. Yes.

Q. That is a sort of boycotting business? A. Precisely.

Q. That is a good objection. I can hardly see the use and force of the other objection that the remedy, the raising of the rates by the Fire Underwriters' Association raising the rates on mills, was the formation of these manufacturers' insurance companies. A. Yes.

Q. Who has been hurt by it? A. No person.

Q. Except companies that were in the association. They have lost business? A. True.

The Chairman then referred at some length to underground insurance, showing how under the higher rates a great deal of the insurance went to the United States.

By the Chairman:

Q. Have the proof in the cases that have come to our notice that they have raised the prices, for instance, on the millers and manufacturera. Every change that

has been made has been a general raising of the prices? A. Well, in some instances it has. You mean with this tariff schedule rating?

Q. Yes? A. It has certainly raised it.

Q. It is for manufactories of various kinds. It has raised it all along the line. What has been the general effect in the cities and towns and all over by the changes that have been made from the first tariff of the association? For example, dwelling houses? A. I think they have reduced them in Ontario except in Toronto. There they have kept them at that high standard.

Q. But the mutual companies have been doing the business outside. Perhaps it was they who kept the rate down? A. There is no doubt that they have studied them. Look at the rate made by the Isolated Risk in 1873. If that company had devoted their time to legitimate business instead of sending its little bulletins through the country decrying mutual companies, they would have been in existence to-day. They sent them broadcast all over the country attacking mutual companies.

By Mr. Bain (Wentworth):

Q. Was that the cause of their failure? A. I think it must have been. I think if they had devoted that time to legitimate business they would have been in existence to-day. I know my whole time is occupied looking after my business.

By Mr. Wood (Westmoreland):

Q. Are these companies making a large amount of money; that is these companies that belong to the association? A. You could not expect it. The great difficulty in making money with companies that are in the association is the way they pay their employees by commission and the fact that there is no discrimination in taking risks.

Q. I was not asking the reasons, I was asking the fact? A. I cannot tell until I see the returns. They have had disastrous fires in Montreal.

Q. Take for the years that returns are in? A. I think their position has been improved.

By the Chairman:

Q. Notwithstanding that business is going to the States? A. Yes.

By Mr. Wood (Westmoreland):

Q. Are they making more than a legitimate profit? A. I do not think that they are, as they do the business.

Q. Is not the real difficulty in these rates largely to be attributed to the difference in the system upon which mutual companies do their business? A. Yes; entirely so. When I tell you that these New England companies brought it down to 17.1 per cent. and the average for some years has been only 28.

Q. Where are the cotton companies insured? A. Nearly all in New England as are also the paper mills.

Q. Do any of the companies have branches in Canada? A. No.

By Mr. Bain (Wentworth):

Q. Then you think the effect of this combination has been to drive that class of business over there? A. To a very great extent.

By Mr. Wood (Westmoreland):

Q. How do you make out here? A. I gave an instance in the letter which I read to you. The Riordan Paper Mill is one.

Q. Could our companies under any circumstances, taking the cotton mill business for example, do that business at the rates they get in the mutuals in the United States? A. I think there would be a feeling here among our manufacturers that they would pay an equitable rate and allow a margin. Many of them would anyway.

By the Chairman:

Q. I cannot see why Canadian companies cannot insure your building for the same amount as the American companies. It is the same risk? (No answer.)

By Mr. Wood (Westmoreland):

Q. What I am coming at is this: Take the cotton mill, they have a mutual organization, as I understand, in the United States, where they simply assess on the

different mills the losses which occur in the year, and in that way they get their insurance at an exceedingly low rate? A. Just so.

Q. Now if I understood your statement a little while ago, I must say that I quite agree with you in saying that it is utterly impossible for stock companies to do business at those rates? A. Of course they cannot.

Q. And the reason that these cotton mills would go to the United States is because it is impossible for these companies to do business at those rates? A. But you must remember, coming back to what I stated, that it is the insured who pay the losses and expenses. They create the necessity. It is so in every instance, no matter whether you call it stock or mutual. There is a certain class of business that stock companies will always command and they should not be antagonistic to mutuals. They are fighting against the very source on which they depend for their existence. Now here is a case in point, which I referred to in my letter (Exhibit 45a): "Last week the Merritton Cotton Mills Company placed \$100,000 of their risk in American companies, \$10,000 of which was covered last year under your 'National' policy 201842, as a great personal favor we were able to retain \$5,000 covered now by your policy."

Q. That is an exceptional circumstance? A. Yes; but there are a great many in a young country like Canada, situated in the same way.

Q. But if these stock companies on account of the system upon which they do their business cannot afford to do it at those rates you cannot make them? A. But if there were no fires there would be no companies. There is always a certain class of business open to them.

Q. I may say that I agree with what this gentleman has said that the cheapest principle of insurance is mutual? A. It is the only insurance that exists. It must be mutual, no matter what names you call it by. There is one thing that I would like to draw your attention to, and that is the great fire waste in Canada. I will leave this book with you (Exhibit 45m) for it is the only one I know of in Canada. You take the fire waste in Canada for the ten years between 1875 and 1884 and it amounted to the enormous sum of \$91,946,336. Then you take the year 1884 alone and it amounted to close upon \$7,000,000, the actual amount being \$6,900,815.

By the Chairman:

Q. How much of that \$91,000,000 was paid by the insurance companies? A. \$41,602,862. I do not see why we should not have a system of fire marshals appointed throughout Canada to look after and compel a certain amount of carefulness. You have your Factory Act which I believe compels a certain amount of care in connection with machinery. Judge Ritchie, I think he had some connection with insurance at one time, and he had this clause inserted in the policy:—

"Where insurance is upon buildings or their contents, for loss caused by want of good and substantial brick or stone chimneys; or by ashes or embers being deposited with the knowledge and consent of the insured, in wooden vessels; or by stoves and stovepipes being, to the knowledge of the insured, in an unsafe condition or improperly secured."

Now that has been accepted, and that gives an agent going in, the power to show him that he is violating his policy to do so. Canada, however, ought to devise some measure in this direction, and this Committee ought to take the initiative. I think a recommendation from this Committee would have some effect. I will draw your attention to what we have saved through the Millers' and Manufacturers'. There are cards of thanks that we have received setting forth what value our inspection has been and the suggestion made. The last one involving \$50,000 was saved by having pails of water on hand (Exhibit 45n) and this is important when you consider that it is just so much capital saved.

By Mr. Wood (Westmoreland):

Q. Are there any advantages from this Association of Fire Underwriters at all? A. There is undoubtedly if conducted properly. I must admit that it steadies rates. No man in business wishes to do business with a company that is losing money or is drifting in that direction.

Q. Then it is an advantage in making certain regulations obliging cities to make provision for putting out fire? A. They do to a certain extent.

Q. It is claimed by gentlemen who were here the other day, that as a result of this united organization, they could go to a city and say: "if you will get certain appliances to put out fires, we will reduce your rates"? A. There is no question that they have done good in that direction; but I think the Government should go a step further. It is the incipient fires that they could take care against. Take any one of these warehouses here, and if I were to take you through to inspect them, you would be amazed.

GEORGE HANSON, SWORN.

By the Chairman:

Q. What is your name, occupation, and address? A. George Hanson, Inspector for the Millers' and Manufacturers' Insurance Company, Toronto.

Q. What is the Millers' and Manufacturers', a mutual or a stock company? A. It is mutual. The business is purely mutual.

Q. You have stock? A. Yes; we have stock.

Q. What is that for? A. To give absolute security for the insured.

Q. What classes do you specially insure? A. Special hazards, factories of all descriptions, mills, foundries, tanneries, &c.

Q. Have you agents soliciting business? A. No, sir, all the soliciting is done by me.

Q. Applications are made, and you go to inspect? A. Yes; I have the application and make a report which is submitted to our board of directors, and they decide whether they will accept it or reject it.

By Mr. Bain (Wentworth):

Q. Do you go back and re-examine, and see whether changes have been made? A. I examine two or three times a year if possible. I keep up a system of re-inspection all the time.

Q. You have seen this Canadian Fire Underwriters' schedule? A. Yes.

Q. How does your tariff compare with it? A. It is considerably under.

Q. Do you think this is an unworkable tariff or that it imposes too high rates?

A. Undoubtedly. I have known of cases where the rate has been jumped up 50 per cent.

Q. Since this schedule was brought in? A. Yes; recently.

By Mr. Bain (Wentworth):

Q. As the result of their examination? A. Yes; by the association inspector.

Q. He considered the property to be hazardous? A. He makes a report and the board makes a rate.

Q. His would be a similar inspection to yours? A. Not quite. He just takes into consideration the building and construction of it; whether the chattings are running all right, &c.

By the Chairman:

Q. You take into consideration the moral hazard? A. Yes.

Q. This schedule we have here, is there no moral hazard included in it in any way? A. No.

Q. There is nothing left to the discretion of the agent? A. No. They simply fix the rate on the report of the inspector and that is given to the agent of that district, and he simply gets that rate without enquiring any farther into the moral hazard.

Q. Do you think the moral hazard is an important element in your inspection? A. Yes; I am very careful in making enquiries, and even after that our directors, who are all manufacturers and merchants themselves, very often know more about the man than I can possibly obtain.

Q. As to his methods of doing business and standing? A. Yes; and very often a risk, the moral hazard of which I should consider good, they condemn.

By Mr. Bain (Wentworth):

Q. You enlist their aid and co-operation, being interested in having your risks in good shape? A. Yes.

By the Chairman:

Q. How long have you been working for the Millers' and Manufacturers' Association? A. Three years; since organization.

Q. What has been the result of your examinations and recommendations as to risks? A. I consider it has been highly satisfactory. We have had very few fires, and a great number that I have made inspection of have been condemned on the ground of the moral hazard involved, and have been burned out.

By the Chairman:

Q. You say that the directors sometimes refuse to take risks? A. Yes; the directors refuse to take risks.

Q. And they have since been burnt down? A. Yes.

By Mr. Guillet:

Q. In reference to flour mills, the old process mills, do you find them in good business connection and doing well; when you find them in this position do you insure them at the same rate as the roller process mills? A. We have only two or three and the moral hazard is unquestionable.

Q. Do you take into consideration that a roller mill might be established in the neighborhood and take away their business? A. Yes; we do, certainly.

Q. Would you be at liberty to cancel their policies then? A. Oh, yes; and they could cancel also.

Q. As a matter of fact this company has only taken two or three? A. We have evidence that they are not in the same position as the others, they are not in as advantageous a position now as before the roller mills came in. We have not considered the moral hazard in the stone mill as good as the roller mill. I have noticed lately, that there has been a reaction in favor of the old process flour. It is not general, but it is a reaction.

By Mr. Bain (Wentworth):

Q. In that case you think the moral hazard better? A. Yes; better.

Q. Three year risks? Are they three year risks? A. No; only one.

By Mr. Guillet:

Q. You place a three year risk sometimes? A. Yes.

By the Chairman:

Q. The mutual rate for farms is generally three years, but in the manufactories where there is much risk it is only one. You say that your inspection has been pretty satisfactory. Your care in taking the moral hazard into account has resulted in advantage to the company and of course to the insured? A. Yes.

Q. You have to pay the losses? A. Yes.

Q. About what is your rate, say for flour mills? A. For first class flour mills, what we would consider a standard mill—

Q. A first class mill whether stone or roller, a water mill I mean? A. Our rate is from 1.75 up to 2 per cent; in some cases a little lower.

Q. It would be about an average of 1.75? A. Yes, and in some cases a little lower than that. The average would be about 1.75. It is really about 2 per cent.

Q. The other companies charge $3\frac{1}{2}$ to $3\frac{3}{4}$ per cent.? A. Yes, and up to 5 per cent. on some frame buildings, that is if the boiler house is not perfect. About $4\frac{1}{2}$ per cent. if there is a boiler house.

Q. A steam flour mill minimum rate is $2\frac{1}{2}$ per cent. for a perfect mill and the water power is 2 per cent., and there are additions to be made to that. The tariff that you charge—has experience proved that it is sufficient to insure and pay all expenses? A. Yes, sir.

Q. And according to your report it has given you a rest in addition; the company has set aside a rest? A. Yes.

Q. That would be an evidence that the charges you make are sufficiently high? A. Yes.

Q. And consequently that the charges in this tariff must be exorbitant? A. Yes; they do not sufficiently discriminate between a good and a bad risk.

Q. That is the great difficulty of a good and a bad risk being too near together? A. Yes; the good risk has to pay for the bad one in many cases.

By Mr. Wood (Westmoreland):

Q. Do you insure lumber and saw mills? A. No.

Q. Do you find any dissatisfaction among those you insure about your rates? A. About combination rates?

Q. No; about your rates? A. Oh, most insurers want to get as low rates as possible.

Q. Some consider it too high? A. Everyone thinks he has got the best risk, but they are open to conviction and we got along very pleasantly. The cases where there is any dissatisfaction are very few indeed.

By the Chairman:

Q. You take premium notes and cash payments too? A. Yes.

Q. You charge $1\frac{1}{2}$ per cent.? A. Yes.

Q. And then you take a note for $1\frac{1}{2}$ per cent. more? A. Yes; we collect 50 per cent. of the note.

Q. You take a note for $3\frac{1}{2}$ per cent? A. Yes; and collect one half of it.

Q. Have you had to collect more than one half? A. No; we have returned rebates, giving a portion of that back again.

By Mr. Bain (Wentworth):

Q. You have made no assessment in three years? A. No.

By the Chairman:

Q. The cash you received is sufficient to pay your losses? A. Yes; I might say that our average rate on first-class stone mills with boiler house separated entirely from the main building, and with water power, would be about 2 per cent., but there are places where the appliances are extraordinarily good and we might take lower than that—1.85 or 1.75 per cent.

Q. A steam flour mill? A. No; water mill.

Q. 1.75 for a water mill? A. Yes; but the average would be about two per cent. all round. Where the boiler house is away from the mill, and there is no connection between the mill, we would lower the rate. Where the boiler house is 20 or 30 feet away we would lower it.

By Mr. Bain (Wentworth):

Q. Then you do business at 1.75; and you get a premium note and collect it afterwards? A. Yes.

By the Chairman:

Q. Has no intimidation been used towards you by these companies in the Underwriters' Association? A. Yes.

Q. State what it was? A. Well, for example, where we cannot carry the whole of the insurance on a large establishment, other companies, through their agents, have refused, and have threatened not to carry the balance of the insurance if they found that they were sharing the business with us.

By Mr. Bain (Wentworth):

Q. What is your limit? A. Our limit on first-class risks by re-insurance, is from \$30,000 to \$40,000, but that limit without re-insurance is \$5,000.

By the Chairman:

Q. This re-insurance then is not with any members of the Fire Underwriters' Association. A. It is outside of this combination.

Q. With companies doing business in Canada? A. Yes.

By the Chairman:

Q. You have found that they used intimidation with the insured parties by saying to them "you will either have to get out of that or get out of ours"? A. Yes; some of the most respectable firms.

Q. And has that come under your notice? A. Yes; during the last three years.

By Mr. Bain (Wentworth) :

Q. Have you lost any business by that means? A. Yes.

Q. And the insured parties have lost money? A. Yes. That could be verified as often as you wished, if it was necessary.

Q. You can give statements of the instances? A. Yes.

Q. Would it be judicious to ask? A. No, sir, it was in confidence.

By Mr. Guillet :

Q. You lost these risks and they were taken by another company, and they suffered by taking them? A. They lost money by not insuring with us.

The CHAIRMAN—He offered to do it at one and three quarters and the other charged two and three quarters.

Q. If you take a risk of \$30,000 or \$40,000 and reinsure, will you get it done at the same rates? A. Yes; at the same rates. They take our rates.

Q. Even not in the combination? A. Yes, not in the combination.

Q. Did you ever get it done at the same rates in the combination? A. No, sir, we do not reinsure with them at all.

Q. And that has interfered materially with your business. A. Very materially.

Q. Do you find that has acted now, as it was? A. Not quite, because in many cases that has been sufficient to make them come to us, in some cases where we have only taken a portion of insurance I have had to make an agreement that if the other companies will not re-insure, and they are unable to place the balance with the combination companies, that we would take it. We would help them out of the difficulty where they didn't wish to place it all in one policy.

Q. Have you ever had any trouble with companies for not re-insuring them? A. No, sir.

Q. How have they always met their obligations to you? A. Promptly.

By Mr. Guillet :

Q. These factories desire to insure with you at your rates, and you were compelled to insure with other companies you say; would that be because those companies had mortgages with loan societies, who have special rules forbidding insurance with mutuals? A. Well, in some cases, but latterly our policies have been accepted by almost all of the loan societies and a considerable number of banks, but in cases where the president of a loan society or the agent of a loan society or a bank official has the agency of another company, of course he would object to us.

Q. I do not understand why any factory would obtain a much higher rate than he could obtain good insurance from you, without some pressure on the part of the loan company? A. Well, some people don't believe in mutual companies at all.

Q. Possibly the pressure was such or the persuasion brought to bear upon the insured would induce them to take higher rates? A. Quite so.

By Mr. Bain (Wentworth) :

Q. On a \$30,000 or \$40,000 policy, you would have to replace so much of it? A. Yes.

By Mr. Guillet :

Q. Stock companies will take larger amounts. For instance, they individually take larger risks? A. I do not think individually they take any more. There are not many individual stock companies, tariff companies, that take more than \$5,000 on a manufacturing risk.

By the Chairman :

Q. They divide it up just as well as you? A. One company may take \$25,000 and re-insure the same as we do.

Q. Can you give us an example of this intimidation? A. Well, I would not like to without consulting the parties, both east and west of Toronto, that has occurred from time to time.

Q. In many instances? A. Yes; many instances.

Q. Recently? A. Well, not very recently.

By Mr. Bain (Wentworth):

Q. Is that not where you were cutting into their business or where you were simply taking your own line of \$5,000? What were the circumstances surrounding these cases generally? A. It would not matter whether it was 5 or 20.

Q. You were taking the whole amount of their insurance? A. Only a portion of it.

Q. Taking it at lower rates? A. Yes; at lower rates.

By Mr. Guillet:

Q. In the case of a manufacturer who wanted to put an additional \$5,000 above what he had in these companies, and you took it, would this Underwriters' Association notify him, the manufacturer, that the others would withdraw the risk? A. They might do it.

Q. They haven't done so in any case? A. I haven't heard of any case of that kind.

Mr. BAIN—It was only where they are cutting in taking larger amounts.

By Mr. Wood (Westmoreland):

Q. Has there ever been a case such as this? A. Not where insurance has been put on and an addition of \$5,000 or \$10,000. I don't know that has been done. I don't think that there has been such a circumstance, I cannot call to mind any case.

Q. Has there been a case where you have offered to take \$5,000 renewal policy instead of one that was in some of these companies, and the result was that they cancelled the policy or told the persons that they would cancel it? A. The statement has been made to me by the insured that they have been threatened with that from head-quarters, through the agent of the town or village.

By Mr. Guillet:

Q. Have you lost a policy in such a case? A. Yes. There is one case where we negotiated for a certain amount, where we could take some \$75,000 and I didn't get it. I asked why, and he told me that the agent had threatened to deprive him of the protection of all the combination, if they gave us 5,000 or 10,000 or any amount.

Q. That is a case in point? A. That is a case in point and they wrote stating that they were prepared to take the \$75,000 that I had been promised.

Q. Do you know an instance of a company after you had insured a property withdrawing and cancelling their policy? Have you any instance of that kind? A. I cannot give you a particular instance. The threat has been made. I cannot say that it has been carried out. I know that we have lost business.

Q. Can you tell us where you lost business?

By Mr. Wood (Westmoreland):

Q. How long ago? A. Well, this one particular instance of the large amount is about two years ago, not more than that. The threat has been repeated since.

By the Chairman:

Q. In the same case? That refers to the same person? A. That refers to others in the same town.

Q. At a recent date. You have heard it repeated at a recent time? A. Yes; and I have had to make an agreement with them to place the balance with other companies. That I would help them out of the difficulty.

Q. Have you looked for these? A. Yes.

Q. Who are they? A. Spink Bros.

Q. They have been rated by this tariff. We have here the Underwriters' tariff? A. Yes.

Q. What is the rate for Spinks' mill?

Mr. SCOTT—A. On Spinks' mill the rate would be \$3.55.

Q. What do you call the present rate, is that the underwriters' tariff? A. Yes; that shows that the schedule rate has increased.

Mr. SCOTT.—On the schedule rating the Spink mill was placed at \$3.55, whereas the exact rate was \$2.75, making an increase of 80 cents per \$100. The McLaughlin and Moore mill, the schedule rating made it \$3.75, while the exact rate was 3 per cent., making an increase there of 75 cents. On the Howland mill, Thorold, the

schedule rating was \$3.40, and the present exacted rate is \$2.75, making an increase of 68 cents per \$100.

Q. Spinks' mill and the Howland mill are water mills, and the McLaughlin and Moore mills are steam? A. Yes.

The Committee adjourned.

HOUSE OF COMMONS, OTTAWA, 8th May, 1888.

The Committee on Alleged Trade and Insurance Combinations met this morning, Mr. Wallace in the chair.

WILLIAM YOUNG, Chief of the Ottawa Fire Brigade, sworn.

By the Chairman :

Q. How does the fire protection this year compare with four or five years ago?
A. It is better now than then.

Q. In what way? A. We have increased our numbers in the force, and we have increased our appliances.

Q. You have increased the number of men of the fire brigade? A. Yes.

Q. What increase? A. 17 to 32, nearly double.

Q. And in what other way have you increased it? A. We have two more reels; we had four and now we have six.

Q. The area of the city is a little extended? A. Yes; a little. We have also an extension ladder of 75 feet, which we can raise to the top of the highest building.

Q. And is your brigade in a pretty efficient state? A. Yes, sir.

Q. What about the losses for a series of years. Have you a record of the losses?
A. Yes; we keep a record as far as we can ascertain. Here it is from 1877 to 1887.

Q. I see that the number of alarms and the losses are as follows:—

| Date. | No. of Fires. | Losses. | Insurance. |
|-----------|---------------|----------|------------|
| 1877..... | 120 | \$24,275 | \$105,900 |
| 1878..... | 119 | 19,107 | 167,880 |
| 1879..... | 104 | 15,586 | 124,050 |
| 1880..... | 96 | 27,473 | 131,680 |
| 1881..... | 108 | 11,482 | 65,000 |
| 1882..... | 98 | 13,488 | 140,630 |
| 1883..... | 117 | 25,098 | 88,075 |
| 1884..... | 111 | 10,939 | 32,000 |
| 1885..... | 99 | 16,465 | 72,215 |
| 1886..... | 125 | 36,454 | 194,250 |
| 1887..... | 141 | 88,661 | 182,475 |

I see the losses last year were far ahead of any previous year. How do you account for that? A. Five of those fires were large buildings and lumber yards and mills, and things of that kind. In January last we had a fire in the Canadian Institute, the loss being \$12,000; in March Mr. W. W. Brown's place took fire, the loss being \$6,500 on goods and buildings; in April we had a fire at Messrs. Perley & Pattee's mill, the loss being \$15,000 (that is, their lathing mill); in July there was a fire in the Davis block in Rideau street, the loss being \$6,500 between buildings and stock, and in Woodburn's, the loss being \$7,300 on stock principally, and in September there was a fire in Murray Street, Mr. Lamarche and six others suffering to the extent of \$10,000. That makes a loss of \$57,300 in six fires.

Q. Then you think your security in the city is greater than it was five or six years ago before the Fire Underwriters' Association was established? A. I think so. I am pretty sure it is. We have more appliances and more men, and the water supply is fully equal to what it was.

Q. Have you strengthened your water power in any way, increased the power?
A. No.

Q. Have you ample power for fire purposes? A. Yes. The fact is we have used nothing but our water power yet except outside the limits. The Union has been used once or twice over at the mills, but they could have done as well over there without it.

Q. Do you know what rates of insurance you pay now? A. We are as low as any other city in Canada.

Q. You are in class A? A. Yes, they say so.

Q. Have you always been in class A? A. Previous to the year before last we were in class B. I think they classed us in B once.

Q. Being in class B before and class A now, the rate of insurance ought to have lessened? A. Yes. They lessened the rates on lumber I know last year.

JOHN FERGUSON, Manager of the Grand Opera House, Ottawa, sworn.

By the Chairman :

Q. You have heard the evidence of Chief Young about the increased fire protection in Ottawa? A. Yes.

Q. You have buildings in various parts of the city. A. Yes.

Q. You have an Opera House? A. Yes.

Q. Have you any record of the insurance that you paid some years ago and what you are paying to-day? A. Yes, I have on the Opera House.

Q. Is the Opera House in about as safe a condition as regards fire as it was? A. Yes, just the same. There are some of my policies.

Q. I see that in 1882, from the 29th March, 1881, to the 29th March, 1882, you paid \$90 premium for a policy of \$3,000 for one year? A. Yes. That is 3 per cent., but in 1884 it was raised to 5 per cent.

Q. I see also that for a \$2,000 policy you paid \$50 premium, 2½ per cent., in the Standard Fire Insurance Company of Hamilton, in 1879. At the same time you had this 3 per cent. in the Royal, you had this 2½ per cent. in the Standard? A. Yes.

Q. This rate at which you insured in 1879 continued for several years? A. Up to 1884. Since 1884 it has been raised.

Q. Well, then, this is 1888. I see you pay \$150 premium for a policy of \$3,000. This is the same building, and the policy is dated 29th March, 1888, for one year. This is the Royal Company and they are charging you 5 per cent? A. Yes.

Q. And since then the city has been changed from class B to class A. A. Yes. It was in 1884 when they made the raise.

Q. They raised it from 3 per cent. straight to 5 per cent. A. Yes, sir.

Q. When do you say they raised it? A. In 1884.

By Mr. Wood (Westmoreland) :

Q. Did they give you any reason for raising it? A. Well, they gave me no reason.

Q. Did you ever ask them why? A. Well, before the combination, I was insured in the Citizens' and in the Standard, the rate in the latter being 2½ per cent., and after the combination they would not take it at any other rate than the 5 per cent., and I had to take it from the Citizens' and Standard and give it to the Lancashire and Royal.

By the Chairman :

Q. All the companies charge you the same rate? A. Yes; they do now.

Q. Naturally, then, you would insure in what kind of a company? A. The strongest company when I had to pay the same rate. I would be content to run a certain risk if I could get it for less.

Q. In what companies do you insure now? A. In the Royal and Lancashire.

Q. These are both English companies. The effect is to drive the business from the Canadian companies into the English companies when there is a uniform rate? A. Yes.

Q. Then your experience with the Opera House is that they raised your rates. Now is it less safe or secure or is there more danger of fire in 1888 than there was

in 1882 or 1883? A. Not so much, because I have facilities for putting out fires, such as fire hose, &c.

Q. That you had not then? A. Yes.

Q. And which makes it still more secure? A. Yes.

Q. And they have raised the prices on you? A. Yes.

Q. You have other property in Ottawa? A. Yes.

Q. How about the rate of insurance on your other property? A. That is about the same.

By Mr. Guillet:

Q. There is no advance? A. No, sir.

By Mr. Bain (Wentworth):

Q. But it is not any lower? A. I do not think so. In looking over my receipts to-day I found it is about the same rate. Three-fourths of one per cent. for buildings for three years.

Q. That is for private dwellings? A. Yes.

Q. They are more or less isolated? A. Yes.

By the Chairman:

Q. The rate is three-fourths of one per cent. for three years? A. Yes.

By Mr. Guillet:

Q. These isolated dwellings are not in the combination but are in mutual companies? A. No, the Queen's.

Q. The Queen City of Toronto? A. The Queen's is an English company. The combination has the effect of freezing out the weaker companies.

PATRICK KELLY, sworn.

By the Chairman:

Q. Will you give the Committee your name, occupation and address? A. Patrick Kelly, Blyth, Ont.; occupation, miller.

Q. You have heard the evidence about insurance from these two witnesses. You are a miller—a flour miller? A. Yes.

Q. Are you aware of the existence of the Fire Underwriters' Association? A. Yes; I am aware of that combination.

Q. Of it being formed some years ago? A. Yes.

Q. How did it affect your flour mill insurance? A. For years before that we were paying in the Western \$2.25 and we got it down to 2 per cent. on the brick mill. It is what you would call a number one class.

Q. Water mill or steam? A. Steam. As soon as the combination got into operation they raised it to \$3.25.

Q. That is some five or six years ago? A. It is five or six years ago; I do not remember the exact date. I did not come here to give evidence of this character.

Q. Did you acquiesce in that? A. No; I did not acquiesce in that. The fact of the matter is we had to quit. It was more than a rent. We did not withdraw the whole of our insurance from these companies but we went into another stock and mutual. We drew a large portion out and went into some mutuals. There were some mutuals outside of this arrangement.

Q. They had been started up since? A. Yes; and then there was what is known as the Millers' and Manufacturers' Association. We are in that some \$5,000. We had to get into it to get out of this extra heavy insurance.

Q. Are they charging you as high as that in the regular stock companies? A. We are out of the stock companies now. They charged us within a quarter of that but they agreed latterly to take it at 3 per cent. We would not touch it at that but divided our insurance among the Millers' and Manufacturers' and mutual companies.

By Mr. Wood (Westmoreland):

Q. What does it cost you there? A. About 2 to 2-25, but we have had about 10 per cent. remitted, which is equivalent to about 2 per cent.; and the general rate of the other mutuals is about 2, too. All round, it costs about 2 per cent. for this class of mill, which is a number one steam flour mill.

SECTION V.

EXHIBITS REFERRED TO IN THE FOREGOING

EVIDENCE.

EXHIBIT 1.

Corrected to 10th January, 1888.

DOMINION WHOLESALE GROCERS' GUILD, SECRETARY'S OFFICE.

SUGAR AGREEMENT.

Names of Subscribers.

Toronto—

Eby, Blain & Co.
 Perkins, Ince & Co.
 Davidson & Hay.
 Warren Bros. & Boomer.
 Sloan & Mason.
 Eckardt, Kyle & Co.
 F. Smith & Co.
 R. & T. Watson.
 F. Kieran & Co.
 Smith & Keighley.
 J. W. Lang & Co.
 Thos. Kinnear & Co.
 R. Dunbar.
 Christie, Brown & Co.
 Robertson Bros.

Hamilton—

John Stuart, Son & Co. (Limited).
 Wm. H. Gillard & Co.
 Jas. Turner & Co.
 Lucas, Park & Co.
 A. Harvey & Co.
 Macpherson, Glassco & Co.
 Lumsden Bros.
 Brown, Balfour & Co.
 Stuart Bros.

London—

D. S. Perrin & Co.
 Ed. Adams & Co.
 M. Masuret & Co.
 T. B. Escott & Co.
 A. M. Smith & Co.
 Elliott Bros.
 McCormick Manufacturing Co.
 John Scandrett.

Brantford—

Geo. Watt & Sons.
 A. Watts & Co.
 Geo. Foster.

Berlin—

Randall & Roos.

Sarnia—

T. Kenny & Co.

Montreal—

Tees, Wilson & Co.
 Caverhill, Hughes & Co.
 George Childs & Co.
 Lockerby Bros.
 Ranson, Forbes & Rogan.
 Hudon, Hebert & Cie.
David Crawford.
 Turner, Rose & Co.
 L. Chaput, Fils & Cie.
 Kinloch, Lindsay & Co.
 W. R. Ross & Co.
 Wm. Donahue & Co.
 Ward, Carter & Co.
 Lightbound, Ralston & Co.
 Tiffin Bros.
 Charles Lecaille & Cie.
 N. Quintal & Fils.
 Hudon & Orsali.
 Gaucher & Tellmosse.
 P. Grace & Co.
 A. Cusson & Fils.
Peter Rowan & Co.
 A. Robitaille & Cie.
H. Gariepy & Cie.
 Beauchamp, Pigeon & Cie.
John Skelley & Co.
 D. C. Brosseau.
Jos. Corbeil.
A. Corbeil.
J. O. Villeneuve & Co.
Dufresne & Mongenais.
 J. C. Marchand & Co.
 J. H. Semple.
 J. D. Adams & Co.
 H. Laporte.
 Doyle & Anderson.
 J. E. Mullen & Co.
 The Lang Manufacturing Co.
 J. W. Tester & Co.
Thomas Lamb.
 Viau & Frère.
Walter Paul.

Quebec—

John Ross & Co.
 Whitehead & Turner.
 T. LeDroit.
 Thomson, Godville & Co.
 N. Turcotte.
 Langlois & Paradis.

Ottawa—

C. T. Bate & Co.
P. Baskerville & Bro.
 H. H. Brennan.
Scott & Rainsford.

Brockville—

T. Gilmour & Co.

Kingston—

Geo. Robertson & Son.
 A. Gunn & Co.
 Fenwick, Hendry & Co.
 J. A. Hendry & Bro.
 Jas. Browne & Co.
 R. Carson.
 W. R. McRae & Co.

Belleville—

Pitceathly & Kelso.
Wallbridge & Clark.

Trenton—

S. S. Young.

EDGAR A. WILLS, *Secretary.*

NOTE.—The names printed in italics were originally subscribers to "The Sugar Agreement" (Exhibit 4) but who were subsequently struck from off the list by orders of the Guild, and thereby excluded from the more favored terms of purchase granted to members of the Guild, at the Refineries.

EXHIBIT 2.

MONTREAL BOARD OF TRADE.

(WHOLESALE GROCERS' ASSOCIATION.)

MONTREAL, 24th February, 1888.

DEAR SIR,—Until further notice the limited selling price on all graded white sugars will be as follows:—

| | |
|---|-----------------|
| Extra granulated—15 barrels and over in one sale..... | 7 $\frac{3}{8}$ |
| do do Under 15 barrels..... | 7 $\frac{1}{2}$ |
| Extra ground—15 barrels and over in one sale..... | 8 $\frac{3}{8}$ |
| do do Under 15 barrels..... | 8 $\frac{1}{2}$ |
| do do Boxes (3 boxes to count as 1 barrel)..... | 8 $\frac{3}{4}$ |
| Powdered—15 barrels and over in one sale..... | 7 $\frac{1}{2}$ |
| do Under 15 barrels..... | 7 $\frac{5}{8}$ |
| Grocers' A—15 barrels and over in one sale..... | None. |
| do do Under 15 barrels..... | None. |
| Confectioners' A—15 barrels and over in one sale..... | None. |
| do do Under 15 barrels..... | None. |
| St. Lawrence A No. 1—15 barrels and over in one sale.... | None. |
| do do do Under 15 barrels..... | None. |
| do do No. 2—15 barrels and over in one sale.... | None. |
| do do do Under 15 barrels..... | None. |
| Cut cubes or Paris lumps—15 barrels and over in one sale... | 7 $\frac{3}{4}$ |
| do do do Under 15 barrels..... | 7 $\frac{7}{8}$ |
| do do do Half barrel..... | 7 $\frac{1}{2}$ |
| do do do Boxes (3 boxes to count as 1 brl.) | 8 |

I am, dear sir, yours truly,

GEO. HADRILL, *Secretary.*

Sales to merchants in the city of Montreal, west of Montreal as far as Coteau, and south of the River St. Lawrence, $\frac{1}{8}$ c. per lb. less.

The above were the prices to members of the association on date specified, for the following week.

EXHIBIT 3.

WHOLESALE GROCERS' ASSOCIATION.

OFFICE BOARD OF TRADE, MONTREAL, 2nd March, 1888.

DEAR SIR,—Until further notice the limited selling price on all graded white sugars will be as follows:—

| | |
|--|-----------------|
| Extra granulated—15 barrels and over in one sale..... | 7 $\frac{3}{8}$ |
| do Under 15 barrels..... | 7 $\frac{1}{8}$ |
| Extra ground—15 barrels and over in one sale..... | 8 $\frac{3}{8}$ |
| do Under 15 barrels..... | 8 $\frac{1}{8}$ |
| do Boxes (3 boxes to count as one barrel)..... | 8 $\frac{3}{4}$ |
| Powdered—15 barrels and over in one sale. | 7 $\frac{1}{2}$ |
| do Under 15 barrels..... | 7 $\frac{3}{8}$ |
| Grocers' A—15 barrels and over in one sale..... | None. |
| do Under 15 barrels..... | None. |
| Confectioners' A—15 barrels and over in one sale..... | None. |
| do Under 15 barrels..... | None. |
| St. Lawrence A No. 1—15 barrels and over in one sale.... | None. |
| do do Under 15 barrels..... | None. |
| do A No. 2—15 barrels and over in one sale.... | None. |
| do do Under 15 barrels..... | None. |
| Cut cubes or Paris lumps—15 barrels and over in one sale.... | 7 $\frac{3}{4}$ |
| do do Under 15 barrels..... | 7 $\frac{1}{4}$ |
| do do Half barrel..... | 7 $\frac{1}{8}$ |
| do do Boxes (3 boxes to count as 1 barrel) | 8 |

I am, dear sir, yours truly,

GEO. HADRILL, *Secretary.*

Sales to merchants in the city of Montreal, west of Montreal as far as Coteau, and south of the River St. Lawrence, $\frac{1}{8}$ cent per pound less.

The above were prices to members of the association on date specified, for the following week.

EXHIBIT 4.

SUGAR AGREEMENT.

1. We, the subscribers to this agreement, hereby covenant and agree for ourselves and with each other to faithfully and honorably perform and carry out the terms and conditions hereinafter set forth for the regulation and sale of all graded sugars such as ground, extra ground, Paris lumps, cut loaf, grocers' A, standard A and granulated sugars.

2. Scale of minimum advance to be as follows:—

| | |
|------------------------------------|--------------------------|
| Under 15 brls..... | $\frac{1}{2}$ c. per lb. |
| 15 brls. and over in one sale..... | $\frac{3}{8}$ c. “ |

This scale of advance to apply to each grade separately of the above specified sugars, viz.: all graded sugars, such as ground, extra ground, Paris lump, cut loaf, grocers' A, standard A and granulated sugars; (three boxes Paris lump to count as one barrel.)

3. (a.) Scale of advance to be based upon refiners' prices in Montreal, said prices to be arranged by the President and Vice-President of the Montreal Guild, or such other person or persons as may hereafter be authorized for the purpose by the Dominion Guild, with the refiners on Saturday morning of each week, and to be communicated by telegraph by them at guild's] expense to the secretaries of the

SUGAR.

different local guilds, whose duty it shall be to give the information promptly to each party to this agreement, within their respective territories, which on that day, with the advance as per agreement, shall be the selling price for the ensuing week, commencing on that morning, unless there should be change in value during the week, of which due notice would be given, and in cases where the travellers have not been advised of the price before, orders to be taken at open prices to be charged and invoiced at prices established and ruling at the time.

(b.) Off brands may be offered only as such, and at prices not more than one-cent per lb. less than best brands.

4. GUILD TERMS:—Namely, 60 days, or $1\frac{1}{2}$ per cent. for cash paid within 15 days, or 1 per cent. within 30 days.

5. No net cash prices to be quoted.

6. Scale of advance not to apply to transactions between parties to this agreement, who are to be allowed to sell to each other on such terms as may be agreed upon.

7. Sales of sugars must not in any case be dated later than first delivery on such sale.

8. Parties to this agreement to have the privilege of selling to buyers in the city of Montreal, and also to buyers west of Montreal, as far as the Coteau, at $\frac{1}{8}$ c. per lb. less than agreement prices, exclusive of freight, and to be allowed to give ten days' extra time on shipments from Montreal to points west of Toronto.

9. Sellers to be at liberty to prepay or allow buyers cost of freight to competing points only.

10. Parties to this arrangement to have the privilege of delivering sugars to all points where there are merchants who buy such sugars from the manufacturers direct, but no place shall be considered a competing point until after notice from the Secretary of the Dominion Wholesale Grocers' Guild to that effect has been mailed to the several signers of this agreement.

11. Parties to this agreement bind themselves not in any case or instance to sell, or allow their travellers to sell or offer to sell, other kinds of sugar or other goods in connection with sugars covered by this agreement at lower prices as an inducement for parties to purchase those sugars.

12. And we, each of us, hereby pledge our honor as merchants, that we will ourselves carry out this agreement faithfully, in spirit as well as in letter, and insist upon its being strictly adhered to by every person in our employ.

13. Should we hereafter desire to withdraw from this agreement, we further pledge ourselves not to do so without giving two months' written notice of our intention, addressed to the Secretary of the Board of Trade, of the city of Toronto, who will be the custodian of this document.

EXHIBIT 5.

(Telegram)

MONCTON, N.B., 31st December, 1887.

Your telegram received after two yesterday. For weekly shipment, January and February, in all five hundred granulated, seven one-half; one thousand yellows perhaps shade off color, ninety-three; six three-eighth for Montreal. Usual terms, with two and half discount if guild consents.

MONCTON SUGAR REFINING COMPANY.

LIGHTBOUND, RALSTON & Co.

EXHIBIT 6.

MONCTON, N.B., 3rd January, 1888.

Will ship as requested if you accept our drafts for all shipments without the two and half discount until guild consents. Wire reply.

MONCTON SUGAR REFINING COMPANY.

LIGHTBOUND, RALETON & Co.

EXHIBIT 7.

CONSTITUTION AND BY-LAWS OF THE WHOLESALE GROCERS' ASSOCIATION OF MONTREAL.

(Adopted 7th January, 1884.)

PREAMBLE.

The necessity of co-operation and the benefits to be derived from reciprocal interchange of opinions and uniformity in the customs and usages of merchants, have induced the subscribers to associate themselves together for the purpose of promoting by all legitimate means the advancement and prosperity of the grocery interests, and further: To enforce the principles of justice and equity in all business transactions; to regulate, as far as practicable, the prices, terms of credit, and discounts of the trade, to facilitate the speedy adjustment of all commercial disputes; and by concerted action to protect the interests of the members of the association against the unfair discrimination in regard to foreign or local freight rates, adverse legislative enactments, or any other obstacles that may interfere with the success of their respective interests.

Having these objects in view, we therefore agree to be governed by such rules and by-laws as may from time to time be adopted by the "Wholesale Grocers' Association" of Montreal.

CONSTITUTION AND BY LAWS.

ARTICLE I.

The official title of this corporation shall be the "Wholesale Grocers' Association" of Montreal.

ARTICLE II.

Any firm in the Province of Quebec and Eastern Ontario, whose avocation is directly connected with the importation, manufacture or distribution of groceries, teas and tobaccos at wholesale, may be admitted to membership in this association upon being duly elected in the manner prescribed by the by-laws.

ARTICLE III.

Any firm wishing to become a member of this association shall make application to the Executive Committee, who, if they approve, shall report the application at the next regular meeting, and, upon ballot, such applicant shall become a member, unless five ballots are in the negative; but no rejected applicant shall be eligible to membership for at least six months after rejection.

ARTICLE IV.

Every firm becoming a member of this association shall subscribe to the by-laws pay to the treasurer ten dollars as an initiation fee, and all assessments that may be

SUGAR.

voted by the association to meet expenses. When such assessment is made it shall be considered due promptly.

ARTICLE V.

The officers of the association shall consist of a president, vice-president, honorary secretary-treasurer, and three directors, who shall constitute the executive committee.

The officers shall be elected by ballot at the first regular meeting after the adoption of the by-laws, and annually thereafter on the third Monday of December. Vacancies may be filled at any regular meeting.

The official term of all officers shall commence on the Monday succeeding their election.

ARTICLE VI

The executive committee shall appoint a paid secretary, if necessary, and fix his salary; shall provide rooms for the association; shall supervise all purchases, audit bills and direct payment of same.

ARTICLE VII.

There shall be held an annually meeting of the association on the third Monday of December for the choice of officers and the transaction of other business at such place as the executive committee may direct. Notice of such meeting shall be signed by the secretary, sent to each firm, and published in at least two Montreal daily papers five days before the time fixed for the meeting.

ARTICLE VIII.

Regular meetings of the association shall be held on the third Monday of every month, and at such other times as the executive committee may direct; and the secretary shall call special meetings on the written application of five firms of the association.

ARTICLE IX.

Firms having more than one partner members of the association shall be entitled to only one vote at any meeting.

ARTICLE X.

At the meeting of the executive committee three shall constitute a quorum, and at meetings of the association nine firms shall form a quorum.

ARTICLE XI.

The president shall preside at all meetings if present, in his absence the vice-president; both being absent, a chairman shall be elected from those present.

ARTICLE XII.

The secretary shall keep a record of all meetings, conduct all correspondence under direction of the executive committee, keep a list of the members, notify all committees of their appointments and furnish the chairman of committees with a copy of the vote under which they were appointed, and when requested shall act as secretary to any committee.

ARTICLE XIII.

The treasurer shall have charge of all moneys of the association, collect all assessments, pay all bills approved by the executive committee, and report at the annual meeting or oftener, if required by the executive committee, and shall deposit all moneys in one of the chartered banks of the city in the name of the Wholesale Grocers' Association, subject to cheques signed by the treasurer and countersigned by the president or vice-president.

ARTICLE XIV.

There shall be a committee of arbitration of five members, elected by ballot at the annual meeting, to whom all questions of difference and dispute that may arise, and all complaints of members shall be referred: three to form a quorum.

ARTICLE XV.

There shall be a committee of three elected by ballot at the annual meeting to serve for one year, whose duty it shall be to revise and fix lowest selling prices on any article or articles that may be unanimously agreed upon by the association, and whenever a change takes place on the manufacturer or producer's regular price list, it shall be their duty to notify every member of this association of such price in any manner they may think best.

ARTICLE XVI.

Any firm or individual belonging to this association, who shall sell the articles stipulated, or allow them to be sold, for less than the prices fixed by the committee, shall be reported to the committee of arbitration, and upon conviction of that fact to the satisfaction of the committee, said member shall be expelled from the association by a majority of the votes at any regular meeting, a vote of censure shall be placed upon the records, and reported to all the manufacturers of the article in question.

ARTICLE XVII.

Any member feeling that he has cause for complaint against any other member, shall state his case in writing and present it to the committee of arbitration, who shall then notify the party complained of, giving the charges, and request both parties to appear before them; after hearing the case the committee shall make their decision in writing, which shall be binding on both parties, and the case settled on their decision.

ARTICLE XVIII.

Any proposed alteration or amendment to these by-laws shall be offered at a regular meeting, but not acted upon until the next regular meeting, when the votes of two-thirds of the members present shall be necessary to make a change.

At the end of the above there are printed the following eight

RESOLUTIONS.

(Adopted 7th January, 1884.)

1. Resolved, that it is the wish of the association to unite and co-operate with all organizations of a similar character throughout the Dominion.
2. Resolved, that we, each one of us, hereby pledge our honor as merchants, and agree with each other, that we will ourselves carry out faithfully all agreements with the association in spirit as well as in letter, and insist upon its being rigidly adhered to by every person in our employ.
3. Resolved, that should we hereafter desire to withdraw from any agreement that may have been entered into, we further pledge ourselves not to do so without giving two months' written notice of our intention, addressed to the honorary secretary, who will be the custodian of all documents drawn out in the interests of members of the association.
4. Resolved, that no reported violation of any agreement shall be considered as such until it has been investigated by the arbitration committee.
5. Resolved, that a copy of each agreement signed by members shall be handed to them, the original to be deposited with the honorary secretary as provided therein.
6. Resolved, that the members of this association shall be in honor bound to keep strictly confidential all discussions and transactions of the association when in executive session.

7. Resolved, that all debates shall be limited to ten minutes, unless by permission, and that no member shall be allowed to speak more than twice on any one question at the same meeting, without the consent of the majority present.

8. Resolved, that the rules governing the proceedings of this association shall be subject to Parliamentary usage.

EXHIBIT 8.

WATCH JOBBERS' ASSOCIATION.

February 20th, 1888.

A special general meeting of the association will be held on Thursday, 1st of March, at 11 a.m. in the secretary's office, Toronto, for the purpose of considering what action, if any, shall be taken with relation to the following telegram from Jas. H. Hoyes, secretary of the National Association of Jobbers in American watches:—

(*Telegram.*)

“ We have adopted the following new rule and recommend that your association take the same action: ‘ No jobber shall be allowed to sell any American movements without cases; at least as many cases of same kind as movements must be sold in each bill, and also to consider other matters pertaining to the watch case business.’ ”

By order.

EDGAR A. WILLS, *Secretary.*

EXHIBIT 9a.

CONSTITUTION AND BY-LAWS OF THE CANADIAN ASSOCIATION OF
JOBBER IN AMERICAN WATCHES.

(*As amended at the annual meeting, January, 1888.*)

PREAMBLE.

We jobbers in American watches do hereby form an association for the purpose of sustaining prices on American movements and silver cases, and furthering the general interests of Canadian jobbers in American watches.

BY-LAWS.

ARTICLE VIII.

Section 1.—Application for membership in this association shall be made to the secretary on the printed form to be supplied by him, accompanied by a draft for \$50, which amount shall be returned to applicant if he is not accepted.

Section 2.—An applicant for membership must be possessed of a good moral character, and must make affidavit—

(a.) That he is engaged or about to engage, legitimately, in the wholesale watch business.

(b.) That he will make a first purchase of not less than \$2,000 worth of combination goods.

(c.) That he will not use the goods so purchased in any way to defeat the expressed objects of the association, as set forth in the constitution and by-laws.

Section 3.—The annual dues of the association shall be \$25, payable in advance on 1st February, due notice being sent to each member of the association by the secretary as to time of payment.

ARTICLE IX.

Each and every member of the association convicted of a violation of the constitution or by-laws, shall forfeit to the association the sum of \$500 and shall be expelled from membership; and that each member be required to sign an agreement embodying this by-law.

ARTICLE X.

Section 3.—It is further understood that the members of this association will not deliver gold filled, silver and nickel watch cases, or American movements upon consignment, nor date bills ahead, nor give presents to any firm or employee of any firm in lieu of special terms of discount, nor in any other manner violate the true intent of the constitution and the by-laws, nor in any way defeat the expressed objects of this association.

Section 4.—The members of this association agree that they will dismiss any salesman who, after full instructions, violates any of the provisions of the by-laws of this association, or of the contracts entered into by its members, and will not employ any salesman who has been dismissed from the employ of any jobber for this cause.

Section 5.—No member of this association shall sell to other members of the same, any combination goods at a less profit than 5 per cent. advance upon the net cash cost laid down in Canada.

ARTICLE XI.

It shall be deemed a violation of contract if any of the members of this association shall purchase gold filled, silver and nickel watch cases other than those manufactured by members of the American Watch Case Manufacturers' Association and the American Watch Case Company of Toronto, or shall purchase movements manufactured by other companies than those in co-operation with this association, or who shall sell silver cases or watch movements at lower prices than provided in article nine, section one, of by-laws.

ARTICLE XII.

No members of the Canadian Association of Jobbers shall retail American watches listed as combination goods at a less profit than 25 per cent. advance on the net cash price from jobber to retailer.

ARTICLE XIII.

Where any two members of this association shall make any charge in writing against a member of violating the constitution, by-laws or rules of the association, it shall be the duty of the board of directors to require from the accused a denial in writing, by statutory declaration or other mode of legal affirmation, or an assent to the same in writing, and in the event of any accused member either refusing or neglecting to give such verified written denial or assent to the charge for the space of thirty days after the said request for the same, it will be assumed as an acknowledgment of the correctness of the charge made, and the member so found to have violated the constitution, rules or by-laws as aforesaid, shall be deemed in default. And it shall thereupon be the duty of the directors to suspend or expel him from the association and such expelled member shall forfeit all claims on any funds of the association.

EXHIBIT 9b.

ELGIN NATIONAL WATCH COMPANY.

CHICAGO, 19th November, 1885.

DEAR SIR,—We are in receipt of your favor of the 17th inst. enclosing numbers of No. 13 movement for rebate, also your order for movements which you wish us to forward. You are doubtless aware of the formation of the Canadian Association of Jobbers in American watches, and also that this company is co-operating with that association which prohibits our continuing business relations with you from the fact that you are not a member of that association. We have no jurisdiction as to who shall constitute its members.

We are advised of its members and your name is not included, therefore we must say that we cannot allow the rebate you refer to nor fill your order for movements. Our explanation to you may seem short and perhaps strictly to the point, but we cannot give an extended explanation, from the fact that the organizing of that association there as well as the association in the United States precludes our saying other than that we do co-operate strictly with both associations and we must abide by the resolutions of that co-operation.

Yours truly,

ELGIN NATIONAL WATCH COMPANY.

JOHN M. CUTTER.

Mr. CHARLES STARK, 52 Church Street, Toronto, Ont.

EXHIBIT 9b½.

ELGIN NATIONAL WATCH COMPANY.

CHICAGO, 16th January, 1887.

CHAS. STARK, Esq., Toronto, Ont.

DEAR SIR,—Replying to yours of the 14th inst., would say that it would be impossible for us to accept from anyone an order for 5,000 movements to be specially engraved from the fact that we are unable at the present time to produce in sufficient quantities to supply the demand. Considering your proposition from other stand-points, that we should manufacture this line of movements for your account to be shipped through the jobbers simply to conform with the regulations of the Jobbers' Association, you greatly misjudge us if you think we would conduct our business in a manner which necessitates the action being kept very quiet and confidential. We agreed to co-operate with the Jobbers' Association and have in every instance lived up to our pledges of co-operation, and we fully believe all our customers can vouch for our adherence strictly to our pledges and we fail to appreciate your inferences pertaining to a quiet and confidential business.

Yours truly,

ELGIN NATIONAL WATCH COMPANY,

JOHN M. CUTTER.

EXHIBIT 9c.

Verbatim Copy of Exhibit 10.
WATCHES.

EXHIBIT 9d.

ROBBINS, APPLETON & CO.,

Agents American Watch Co., Waltham, Mass., 403 Washington Street.

BOSTON, 12th January, 1888.

Mr. CHAS. STARK, Toronto, Ont.

DEAR SIR,—Yours of the 9th inst., in regard to special named movements, has been referred to us for reply.

We should be pleased to make the same for you, but as we are unable to sell you direct it would have to be done through some jobber who is a member of the Canadian Association, and as we deal with the following houses in Toronto we would respectfully refer you to any of them: Messrs. P. W. Ellis & Co., Lee & Chillas, Samuel Frenkel, the Goldsmith Co., Edmund Schemer.

Trusting that we shall soon hear from you in regard to the same,

We remain yours truly,

ROBBINS, APPLETON & CO., Hamden.

EXHIBIT 9e.

Verbatim Copy of Exhibit 8.

EXHIBIT 10.

CONTRACT BETWEEN THE CANADIAN ASSOCIATION OF JOBBERS IN
AMERICAN WATCHES AND THE ELGIN NATIONAL WATCH COM-
PANY.

TORONTO, ONT., ——— —, 1884.

In consideration of having received jobbers' terms from the Elgin National Watch Company upon the goods of its manufacture, and wishing to deal equitably toward said company, and all who may be concerned as jobbers in the goods thereof, we, the undersigned, do agree with said company, that we will not, directly nor indirectly, under any circumstances, sell or cause to be sold any goods of said company's manufacture, to any person or persons (meaning, also, any association or associations, corporation or corporations), save only those who may be recognized as jobbers by the Elgin National Watch Company (such recognition by said company being first obtained, and a contract similar to this being first executed by the party so recognized), at a better rate than the four months' credit prices stated in the then current price list published by said company, nor upon any better terms than a discount from said list of six (6) per cent. for cash within ten (10) days from date of invoice, or five (5) per cent. for cash within thirty (30) days, or three (3) per cent. for cash within sixty (60) days.

The said company shall have the right, at any time hereafter, to diminish the rate or discount herein above indicated, or, should the interests of the trade make it necessary to do so, may increase said rate or discount, giving notice to the jobbers supplied by the company of any such change, which notice the undersigned will always observe in good faith. And in case we shall hereafter deviate from or transgress the rule aforesaid, under and subject to which the purchase from said company has been made, we authorize said company to strike our name off the jobbers' list of said company, and give notice to any or all its customers or jobbers of such action being taken by said company, and in case said company shall be of the opinion, at any time hereafter that a wilful breach or violation of this agreement by us has been

made, we further agree to surrender to said company, its representatives or assigns, on demand, any of the goods of said company's manufacture which may then be in our hands; provided, that if such goods shall then have been paid for by us, such demand therefor shall be accompanied by a tender to us of the price thereof, not exceeding the then current prices of said company to jobbers for like goods; or, said company may immediately direct the transfer by us of such goods to any dealer or dealers in its goods who may be selected by said company, on the terms of our being paid therefor the then current price of said company to jobbers for like goods.

And we do hereby agree that no price list of Elgin watch movements shall be published by us to retailers, that will give rates lower than those established by said company on a four months' credit, leaving it optional whether any such list make provision for cash discounts or not; and in all sales to retailers the goods herein referred to shall be billed distinctly and separately, that is, the items thereof to be apart from any other goods, and at not less than the rate before described; the discount for cash to be made not in the billed prices, but only at the time of payment.

This agreement shall apply without limit or reservation, not only to the goods of said Elgin National Watch Company heretofore procured, or which may hereafter be procured by us from said company, but also to such goods of said company as have come or may come to us from any other person or persons, and all the goods of said company which shall, at any time, come into our hands shall be considered as being received by us subject to the provisions of this contract.

Should any name or names be hereafter, at any time, stricken by the Elgin National Watch Company from its jobbers' list, we will, on notice of the fact, immediately cease to treat the person or persons whose name or names shall be stricken off as being entitled to jobbers' prices on the goods of said company.

It is also understood that the said Elgin National Watch Company shall be at liberty to abrogate this contract, and enter upon a different course for the distribution and sale of its goods; provided, however, that before such abrogation, and before entering upon such different course for distribution and sale, said company shall give the undersigned four months' notice.

Witness our hands and seals this _____ day of _____, A. D. 18 .

..... [SEAL.]

Accepted and assented to by

ELGIN NATIONAL WATCH CO.,

By T. M. AVERY, *President.*

EXHIBIT 11a.

QUEBEC, 9th March, 1888.

CLARKE WALLACE, Esq., M. P., HOUSE OF COMMONS, OTTAWA.

DEAR SIR,—We beg to enclose for the consideration of the Committee over which you preside, a petition on the subject of the sugar combine signed, we believe, by every firm of any importance interested in the sugar trade of the city and vicinity, with the exception of course of the combiners themselves.

As the only wholesale dealers here, outside of the combine, we fully endorse every word of the petition, and we earnestly hope that the deliberations of your Committee may result in restoring liberty of action to all.

We have the honor to be your obedient servants,

A. JOSEPH & SONS.

EXHIBIT 11, *Sec. b.*

To the Committee on Combines, Ottawa.

The undersigned retail grocers and others interested in the sugar trade in Quebec city and vicinity respectfully represent :

That a combination exists among the wholesale dealers in sugar to keep up prices and to impose certain conditions of sale ;

That the sugar refiners are virtually members of this combination since they refuse to sell sugar to those outside of it except on payment of a much higher price than that charged to combiners ;

That the combination exists solely as a result of the combined action of refiners and dealers, as without it the combination could not exist ;

That such combinations are very injurious to trade and to the country generally by unjustly increasing the cost of a necessary article of daily consumption, by interfering with private enterprise and in many other ways ;

That many of the present members of the combination, especially in Quebec, have openly expressed themselves as opposed in principle to this and to all combinations, and have only been forced to join it by the action of the refiners ;

Wherefore your petitioners respectfully represent that such measures should be taken as to render combinations of the kind complained of either illegal or at least impracticable.

Wherefore your petitioners will ever humbly pray.

QUEBEC, 7th March, 1888.

N. Rioux & Co.
Chas. S. Riverin.
Turcotte & Provost.
Jos. G. Drolet.
Leclerc & Letellier.
Jean Lemelin.
Ant. Blondeau.
M. Boyce & Son.
F. Parent.
Wm. Kennedy.
Pierre Côté.
A. Grenier.
Chas. Martel.
E. Gagnon.
David Watters.
J. A. Moisan.
Léon Gaboury.
P. Johnston.
W. McWilliam.
Jas. McCone.
R. Winfield.
N. Binet.
G. & C. Hossack.
A. Watters.
M. Tibaudeau.

Crêteau & Frère.
Toussaint & Cie.
Alphonse Chouinard.
Oct. Bérubé.
Alexander Grant.
Wm. Tracey.
Emilien Angers.
Jean Turcotte.
Paquet & Potvin.
Arthur Drolet.
N. Drolet & Cie.
Frs. Auger.
Joseph L'Hérault.
A. Barry.
A. A. Cantin.
Vve. Oct. LaRue.
J. Théop. St. Laurent.
Edouard Talbot.
V. Juneau.
Moisan & Fils.
John McCloskey.
Louis Nadeau.
Jos. D. Marier.
G. W. Pelletier.

Evariste Drouin.
John Bryson.
J. B. C. Letellier.
Pierre Richard.
John O'Donnell.
Sem. P. Brousseau.
George Lemelin.
Dion & Frère.
Timothy Coveny.
W. H. Walsh.
Nap. Moisan.
Edward Coveny.
Fr. Gingras.
Isidore Voyer.
Pierre Blondeau.
Omer Lamontagne.
T. S. Hethrington.
J. O. Gauvin.
George Drolet.
A. Parent.
L. Blais.
P. O. Pouliot.
O. Vocelle.
Cnas. A. Côté.

EXHIBIT 12.

To the Honorable the Chairman and Committee on Combinations of the House of Commons, assembled :

The petition of the undersigned respectfully represents :

That your subscribers, the office bearers and committee of management of the Grocers' Association of Montreal, desire to be heard before your committee, on the question of the sugar combination which at present exists between certain refiners throughout the Dominion and the Wholesale Grocers' Guild.

That we desire to lay before your Honorable Committee the following resolution unanimously carried at the regular monthly meeting of our association, held on the 6th October last.

Resolved : That this meeting of the Grocers' Association of Montreal desires to record its protest against the unjust combination which at present exists between the sugar refiners and the Wholesale Grocers' Guild, and that the executive committee of this association be requested to take the matter up at once and endeavor to secure a satisfactory and feasible arrangement with the sugar refiners.

That your subscribers have not been able to secure such satisfactory and feasible arrangements with the sugar refiners.

That your subscribers represent some hundreds of retail grocers engaged in the trade in the city of Montreal, the commercial metropolis of the Dominion.

Wherefore, your subscribers would respectfully request that your Honorable Committee will allow them an opportunity to state their views and their grievances on this question before your Committee at the earliest possible moment.

The whole respectfully submitted.

THOMAS GAUTHIER, *President.*

ALEX. D. FRASER, *Vice-President.*

S. D. VALLIERES, *Secretary.*

E. ELLIOTT, *Treasurer.*

GEORGE GRAHAM,

JOHN ROBERTSON,

DAVID CRAWFORD,

ANDRÉ DESJARDINS,

JOHN JOHNSTON,

} *Members of Committee
of Management.*

EXHIBIT 13.

To the Honorable the Speaker and Members of the House of Parliament of the Dominion of Canada in Parliament assembled :

The petition of the undersigned wholesale and retail grocers and manufacturers of the city of Sherbrooke, respectfully sheweth :—

That your petitioners are engaged and have been engaged for years past in the lawful prosecution of their trade and business throughout Canada and have hitherto by the peaceable enjoyment of their rights built up and maintained a large and lucrative trade ;

That it is and has been essential to the carrying on of the lawful business of your petitioners that they should be enabled to supply to their customers and the public in general certain lines of merchandise regarded as staples ;

That refined sugar is a staple article in the trade and your petitioners have hitherto dealt largely therein ;

That there now exists, and for the last ten months has existed, a certain secret association having its headquarters at the city of Toronto, known as the Dominion Wholesale Grocers' Guild and composed of a number of wholesale grocers and others who have unlawfully joined together and agreed to prevent your petitioners and all

who refuse to join said society from obtaining refined sugar at current market rates, and have conspired together to induce the manufacturers of refined sugar in Canada to refuse to sell to your petitioners at current market rates;

That the members of said association have unlawfully entered into an agreement with the refiners of sugar throughout Canada whereby the latter refuse to sell to your petitioners granulated or refined sugar of any kind, except at an advance of five-sixteenths of a cent a pound, or about ninety cents per barrel;

That the members of said association are bound together under fines and penalties to refuse to sell to your petitioners, except at the aforementioned advance upon current market rates, and have agreed to prevent your petitioners by every means in their power from dealing profitably in refined sugar;

That the rights of your petitioners have been and are being invaded;

That your petitioners have been already subjected to heavy loss by reason of the unlawful agreement and proceedings of the members of said association or combination, and do still suffer heavy loss and damage thereby in the conduct of their lawful business;

Wherefore your petitioners humbly pray that your honorable body will take steps to protect your petitioners in the peaceable enjoyment of their rights and the lawful prosecution of their business, and that measures be speedily taken to prevent such unlawful agreements and combinations as that above set forth, and to enable your petitioners to obtain and carry on their trade in refined sugar without let or hindrance and at current market rates.

And your petitioners, praying relief in the premises, will ever, &c., and have signed:

W. H. Fuller & Co.
Wm. Murray.
John McManus & Co.
S. Gendron.
P. Oliver.
F. R. Darche & Son.
G. C. Harkness.
L. H. Guay,
B. Murray.

C. H. Fletcher, & Co.
per E. G. Wiggitt, Atty.
R. L. Parker & Co.
M. McKechnie.
Heney & Ferguson.
McDonald Bros.
Thos. Cowan.
P. Simoneau.

EXHIBIT 14.

To JOSEPH H. MARSHALL, Esq., M.P., House of Commons.

The petition of the undersigned grocers of the city of London, in the county of Middlesex, HUMBLY SHEWETH:—

1. That by a combination and agreement entered into between the sugar refiners of Canada and the Grocers' Guild—which guild consists of a number of wholesale grocers—the said refiners refuse to sell or dispose of any sugar to any wholesale grocer or dealer in sugar who is not a member of the said guild.

2. That the wholesale grocers who are members of the said guild have, by virtue of the said combination and agreement, exclusive control and monopoly of the sugar market, and sell sugar at such prices as the guild chooses to dictate.

3. That by reason of the said combination and agreement the retail grocers and also the wholesale grocers who are not members of the said guild are prevented from purchasing their sugar direct from the refiners, and are obliged to pay therefor a higher price than formerly, and by reason thereof the price of sugar to the consumer is considerably increased, and a gross injustice is done to your petitioners as well as to the general public.

Your petitioners therefore pray that you may be pleased to promote such legisla-

SUGAR.

515

tion in the House of Commons as may be necessary to remedy the said grievances, and do justice to all parties interested in the sugar trade.

And your petitioners, as in duty bound, will ever pray, &c.,

JOHN SCANDRETT,
FITZGERALD, SCANDRETT & CO.,
ELLIOTT BROS.

EXHIBIT 15a.

TORONTO, 3rd March, 1888.

N. C. WALLACE, Esq., M. P., Ottawa.

MY DEAR SIR,—I herewith append a copy of a letter I have addressed to Mr. A. H. Blackeby, Secretary Royal Labor Commission.

I think that the facts therein set forth are worthy of the consideration of your Select Committee on "Combinations."

Yours truly,
FREDERIC NICHOLLS.

EXHIBIT 15b.

CANADIAN MANUFACTURERS' ASSOCIATION, GENERAL SECRETARY'S OFFICE,
6 WELLINGTON STREET WEST, TORONTO, 3rd March, 1888.

Mr. A. H. BLACKEBY, Secretary Royal Labor Commission, Quebec.

DEAR SIR,—It was brought to my notice last summer that the bricklayers in Hamilton, belonging to the bricklayers' union, were out on strike, because the city authorities of that city had given employment to a man named Buscombe, in building certain city sewers. The newspapers of Hamilton contained particulars of the matter, and it was shown in them that delegations from the labor organizations had waited upon the city council, or upon the appropriate committee thereof, and demanded that the bricklayer Buscombe be discharged. At that time the city authorities were anxious to have the bricklayers go to work on the new city hall, a bell tower and waterworks buildings then in process of construction, as it was very desirable to have these buildings completed before the weather became unfavorable for outdoor work. As nearly all the bricklayers in Hamilton were union men, it was the openly declared intention of the labor organizations to force the discharge of the non-union bricklayer Buscombe from the employ of the city. According to a report published in the *Hamilton Spectator*, in the latter part of August, at the meeting of the sewer committee of the Board of Aldermen, which had been called to consider this very matter, Mr. D. R. Gibson, representing the bricklayers' union, intimated to the committee that unless the city authorities came to the terms of the union and discharged Buscombe, all union bricklayers who might be then employed on city work would be called out. He said that the feeling in the union against Buscombe was so strong that no union bricklayers would be allowed to work on the new city hall if he was continued in the city's employ. He also said that the advisability of taking this position had been fully considered by the union.

Later—in January—the *Spectator* contained an item to the following effect: "A poor woman named Mrs. Farr, who resides on Robert Street, fell on John Street and broke her arm. It appears that her husband who is an old man and a bricklayer, was debarred when work was plentiful because he was not a union man, and Mrs. Farr has been the mainstay of support of the family through scrubbing and washing; now, however, she will be laid up for some time, and the family are in distress." I believe that the Royal Labor Commission was holding sessions in Hamilton at the time of this occurrence.

The incidents here alluded to obtained considerable publicity, and I have reason

to believe that they were brought to the attention of some of the members of the Commission, but as far as my information goes, the affairs were never publicly considered by the Commission, although in my opinion they were and are of vital importance to the whole country, in that they show that at least two laboring men were deprived of their right to earn their living by their trade through the influence of a labor organization, the offence being that the two men, Buscombe and Farr, did not belong to that organization.

Considering these facts, and in the interest of all employers of labor and in defence of that right which is so dear to every Canadian—the right to labor and live—I respectfully request that you will lay this letter before the Royal Labor Commission, of which you are the Secretary, and request them to investigate this matter thoroughly. It seems to be one of cruel, unjustifiable and outrageous boycotting; and Canadian manufacturers and the public generally are interested in knowing whether Canadians can be deprived of their occupation and their means of earning a living on the dictation of Trades Unions or other labor organizations. If the Commission will take this matter up and investigate it, I will be happy to supply the names of some persons living in Hamilton who would be important witnesses.

I have the honor to be yours truly,

FREDERIC NICHOLLS, *Secretary.*

EXHIBIT 16.

MONTREAL, 7th March, 1888.

SIR,—There is, I believe, a coal combination in this city, of which, I think, Mr. Evans, of Evans Bros., is the chairman. Now, as I see by the papers you are looking into this matter of "Coal Combines" in Ottawa, would it not be as well to turn your attention to this city also.

Yours faithfully,

A CONSUMER.

N. C. WALLACE, Esq., M.P.,
Chairman Trade and Combine Committee, Ottawa.

EXHIBIT 17.

TORONTO, 7th March, 1888.

Mr. WALLACE.

DEAR SIR,—I hope you will enquire into the undertakers' ring. It is stronger than the coal ring. You cannot buy goods at any price unless you are a member of the association, and when you apply to the association they will tell you that there is too many in the business now. They have the manufacturers bound not to sell to outsiders. It is a similar Stark case, only we cannot buy 10 cents' worth of any kind of goods. The reform undertakers will furnish you with all particulars if you require them.

I remain yours, &c.,

One that wants to start business and cannot get the goods for spot cash.

EXHIBIT 18.

MONTREAL, 28th October, 1887.

DEAR SIR,—As members of the Executive Committee of the Grocers' Association of Montreal, we beg to submit for your consideration the following statements:—

At a meeting of our association held on Thursday the 6th instant, the following resolution was unanimously adopted:

"That this meeting of the Grocers' Association of Montreal, desires to record its protest against the unjust combination which at present exists between the sugar refiners and the Wholesale Grocers' Guild, and that the Executive Committee of this association be requested to take the matter up at once, and endeavor to secure a satisfactory and feasible arrangement with the sugar refiners.

We respectfully beg to supplement the above resolution with the following statement of grievances:—

We would first premise: That for many years a large majority of the members of our association have handled with pleasure and profit, granulated sugar, the produce of the Canada Sugar Refinery. That we have no fault whatever to find with the quality of the sugar supplied by that refinery; on the contrary, we are glad to be able to bear testimony to its uniform excellent quality. That we also desire it to be understood that we do not object to a proper scale of duties being placed on the importation into Canada of refined sugars, in order to protect, encourage and foster this industry in Canada.

That for many years, in fact from its foundation until quite recently, the doors of the Canada Sugar Refinery were open to all members of the trade, both wholesale and retail, who might be in a position to purchase the quantities fixed upon as a limit by your company, and at the prices fixed upon for such quantities.

We therefore object that under the present arrangement which exists between the Canada Sugar Refinery and the Wholesale Grocers' Guild, we are denied this privilege and compelled to pay a certain fixed tribute or profit to certain jobbers and middlemen on this necessary and leading article of our trade.

That the present arrangement discriminates most unfairly against an overwhelming majority of the retail grocery trade throughout this city and Dominion, inasmuch as it would seem to your subscribers quite impossible to draw the line strictly as between a wholesale and retail merchant.

That many members of the so-called Wholesale Grocers' Guild, and others who, under the present arrangement are receiving their supplies direct from the refinery, are not simply wholesale merchants, manufacturers or jobbers, but are in point of fact largely engaged in a retail family trade.

That in consequence of the combination at present existing such parties are enabled to purchase their supplies of granulated and other sugars at lower prices than other members of the retail trade; thereby placing the large majority of the members of our trade at a most serious disadvantage in the legitimate prosecution of their business.

That the tax we are compelled to pay jobbers and others, as a profit on refined sugars, is most exorbitant and unwarranted.

That the combination exists to the great detriment and injury of consumers throughout the Dominion.

That while we admit it is a matter with which we have nothing to do, we may be allowed to express the opinion, that the sales of refined sugars manufactured in Canada are not increased or advanced in any way in consequence of the present combination.

Wherefore we respectfully request that you will be kind enough to give this communication your serious consideration, and we trust that an arrangement may be consummated satisfactorily to all concerned.

Yours respectfully,

THOMAS GAUTHIER, *President.*

ALEX. D. FRASER, *Vice President.*

JOHN ROBERTSON, } *Members of Executive Committee.*
GEO. GRAHAM, }

GEORGE A. DRUMMOND, Esq., *President Canada Sugar Refining Co., Montreal.*

EXHIBIT 19.

CANADIAN MANUFACTURERS' ASSOCIATION, GENERAL SECRETARY'S OFFICE,
6 WELLINGTON STREET WEST, TORONTO, 12th March, 1888.

SIR,—I append herewith clippings from the *Globe* and *Mail* for your perusal.

You will notice from the tenor of their criticisms that they have either not read the letter which I had the honor to transmit to you, or having read it have deliberately placed a false construction upon its contents.

You will doubtless remember that my letter contained no argument claiming that labor organizations were illegal or injurious, although it did claim that they have no right to deprive any man of his occupation simply because he declines to contribute to the funds of any trades union or other form of associated labor.

As my other letter was addressed to you as chairman of the Select Committee, the garbled statements published in the press could only have been obtained through your agency, and I therefore have to ask you both as a matter of courtesy and as an act of justice to see that the false impression created by the remarks of the *Globe* and *Mail* is promptly and prominently contradicted.

I have the honor to be, sir, your obedient servant,

FREDERIC NICHOLLS, *Secretary*.

N. C. WALLACE, Esq., M.P., Chairman Select Committee on Combinations,
House of Commons, Ottawa.

CRITICISMS ABOVE REFERRED TO.

MR. NICHOLLS ON LABOR ORGANIZATIONS.

Mr. Fred. Nicholls, the ubiquitous secretary of the Manufacturers' Association, has written a letter to Mr. Clarke Wallace, chairman of the Committee on Combinations, suggesting that the inquiry should be enlarged so as to embrace labor organizations, and arguing that they are as illegal and injurious as the sugar and manufacturers' combine. Mr. Nicholls forgets that there is no duty on imported labor, and that men are not forced into labor organizations. What gratitude Mr. Nicholls and his party show towards the workingmen! They have evidently come to the conclusion that as between labor and protection the parting of the ways has been reached.—*Globe*.

TRADES UNIONS AND COMBINES.

Mr. Frederic Nicholls, on behalf of the Manufacturers' Association, has addressed a letter to the Committee on Combines, inviting an investigation into trades unions. Mr. Nicholls thinks a union of workmen to sustain wages is as dangerous as a combine among manufacturers supported by a high tariff and a boycott to keep up the prices of manufactured articles. In support of his contention he mentions an incident which occurred at Hamilton. A trades union man was required to go on strike, and while out of employment his wife was compelled to take in washing to support the family.—*Mail*.

EXHIBIT 20.

A.

MOULINETTE, 15th March, 1888.

DEAR SIR,—I enclosed telegrams and letter to Dr. Hickey yesterday in regard to a purchase of a car load of sugar from the Moncton Sugar Refining Company. You will see that they wanted fifty cents per 100 pounds extra from me because I was not a ringer—equal to over \$100 on each car load. I have been jobbing a little

in Cornwall, but they have destroyed my doing anything more until the combine is broken. I see by yesterday's *Gazette* that Mr. Drummond states that the only difference was $\frac{3}{8}$ cent in small lots and $\frac{1}{4}$ cent in 15 barrel lots. You will see by telegrams I sent yesterday, care of Dr. Hickey, that they exacted $\frac{1}{2}$ cent per pound extra in car lots. I trust we will soon see the end of combine business.

Yours sincerely,

J. G. SNETSINGER.

The Chairman of the Combines Committee, Ottawa.

—
B.

(Telegram.)

26th July, 1887.

Ship car sugar immediately to Cornwall. Twenty barrels, No. 590; balance standard granulated. Send invoice here.

J. G. SNETSINGER.

Moncton Sugar Refinery, Moncton, N.B.

—
C.

(Telegram.)

MONCTON, N.B., 26th July, 1887.

Understood you were guild when quoting. Cannot ship goods until this is considered, unless you consent to increase of fifty cents on granulated only. Wire your decision. Sincerely regret misunderstanding. You are aware we have no alternative.

MONCTON SUGAR REFINING COMPANY.

J. G. SNETSINGER, Moulinette, Ont.

—
D.

(Telegram.)

26th July, 1887.

I want car sugar as agreed.

J. G. SNETSINGER,

Moncton Sugar Refining Company, Moncton, N.B.

—
E.

(Telegram.)

MONCTON, N.B., 27th July, 1887.

Will ship car, owing to misunderstanding. Keep quotations strictly private.

MONCTON SUGAR REFINING COMPANY.

J. G. SNETSINGER, Moulinette, Ont.

—
EXHIBIT 21.

A.

MONTREAL, 23rd December, 1887.

DEAR SIR,—I was very much surprised to-day, when calling at the office of the
520 SUGAR.

Canada Sugar Refining Company, to learn that my name was no longer on the list of privileged buyers of the Grocers' Association.

I called at your office immediately thereafter to learn the reason, but you were not in.

Would you be good enough (without delay) to inform me by whose authority, and for what offence, I am subjected to such treatment without any notification whatever.

Your prompt attention will oblige,

Yours truly,

WALTER PAUL.

GEO. HADRILL, Esq., Secretary Montreal Board of Trade.

B.

MONTREAL BOARD OF TRADE.

(WHOLESALE GROCERS' ASSOCIATION.)

MONTREAL, 23rd December, 1887.

DEAR SIR,—In reply to yours of yesterday's date enquiring reason of the erasure of your name from the list of signers to the sugar agreement, permit me to assure you that it is for no reason particular to yourself, but simply in compliance with the terms of appended resolution of the Dominion Wholesale Grocers' Guild, which orders that the agreement be confined to strictly wholesale houses, acting under which resolution the various grocers' associations in the Dominion have removed the names of all retailers from the sugar agreement.

I am, dear sir, yours truly,

GEO. HADRILL, *Secretary.*

WALTER PAUL, Esq., city.

The following is the resolution above referred to:—

C.

Resolution adopted at meeting Dominion Wholesale Grocers' Guild, held at Kingston, on 16th November, 1887.

"Resolved, That the sugar combination be confined to strictly wholesale houses, and that local guilds be requested to erase from membership any retail house, a retail house being understood to mean any house selling direct to the consumer, and that a new list be sent refiners of those who are in the combination."

EXHIBIT 22.

SYNOPSIS OF RULES, REGULATIONS AND AGREEMENTS ENTERED INTO, AND AT PRESENT IN OPERATION BY THE DOMINION WHOLESALE GROCERS' GUILD.

SECRETARY'S OFFICE, TORONTO, July, 1887.

TERMS AND DISCOUNTS.

General groceries, 4 months' note; or cash in 15 days less 3 per cent.; or cash in 30 days, less 2½ per cent.

Sugars, syrups, molasses, also canned goods, such as fruits, vegetables, fish, &c., (sardines excepted), 60 days' note; or cash in 15 days, less 1½ per cent.; or cash in 30 days, less 1 per cent.

SUGAR.

521

Produce of all kinds, fish of all descriptions, either in barrels, kits, bundles or boxes, net cash.

Invoice shall not in any case be dated later than day of shipment.

SUGAR AGREEMENT.

Scale of minimum advance: Under 15 brls., $\frac{1}{2}$ cent per pound; 15 brls. and over in one sale, $\frac{3}{8}$ cent per pound.

This scale of advance to apply to each grade separately of the following specified sugars, viz.: All graded sugars, such as ground, extra ground, Paris lumps, grocers' A, standard A, and granulated (three boxes of Paris lumps to count as one barrel).

Sellers to be allowed to prepay or allow buyers cost of freight to competing points only. Competing points are as follows:—

Province of Ontario.

| | | | | | |
|-------------|-------------|-----------|---------|----------|----------|
| Belleville, | Brantford, | Hamilton, | London, | Sarnia, | Trenton. |
| Berlin, | Brockville, | Kingston, | Ottawa, | Toronto, | |

Province of Quebec.

| | |
|-----------|---------|
| Montreal, | Quebec. |
|-----------|---------|

That where granulated or white sugars of any kind are sold to arrive or for future delivery, the sale shall be made at open prices, and shall be invoiced at the price existing at the date of shipment or delivery.

Any change in prices, if any, will be made on Saturday of each week. Any sales made on Saturday before receipt of advice, must be made at open prices.

Off brands may be offered only as such, and at prices not more than $\frac{1}{8}$ cent less than best brands.

No net prices to be quoted.

Sales of sugar must not in any case be dated later than first delivery on such sale.

Parties to this agreement bind themselves not in any case or instance to sell or allow their travellers to sell or offer to sell other kinds of sugar, or other goods, in connection with sugars covered by this agreement at lower prices, as an inducement for parties to purchase those sugars.

To buyers as far west as Coteau, and at all points south of River St. Lawrence the advance on sugars is $\frac{1}{8}$ less than as rated above.

Parties to this agreement bind themselves not in any case or instance to sell or allow their travellers to sell, or offer to sell, directly or indirectly, sugars covered by this agreement, to those wholesale dealers who have not signed this agreement, at less than one-half cent ($\frac{1}{2}$) advance on the refiners' prices.

TOBACCO AGREEMENT.

Minimum advance to be 4 cents over manufacturers' prices and excise. Terms: 4 months, or discount as above.

Parties to this agreement to have the privilege of delivering to competing points, or allowing differences in freight between place of shipment and nearest competing point. The following are competing points, viz:—

Province of Ontario.

| | | | | | |
|-------------|--------------|-------------|--------------|-----------------|------------|
| Belleville, | Collingwood, | Lanark, | Ottawa, | Sarnia, | Trenton, |
| Berlin, | Deseronto, | Lindsay, | Pembroke, | Stratford, | Westmeath, |
| Brantford, | Guelph, | London, | Perth, | St. Catharines, | Windsor, |
| Brockville, | Hamilton, | Moulinette, | Peterboro, | St. Mary's. | Woodstock. |
| Chatham, | Kingston, | Napanee, | Port Arthur, | Toronto, | |

Province of Quebec.

| | | | | |
|-------------|-------------|---------------|--------|-----------|
| Buckingham, | Chelsea, | Coaticooke, | Lévis, | Montreal, |
| Quebec, | Sherbrooke, | Three Rivers. | | |

PICKLES.

Following are contract selling prices to the retail trade:—Morton's imperial pints, \$2.25; Crosse & Blackwell's imperial pints, \$3.25; 4 months or discount as above.

Parties to the agreement have the privilege of delivering to all points where there are direct buyers.

TWO EXAMPLES OF FREIGHT CLAIMS.

| | | | |
|--|----|------|--------------|
| Rate freight, Montreal to Campbellville..... | 25 | cts. | per 100 lbs. |
| do Toronto do | 14 | | do |
| <hr/> | | | |
| Montreal may allow Campbellville buyers..... | 11 | | do |
| Rate freight, Toronto to Windsor..... | 18 | | do |
| do London do | 15 | | do |
| <hr/> | | | |
| Toronto may allow Windsor buyers..... | 3 | | do |

By order,

EDGAR A. WILLS, *Secretary.*

EXHIBIT 23.

A.

The following papers, A and B, have reference to the matter of Exhibit 8.

CANADA,
 PROVINCE OF ONTARIO, } In the matter of the proceedings taken in the High Court
 CITY OF TORONTO, } of Justice by Charles Stark against the Canadian Association
 To Wit: } of Jobbers in American watches.

We, John Segsworth, M. C. Ellis, Thomas H. Lee, F. Thayer, E. Scheuer, C. D. Maughan, and Edgar A. Wills, of the city of Toronto, do solemnly declare as follows:—

1. I, the said Edgar A. Wills, do declare that the paper hereto annexed and marked "A," signed by me, is a true copy of the minutes of the meeting of the said association held at the city of Toronto on the 1st day of March, 1888, in so far as the minutes relate to the consideration of the rule adopted by the American Association to the effect that "no jobber shall be allowed to sell any American movements without cases, or at least as many cases of the same kind as the movements to be sold in each bill," and to the action of the Canadian Association taken with respect thereto.

2. And we, the said John Segsworth, M. C. Ellis, Thomas H. Lee, F. Thayer, E. Scheuer, C. D. Maughan and Edgar A. Wills each for himself severally declare that the resolution referred to in the said copy of minutes hereto annexed deferring action in reference to the telegram received from the American Jobbers' Association was passed before any notice was received from the said Charles Stark of the proceedings taken by him against the said Canadian Association and before any papers were served on behalf of the said Charles Stark upon the said Canadian Association. Also that the note in the said minutes, stating the stage of the proceedings at which the Secretary was called from the room and returning read to the meeting the paper that had been handed to him by the clerk of the solicitor representing Mr. Stark, and correctly states what happened.

3. With the exception of Mr. C. H. A. Grant, representing Messrs. Schwob
 WATCHES. 523

Brothers, of Montreal, and who is not in the city of Toronto and cannot join in this declaration, we the aforementioned persons (together with R. Y. Ellis who is not in Toronto to-day) making this solemn declaration were all who attended the said meeting, and we, each for himself, severally declare that until the said paper handed to the secretary by the clerk of the solicitor representing Mr. Stark was read to the meeting, none of us had received any information respecting the intended action by the said Stark or knew of his intention to take said proceedings. The said resolution referred to in said minutes was passed by the meeting without reference to said Charles Stark or to any contemplated action on his part.

And we make this solemn declaration conscientiously believing the same to be true, and by virtue of an Act passed in the thirty-seventh year of Her Majesty's reign, intituled: "An Act for the suppression of voluntary and extra-judicial oaths."

M. C. ELLIS,
C. D. MAUGHAN,
J. SEGSWORTH,
EDMUND SCHEUER,
THOMAS H. LEE,
EDGAR A. WILLS.

Solemnly declared by the foregoing, J. Segs-
worth, M. C. Ellis, Thomas H. Lee, S. }
Thayer, E. Scheuer, C. D. Maughan and }
Edgar A. Wills, at the city of Toronto }
in the County of York, on this 12th day }
of March, A.D. 1888. Before me }

A. MACKENZIE, *A Commissioner &c. and a Notary Public for Ontario.*

B.

GENERAL MEETING.

1st March, 1888.

Present: Messrs. J. Segsworth, M. C. Ellis, Thomas Lee, F. Thayer, R. Y. Ellis, E. Scheuer, C. D. Maughan, of Toronto, C. H. A. Grant, representing Messrs. Schwob Bros., of Montreal.

John Segsworth, vice-president, in the chair.

The Chairman having read the notice calling the meeting, stated the question before the meeting was the consideration of the telegram read by the secretary from Mr. Noyes, of New York.

After brief discussion, it was moved by Mr. Thos. H. Lee, seconded by E. Scheuer, That for the present action shall be deferred in reference to the telegram received from the American Jobbers' Association (Exhibit 8) and that should the executive of our association in the future think it necessary, they shall call a general meeting for the purpose of discussing any matters pertaining thereto.—Carried.

Communications from Messrs. A. O. Norton & Co., Smith & Patterson, G. E. Fahys and A. Eaves read and laid on the table.

At this stage of the proceedings the secretary was called from the room, and returning read to the meeting a paper that had been handed to him by the clerk of solicitors representing Mr. C. Stark. This document was returned without comment to the bearer.

Certified correct.

Secretary.

C.

TORONTO, 12th April, 1888.

N. C. WALLACE, Esq., M.P., Ottawa, Ont.

DEAR SIR,—I am obliged for your favor enclosing copy of Mr. Ellis' letter, and beg respectfully to refer your honorable Committee to the letter before you marked "B," one of those which I sent you March 15th, accompanied by sworn affidavits as to correctness, which was written by Mr. Ellis' senior partner, as a denial to the report complained of by the Elgin Watch Company, referred to by Mr. M. C. Ellis in his letter to you. This letter satisfied the Elgin Watch Company that they had been misinformed, and I again repeat that the said company continued to supply me until the combine's pressure left them no alternative but to refuse to complete their contract with me. See copy of Elgin Company's letter sent you by last mail. Further comment is needless.

Yours truly,

CHAS. STARK.

Copy of letter from Elgin National Watch Company.

CHICAGO, 19th November, 1885.

Mr. CHAS. STARK, 52 Church St., Toronto, Ontario.

DEAR SIR,—We are in receipt of your favor of the 17th inst. enclosing numbers of No. 13 movement for rebate, also your order for movements which you wish us to forward. You are doubtless aware of the formation of the Canadian Association of Jobbers in American Watches, and also that this company is co-operating with that association which prohibits our continuing business relations with you from the fact that you are not a member of that association. We have no jurisdiction as to who shall constitute its members. We are advised of its members and your name is not included, therefore we must say that we cannot allow the rebate you refer to nor fill your order for movements. Our explanation to you may seem short and perhaps strictly to the point, but we cannot give an extended explanation from the fact that the organizing of that association there as well as the association in the United States precludes our saying other than that we do strictly co-operate with both associations, and we must abide by the resolutions of that co-operation.

Yours truly,

ELGIN NATIONAL WATCH COMPANY,

JNO. M. CUTTER.

D.

TORONTO, 31st March, 1888.

DEAR SIR,—By referring to my examination or testimony given on behalf of the Canadian Association of Jobbers in American watches, you will find that I made the assertion distinctly in opposition to that made by Charles Stark, that C. Stark owed the loss of his supply of goods from the Elgin National Watch Company to the fact of his cataloguing his goods to the public and by purposely avoiding the name "Elgin," hoodwinked that company into the belief that he was wholesaling. The enclosed letter which is a true copy of one written him prior to our association being formed, or in co-operation with the Elgin National Watch Company. This letter clearly shows that our association was not the cause of his trouble with that company, and his own method of doing business in violation of the understanding he had with that company was the cause and the only one of being cut off. I think, sir, that you will

clearly see that our association does not assume the proportions of either trusts or combinations. We do not force up prices, nor in fact establish prices in any manner. Each manufacturer makes his own prices and is at liberty to change them to the retailer as often as he sees fit. All that the association regulates is a uniformity of price, agreeing together to interpret prices the same after adding our duties and expenses. As your Committee summoned Charles Stark and paid his expenses, do you not think that those who gave testimony on other side should be fairly entitled to their expenses? We do not press the matter, but leave it to your well known impartiality. Thanking you for the courtesy of a fair hearing extended me.

I am yours respectfully,

M. C. ELLIS.

CLARKE WALLACE, Esq., Ottawa.

CHICAGO, 25th April, 1888.

DEAR SIR,—Our attention has been called several times of late to your advertisements offering American watches to the public at greatly reduced prices; that you have directly offered Elgins in like manner we do not claim, but in the general interest of the American watch business in Canada your methods of selling watches has a depressing effect on prices of ours as well as your openly avowed purpose in selling others, therefore we have decided to request you to either restore prices of all American watches to a fair profit over the retailers' prices, cease advertising to the public altogether, or we shall feel that cause has sufficiently existed to withdraw our recognition as a jobber. Will you please reply promptly? The above is fully concurred in by all American companies.

Yours truly,

ELGIN NATIONAL WATCH COMPANY.

JOHN M. CUTLER.

CHAS. STARK, 52 Church Street, Toronto.

EXHIBIT 24.

BUSINESS RECORDS OF THE WHOLESALE GROCERS' DOMINION GUILD

From 7th June, 1884, to 16th November 1887, inclusive.

A meeting of Delegates from the Wholesale Grocers' Association of Hamilton, Toronto and Montreal, held in the Council Room of the Board of Trade.

MONTREAL, 7th June, 1884.

Present :—Messrs. Ince, Davidson and Blain, of Toronto; McPherson and Gildard, of Hamilton; and Childs, Kirk and Tees, of Montreal.

Mr. Childs, President of the Montreal Association, was elected chairman, and Mr. Tees was requested to act as secretary.

The chairman, in a short address, welcomed the delegates from Ontario, and expressed a wish that the meeting would result in the recommendation of such measures as could be adopted by the various local associations and carried out with advantage to all concerned.

It was moved by Mr. Ince and seconded by Mr. Kirk,

That this organization be known as the Dominion Wholesale Grocers' Guild.—
Carried.

For the office of president Mr. Ince was nominated by Mr. Childs and supported by Mr. McPherson.

There being no other nomination his election was unanimous.

For the office of vice-president Mr. Childs was nominated by Mr. Gillard, supported by Mr. Ince, and unanimously elected.

Moved by Mr. Davidson, seconded by Mr. Ince,

That Mr. Edgar A. Willis be appointed secretary.—Carried.

It was then resolved that the remuneration to the secretary and other necessary expenses be borne in equal proportions by the local associations.—Carried.

Moved by Mr. Davidson, seconded by Mr. Ince,

That the secretary of each association be regarded as the local secretary of the Dominion Guild.—Carried.

Moved by Mr. Davidson, seconded by Mr. Kirk,

That we endorse the resolutions passed at Toronto on the 12th May last in regard to terms and which reads as follows:—

“That from and after the 1st July, 1884, sugar, syrup and molasses shall not be sold on credit of over four months from date of shipment, and that parties shall have the privilege of giving ten days additional on said goods when shipped from Montreal to Toronto, and west of Toronto, in special cases.”—Carried.

Moved by Mr. Gillard, seconded by Mr. Ince,

That general goods shall not in any case be dated later than day of delivery.—Carried.

Moved by Mr. Tees, seconded by Mr. Davidson,

That the resolution relating to discounts and passed at the Toronto meeting having met with disapproval by some of the local associations, the following discounts are hereby recommended:

60 days goods, 1 per cent.; 4 months' goods, 2½ per cent.; if paid within 30 days, or interest at the rate of 9 per cent. for the unexpired time.—Carried.

Moved by Mr. Gillard, seconded by Mr. Kirk,

That the foregoing resolution shall take effect on the 1st July, and that the Dominion secretary be instructed to furnish each member of the guilds, printed slips of the terms and discounts therein contained, provided said resolutions are confirmed by the local guilds.—Carried.

Moved by Mr. Ince, seconded by Mr. McPherson,

That the secretaries of the local guilds are requested to at once obtain signatures to a document embodying the foregoing resolutions as regards credits and discounts.—Carried.

GENERAL MEETING.

Dominion Wholesale Grocers' Guild.

TORONTO, 25th November, 1885.

Present:—W. Ince, President; G. Childs, Vice-President, and Messrs. Kinlock and Lightbound, of Montreal; Gillard and J. J. Stuart, of Hamilton; A. Cleghorn, of London; Jas. Watt, of Brantford; S. S. Young, of Trenton; and H. Blain and A. M. Smith, of Toronto.

Moved by Mr. Blain, seconded by Mr. Gillard,

That the minutes of the meeting held in Montreal, 7th June, 1884, as submitted by Mr. Kinlock, the secretary of the Montreal Guild, be approved, and the same copied into a book of records of the proceedings of the Dominion Guild.—Carried.

Letters of regret at not being able to attend were received from Messrs. Baskerville & Co., of Ottawa, and Gilmore & Co., of Brockville. No acknowledgments whatever was made by the Kingston firms invited.

The secretary's statement of expenses, amounting to \$14.83, irrespective of salary, was then submitted.

Moved by Mr. Gillard, seconded by Mr. Cleghorn,

That the salary of the secretary of the Dominion Guild be one hundred dollars per annum, to date from formation of the same, viz.:—7th June, 1884, and that amount, together with other disbursements, be borne equally by the Montreal, Toronto, Hamilton, London and Brantford local guilds.—Carried.

Tobacco.

The meeting then proceeded to discuss the recent tobacco memorial.

Mr. Childs reported verbally the result of the interviews had by the deputations from the Montreal trade with Mr. McDonald, which were very unsatisfactory, he having positively declined to assist the trade.

After discussing the terms made by Messrs. George E. Tuckett & Son, tobacco manufacturers of Hamilton,

Mr. Gillard promised to personally interview the firm, with a view to inducing them to call attention in some especial manner, at the expense of this guild, to the terms at which his tobaccos are to be resold by the wholesale trade.

Moved by Mr. Blain, seconded by Mr. Gillard,

That a circular be issued drawing attention to the conditions on Geo. E. Tuckett & Son's invoices, and sent to the merchants who signed the tobacco memorial, and expressing the hope that the terms will be strictly carried out, and that they will report any breaches of the same to Mr. Edgar A. Wills, of Toronto, who will investigate and take proper means to prevent recurrence.—Carried.

The secretary was instructed to convey to Messrs. Geo. E. Tuckett & Son the cordial thanks of the guild for the generous manner in which that firm had supported the trade in the sale of their tobaccos.

Mr. Young, of Trenton, promised to undertake to see the Kingston merchants and endeavor to get them either to form a guild of their own or to join in with the trade generally in their efforts to secure reasonable profits.

Mr. Young to report to the secretary as soon as anything was done.

The meeting adjourned at 1 p.m.

AFTERNOON SESSION—3 P.M.

The discussion on the tobacco question was again resumed and it was decided that at present no further effort should be made to induce the manufacturers to combine.

Additional Places as Competing Points.

Moved by Mr. Gillard, seconded by Mr. Blain,

That the following places be added to list of competing points for delivery of tobaccos, viz., Collingwood, Sarnia, Berlin, St. Catharines, St. Mary's, Stratford, Sherbrooke, Sorel and Three Rivers, and that the Dominion secretary be instructed to issue a circular to members of Montreal, Toronto, Hamilton, London and Brantford Guilds.—Carried.

Terms of Credit.

A prolonged discussion on this subject ensued and finally it was

Moved by Mr. Lightboard, seconded by Mr. Smith.

That the following terms and discounts be established as those which are to govern the wholesale grocery business within the limits of the guilds, namely:—

General Groceries:—Four months' credits or 3 per cent. discount for cash if paid within 15 days, or 2½ per cent. within 30 days.

Sugars, syrups and molasses:—Sixty days, or 1½ per cent. discount for cash paid within 15 days, or 1 per cent. within 30 days, and that these terms shall be adhered to as closely as possible and that a copy of this resolution be furnished to each of the members of the several guilds and they be requested to have these terms printed on their invoice forms.—Carried.

Some discussion here ensued as to trading between wholesale houses. Mr. Lightbound expressed his opinion that the object of the formation of the guilds was to regulate the sale of goods to the retail trade and its decisions had no bearing on the sales between the wholesale trade. Mr. Gillard agreed with Mr. Lightbound if both parties adhered to the terms fixed by the guilds.

Dating Goods Ahead

Moved by Mr. Gillard, seconded by Mr. Blain,

That the recommendation of the Dominion Guild, made at Montreal, at their first meeting in June, 1884, with regard to the dating of goods, reading as follows:—

“That invoices shall not in any case be dated later than day of shipment. Parties to have the privilege of giving ten days additional on goods when shipped from Montreal to Toronto, and west of Toronto in special cases,” with this exception, viz.:—Shipments by water after 1st October, not to be subject to this rule is again recommended, and the secretary is instructed to draft a letter in accordance therewith, to be forwarded to each member of the various local guilds, through their secretaries.—Carried.

The meeting adjourned at 6 p. m.

THURSDAY, November 26th, 1885.

Session resumed at 10.30 a. m.

Terms of Credit.

By consent, the resolution as adopted was altered to read as follows:—

General groceries:—4 months' credit or cash in 15 days less 3 per cent., 30 days less 2½ per cent.

Sugars, syrups, molasses, canned goods, fruits, vegetables, fish, &c., except sardines:—60 days' credit or cash in 15 days less 1½ per cent., 30 days less 1 per cent.

Fish of all descriptions, either in barrels, half barrels, kits, bundles or boxes, net cash.

The secretary was instructed to have the following printed on post cards and forwarded to every retail grocer, tobacco dealer and general storekeeper in Ontario and the eastern provinces, the same being first approved by the Montreal guild.

“At a meeting of the wholesale grocery trade of the Dominion it was agreed that on and after the 1st January, 1886, the terms of credit and cash discounts will be as follows:—

General groceries:—4 months' credit or cash in 15 days less 3 per cent., 30 days less 2½ per cent.

Sugars, syrups and molasses, also canned goods such as fruits, vegetables, fish, &c. (sardines excepted):—60 days' credit or cash in 15 days less 1½ per cent., cash in 30 days 1 per cent.”

Dating ahead.

After further discussion, the motion, as moved by Mr. Gillard, seconded by Mr. Blain, was carried, and the secretaries of the local guilds present were requested at the first meeting thereof to advise the members that teas are not included in these terms.

Granulated Sugars.

The desirability of fixing a maximum profit fully discussed, but no conclusion arrived at.

Notice of motion by Mr. A. M. Smith.

That the terms of credit on sugars and syrups be 30 days from and after and the rate of discount be reduced to 1 per cent. in 10 days and no discount after 10 days.

OTHER COMBINATIONS.

Cook's Friend.

Moved by Mr. Blain, seconded by Mr. Lightbound,

That Mr. McLaren be requested to make fixed prices to the retail trade on condition of purchase of his Cook's Friend Baking Powder, and that it be pointed out that several houses in the west have recently greatly decreased their sales on account of the small margin of profit on these goods.—Carried.

Starch.

Moved by Mr. Lightbound, seconded by Mr. Smith,

That this meeting, regretting the failure of the efforts heretofore made to arrange for a more satisfactory sale of starch, hereby names the president, vice-president and secretary of the Montreal guild a committee to wait on the managers of the Edwardsburg Starch Company and urge on them the desirability of entering into an arrangement with the wholesale trade for their manufactures being sold at a uniform advance.—Carried.

James' Dome Lead, Blue, &c.

Moved by Mr. Childs, seconded by Mr. Kinlock,

That Messrs. Ince, Blain and Davidson be a committee to arrange with Mr. Lobb, agent for James' goods, for their sale at a uniform advance.—Carried.

Annual Meeting.

It was decided that the next annual meeting be held at Hamilton, this being done at the earnest request of Mr. Gillard on behalf of the Hamilton merchants.

Moved by Mr. Lightbound, seconded by Mr. Smith,

That the president and secretary of this guild be appointed to draft by-laws for same and submit them to the local guilds for approval.—Carried.

Election of Officers.

Mr. Ince having left the chair, it was taken by the secretary.

Moved by Mr. Lightbound, seconded by Mr. Childs,

That the present officers be retained for 1886.—Carried.

Officers for 1886.

W. Ince, Toronto, president; G. Childs, Montreal, vice-president; Elgar A. Wills, Toronto, secretary.

The meeting then adjourned.

WILLIAM INCE, *President.*

EDGAR A. WILLS, *Secretary.*

GENERAL MEETING.

KINGSTON, 30th April, 1886.

Present: Montreal—Messrs. Chaput, Fils & Cie., Turner, Rose & Co., Hudson, Hebert & Co., Kirk, Lockerby & Co., Tees, Wilson & Co; Hamilton—Messrs. W. H. Gillard & Co., Mr. Gillard; Lucas, Park & Co., Messrs. Steele & Lucas; Jas. Turner & Co., Mr. Turner; McPherson, Glascoe & Co., Mr. McPherson; Brown, Balfour & Co., Mr. Balfour; Toronto—Perkins, Ince & Co., Mr. Ince; Eby, Blain & Co., Mr. Blain; Sloan & Mason, Mr. Mason; T. Kinneer & Co., Mr. Kinneer; Brantford—A. Watts & Co., Mr. Watts; G. Watts & Son, Mr. Hendry; Trenton—S. S. Young; Kingston—A. Gunn & Co., Geo. Robertson & Son, Mr. G. Robertson; Fenwick, Hendry & Co., J. & A. Hendry, J. Brown & Co.; Brockville—J. Gilmour & Co.; Winnipeg—J. Turner & Co.

W. Ince in the chair.

Minutes of last meeting read and confirmed.

The president announced that Messrs. Folger Bros. had tendered the delegates a trip on the harbor and put it to the meeting if same should be accepted. The motion was carried unanimously, the meeting to adjourn at 12.30.

Arising out of the minutes the president reported that so far they had not been able to prepare the by-laws, but this would be done as soon as the secretary had an opportunity.

Re Edwards Starch Co. nothing had been done so far; he would suggest that the Edwards' and the Dominion Starch Co. should combine.

The president having suggested that the tobacco agreement should be first subject for discussion, Mr. Blain offered some practical suggestions to the effect that seeing there were so many merchants present who had not enjoyed the benefits of their organization would it not be well if some present would explain the practical working of the guild. The president concurred in the suggestion, and called upon Mr. Hendry, of Brantford, to give his experience. This Mr. Hendry did in a most forcible manner, and was followed by Mr. Hebert who gave some startling illustrations of what can be done by united efforts.

During the discussion the question with reference to what action would be taken with regard to Messrs. Lightbound, Raiston & Co. arose. Mr. Wilson said that his firm was prepared to stand by the agreement even if the latter house did withdraw, but he thought that they would reconsider their notice, especially when they heard that the Kingston merchants had come into the arrangement.

After remarks from other delegates and also from Messrs. Fenwick, Robertson and Hendry, of Kingston, Mr. Craig, of A. Gunn & Co., said that he was not prepared to make any statement at present, but he had no doubt that at the afternoon meeting the Kingston merchants would have arrived at a decision in the question of signing the tobacco agreement and forming a guild.

Mr. Fenwick asked if any combined action had been taken with regard to sugars, and the president explained the matter very fully, and after a general conversation and an explanation from Mr. Lockerby, of Montreal, as to how the combination was worked in the city of Boston and the New England States, it was agreed that the subject should again be considered at the afternoon session.

Mr. Hendry, of Brantford, called the attention of the meeting to the recent tariff changes in raw sugars, and suggested that a deputation should wait on the Minister of Finance.

The president requested Mr. Watts to prepare a resolution to that effect for the afternoon meeting.

Terms and Discounts.

The president announced to the meeting that Messrs. Watts & Co. had withdrawn their reservation. Mr. Watts explained his position and stated that he had no doubt Messrs. Masuret would at once act in unison with them.

After much discussion it was moved by Mr. Hebert, seconded by Mr. McPherson, that the present terms of credit and discounts be confirmed.—Carried.

The meeting adjourned at 12.30 p.m.

AFTERNOON SESSION, 3 p.m.

Sugar.

Mr. Gillard explained that he had been in correspondence with the refiners and he was satisfied that if a large percentage of the trade desired to have a protective arrangement they, the refiners, would assist them. At this stage of the proceedings,

Mr. Fenwick, speaking on behalf of the Kingston, Brockville and Trenton merchants, announced that they had decided to join the tobacco combination. This announcement was received with applause.

On motion, the resolution *re* terms and credits was reopened in order to allow an expression of opinion from the merchants present who were not parties to it, and

they expressed their approval of it by signing the agreement already signed by the western trade.

Moved by Mr. Gillard, seconded by Mr. Blain,

That the wholesale grocers of Kingston, Belleville, Brockville and Trenton having signified their intention to come into the arrangement for the sale of tobaccos at a minimum advance of 3 cents per pound, it is hereby resolved that this arrangement, on and after the 10th day of May next, shall be operative over the entire Provinces of Ontario and Quebec, with the exception of the city of Montreal.—Carried.

From remarks made by Messrs. Hebert and Turner it appears that the retail of tobacco in the city of Montreal did not keep the agreement.

Moved by Mr. Blain, seconded by Mr. Balfour,

That Trenton be added to the list of places to which tobacco may be prepaid.—Carried.

Granulated Sugar.

Moved by Mr. Turner, seconded by Mr. Watts,

That this meeting desires to affirm the principle that sugars should not be sold at so nearly cost as they are at present, and to urge that arrangements should at once be entered into by the wholesale grocers of the cities of Montreal, Kingston and the west, under which sugars in quantities of less than 50 barrels should be sold at a uniform minimum advance of say $\frac{3}{8}$ cent on Montreal refiners' prices per car-load lots, and that a copy of resolution be sent to each of the local guilds for an expression of opinion thereon at the earliest possible date.—Carried.

Moved in amendment by Mr. Wilson, seconded by Mr. Mason,

That Messrs. the President, Gillard, Watts, Craig and Balfour be a committee to formulate a plan for regulating the price at which granulated sugar shall be sold.—Amendment lost.

The resolution evoked a long and animated discussion, the general opinion being that the local guilds must consider the question before any action can be taken.

Meeting adjourned at 6 p.m.

EVENING SESSION. 7.45 p.m.

Rice.

Moved by Mr. Gillard, seconded by Mr. Hebert,

That inasmuch as rice, the product of Mount Royal Mills, has been and is being sold at unremunerative prices, this meeting recommends that the question of fixing a minimum advance on that article of $\frac{3}{8}$ cent per lb. on mill price, when sold in quantities of 25 bags and under, be considered by the respective guilds at an early date, and their views submitted through their delegates at the next meeting of the Dominion Guild.

Raw Sugar.

Moved by Mr. Hendry, seconded by Mr. Blain,

That whereas at a meeting of the members of the Dominion Grocers' Guild, held at Kingston, at which the leading wholesale grocers and importers were represented, the recent changes in the sugar tariff, as submitted by the Hon. the Minister of Finance, were discussed and the proposed increase of duty on raw sugar considered. The unanimous expression of opinion was opposed to the changes of duty.

Be it resolved, that the Government be respectfully requested to reconsider the tariff submitted respecting raw sugar, and that the old duties be allowed to remain in force, this meeting believing that the old tariff, while fully protecting the refiner, will be in the best interest of the consumer. That a copy of this resolution be forwarded to the Hon. the Minister of Finance. The Grocers' Guild being quite willing to forward a deputation to Ottawa to advocate and support this resolution.

After some discussion as to the trading between firms and the pickle agreement, the president declared the business finished.

Moved by Mr. Blain, seconded by Mr. Wilson,
That a vote of thanks be tendered Messrs. Folger Bros. for their kindness in affording the delegates such a pleasant sail on the lake.—Carried.

Moved by Mr. Balfour, seconded by Mr. Gillard,
That a vote of thanks be tendered Mr. Ince for his able conduct in the chair.—Carried.

The meeting then adjourned.

WILLIAM. INCE, *President*.
EDGAR A. WILLS, *Secretary*.

GENERAL MEETING

HAMILTON, 9th July, 1886.

Present:—Montreal, Messrs. Tees and Hebert; Toronto, Messrs. Ince, Davidson, Lang, Sloan, and Boomer; Brantford, Messrs. Watts and Hendry; Hamilton, Messrs. Gillard, Steele, Brown, Balfour, Stuart, Bristol and Sherling.

12 m.

W. Ince president in the chair.

Minutes of last meeting read and confirmed. The president briefly stated the particular reason for his having called the meeting.

Arising out of the minutes he referred to the success of the delegation to Ottawa *re* raw sugars, and that the Ottawa merchants, retail and wholesale, had signed the tobacco agreement. That when in Montreal a short time ago he interviewed Mr. McDonald and was satisfied that he (Mr. McDonald) would support the tobacco agreement if not by a formal agreement at least to the utmost of his ability. He considered the interview a satisfactory one.

Communications.

From the Johnston Fluid Beef Co., Montreal, copy of price list and agreement submitted and approved; from W. D. McLaren, Montreal, *re* Cook's Friend Baking Powder; the terms of sale to retailers to permit a trade discount of 5 per cent. on sales not less in amount than fifty dollars.

Rice.

The local guilds reported no action taken.

Terms and Discounts.

The position of the Hamilton merchants was explained by the president.

Moved by Mr. Davidson, seconded by Mr. Hebert,
That the terms and discounts arranged by the Dominion Guild in November, 1885, be adhered to.

This resolution started a very warm discussion, and at 1 p. m.—

Mr. Gillard moved an adjournment till 2 p. m., and extended, on behalf of the Hamilton merchants, a very cordial invitation to the meeting to lunch at the club.

Meeting adjourned.

AFTERNOON SESSION.

Meeting called to order at 2.30 p. m.

Communications.

Telegram from Kingston explaining absence of delegates; from Messrs. Lightbound, Ralston & Co., read and ordered to be filed; from Mr. Masuret, of London, addressed to Mr. Gillard.

Terms and Credits.

Discussion resumed.

Mr. Steele gave an account of his interview with Mr. Masuret, and after a very full discussion, and a general expression of opinion that the arrangement should not be disturbed, and the president had consulted with Mr. Stewart, who, in reply to his question "Will you agree to test this matter for three months longer?" answered, "I will do my best to get the consent of the other members of my firm to this proposition." Permission was given to amend the motion before the meeting by adding:—"For three months longer and until an opportunity thereafter for a meeting of the Dominion Guild."

The resolution, as amended, was then carried unanimously.

Sugars.

Mr. Gillard submitted the resolution of the Hamilton, London and Brantford Guilds of 10th May, 1884.

The meeting was unanimously of opinion that something should be done immediately to remedy the existing unsatisfactory state of things.

After a general conversation, it was

Moved by Mr. Hebert, seconded by Mr. Brown,

That the resolution passed at the meeting of the Dominion Guild regarding the fixing of a minimum price on granulated sugars be re-affirmed, and that the following gentlemen be a committee to formulate a scheme for the purpose and wait upon the various refiners to see how far they will be willing to assist them in the carrying out of the same, viz.:—Messrs. Ince, Davidson and A. M. Smith, of Toronto; Messrs. Geo. Watt and R. Hendry, of Brantford; Mr. Cleghorn, of London; Messrs. Balfour, Stuart and Gillard, of Hamilton; Messrs. Craig & Robertson, of Kingston; Messrs. Hebert, Childs and Tees, of Montreal.—Carried.

Copy of Hamilton Resolution of 10th May, 1884.

The large and growing consumption of grocers' and standard A. and especially granulated sugar, and the very large amount of capital employed returning no profit, the result of under cutting in prices, it is deemed practicable and advisable to suggest the settling by the Dominion Guild from week to week the prices at which it shall be sold, and it is their opinion that the following would be a fair and reasonable scale of advance on refiners' carload price of the day upon which prices for the ensuing week be so determined, viz.: Under ten barrels, $\frac{1}{2}$; ten and under forty, $\frac{3}{8}$; over forty, sellers' option. Sellers to be at liberty to prepay or allow buyers cost of freight to the nearest wholesale market. The following places to be considered distributing points, viz.: Montreal, Kingston, Ottawa, Toronto, Collingwood, Sarnia, Hamilton, St. Catharines, London, St. Thomas, Chatham, Windsor, Brantford and Berlin.

The committee to meet in the Council Chamber of the Board of Trade, Toronto, Thursday, 15th July, at 8 p.m.

Suggestions for the Guidance of the Committee.

1st. The resolution of the Hamilton, London and Brantford Guild of 10th May, 1884, to be considered a fair basis excepting that places to which parties shall be allowed to prepay freight shall be competing points only, or places to which refiners sell sugars direct.

2nd. That in the city of Montreal the merchants shall be allowed to sell at one-eighth less than the fixed price.—Carried.

Mr. Gillard, as president of the Hamilton, London and Brantford Guild, extended to the delegates an invitation to dinner at 7 p.m.

The meeting then adjourned.

WM. INCE, *President.*

—————, *Secretary.*

TORONTO, 15th July, 1886.

Committee appointed by the Dominion Guild to prepare an agreement for the sale of granulated and grocers' A sugars met in the Council Chamber of the Board of Trade this evening at 8 p.m.

Present:—Messrs. Ince, Smith, Adams and Davidson, of Toronto; Messrs. Gillard, Stewart and Balfour, of Hamilton; Messrs. Watts and Hendry, of Brantford, when the following scheme was unanimously agreed upon.

GENERAL MEETING.

TORONTO, 1st March, 1887.

Council Chamber of the Board of Trade.

Delegates Present:—**Montreal**—Messrs. G. W. Childs, president; W. W. Lockerby, secretary; C. P. Hebert, Ed. St. Denis, Jacob Wilson; **Hamilton**—Messrs. W. H. Gillard, John Gillard, Geo. E. Bristol (Lucas Park), T. H. McPherson, S. Balfour, Alex. Turner, Alex. Harvey; **Kingston**—Mr. M. H. Sutherland, representing Messrs. Fenwick, Hendry & Co; **London**, Mr. A. Cleghorn; **Belleville**—Mr. M. Kelso (Pikeathly & Kelso); **Brantford**—telegram from Mr. Watts stating that he could not attend; **Toronto**—Messrs. W. Ince, president; H. Blain, T. W. Lang, W. Sloan, H. Boomer, W. Warren, T. Kinnear, A. M. Smith, J. J. Davidson, Eckart.

Mr. W. Ince in the chair.

Election of Officers for 1887.

For president—Mr. W. Ince, nominated by Mr. Childs, seconded by Mr. Gillard. Both gentlemen referred to the good service rendered the organization and the trade generally by Mr. Ince, and strongly urged him to take office for another year. The motion was put to the meeting by Mr. Wills and carried unanimously.

Mr. Ince accepted office upon the express condition that he be relieved at the expiration of the year.

For vice-president—Mr. W. Childs, president of the Montreal Guild, nominated by Mr. Gillard, seconded by Mr. Cleghorn.

For secretary—Mr. E. A. Wills, nominated by Mr. H. Blain, seconded by Mr. C. P. Hebert.

The president, on behalf of the Toronto Guild, cordially welcomed the delegates and invited them to dinner at the Toronto Club at 7.30.

After briefly referring to the preliminary document that had to be forwarded to the different secretaries, bearing on the sugar question and the desirability of some prompt action being taken to remedy the evils existing in the sale of sugars, declared the meeting in due form for business.

Secretary Lockerby, of the Montreal Guild, presented sugar document signed by all but two of the Montreal dealers.

Secretary Wills, of the Toronto Guild, signed by all the trade but one house.

President Gillard of the Hamilton, London and Brantford Guilds explained the absence of the document and promised to have it signed and forwarded to the secretary. He stated that all in Hamilton would sign and also in Brantford.

Mr. Cleghorn would see and get the signatures for London.

Mr. Sutherland believed that the Kingston merchants would all sign.

Mr. Kelso, speaking for his firm, would sign it.

The president reported having seen the refiners, he was satisfied that they would cordially assist.

Mr. Childs and Mr. Hebert also referred to interviews they had had with Mr. Drummond.

Mr. Hebert's was the most recent interview, and he, Mr. Hebert, was perfectly satisfied that the trade could rely on the active co-operation of the refiners.

Mr. Lockerby had interviewed Mr. Harris of the Moncton refinery and they would also be in accord, and he believed the same could be said of Halifax.

Mr. Bristol called the attention of the meeting to the fact that already 87 per cent. of the trade had signed the document.

The draft sugar agreement was then discussed *seriatim*.

The principal points growing out of the discussion which was a long and most interesting one were the following :—

That it would not be well to interfere with any buyer on the lists furnished by the refiners. That the scale of minimum advance should apply to one grade only of the specified sugars, no mixed lots allowed.

The question of a uniform advance of $\frac{1}{2}$ per cent. evoked a long debate, but finally the meeting unanimously resolved to adopt the original terms, as suggested in July, 1886.

Attention was drawn to the fact of the refiners having rearranged the definition of a car load from 80 barrels to 100 barrels.

Off Brands.

This clause was retained though the meeting was advised that the refiners would discontinue making a second grade. The sense of the meeting was that it should not be manufactured.

The meeting adjourned at 1 o'clock p.m. for lunch, and renewed its labors at 2.30.

The only alterations in the document agreed upon at Montreal in July, 1886, are hereunder indicated by italics, and read as follows :

SUGAR AGREEMENT.

1. We, the subscribers to this agreement, hereby covenant and agree for ourselves and with each other to faithfully and honorably perform and carry out the terms and conditions hereinafter set forth for the regulation and sale of *all graded sugars such as ground, extra ground, Paris lump, cut loaf, grocers' A, standard A and granulated sugars.*

2. Scale of minimum advance to be as follows:—Under 15 barrels $\frac{1}{2}$ cent, 15 barrels and over in one sale $\frac{3}{8}$.

This scale of advance to apply to each grade separately of the above specified sugars, viz. : All graded sugars such as ground, extra ground, Paris lump, cut loaf, grocers' A, standard A, and granulated sugars (Three boxes Paris lump to count as one barrel.)

3. Scale of advance to be based upon *refiners' price in Montreal for car load quantity, said prices to be arranged by the president and vice-president at the Montreal Guild with the refiners on Saturday morning of each week, and to be communicated by telegraph by them at guild's expense, to the secretaries of the different guilds, whose duty it shall be to give the information promptly to each party to this agreement, which on that day, with the advance as per agreement, shall be the selling price for the ensuing week. Commencing on that morning, and in cases where the travellers have not been advised of the price before, orders to be taken at open prices, to be charged and invoiced at prices established and ruling for that week.*

Off brands may be offered only as such, and at prices not more than one-eighth cent less than best brands.

4. Guild terms, *namely, 60 days or 1 $\frac{1}{2}$ per cent. for cash paid within 15 days, or 1 per cent. within 30 days.*

5. No net cash prices to be quoted.

6. Scale of advance not to apply to transactions between parties to this agreement, who are to be allowed to sell to each other on such terms as may be agreed upon.

7. Sales of sugars must not in any case be dated later than first delivery on such sale.

8. *Parties to this agreement to have the privilege of selling to buyers in the city of Montreal, and also to buyers west of Montreal as far as Coteau, and all south of the river St. Lawrence, at one-eighth cent less than agreement prices, and to be allowed to give ten days' extra time on shipment from Montreal to points west of Toronto.*

9. Sellers to be at liberty to prepay or allow buyers cost of freight to competing points only.

10. Any point having a direct buyer from refineries to be considered a competing point.

11. Parties to this agreement bind themselves not in any case or instance to sell, or allow their travellers to sell, or offer to sell, other kinds of sugar or other goods in connection with sugars covered by this agreement at lower prices as an inducement for parties to purchase those sugars.

12. And we, each one of us, hereby pledge our honor as merchants that we will ourselves carry out this agreement faithfully, in spirit as well as in letter, and insist upon its being adhered to by every person in our employ.

13. Should we hereafter desire to withdraw from this agreement, we further pledge ourselves not to do so without giving two months' written notice of our intention, addressed to the secretary of the Board of Trade, Toronto, who will be the custodian of this document.

ADJOURNED MEETING, WEDNESDAY, 2nd March, 1887.

Present:—Messrs. Ince, Hebert, Sloan, Lockerby, St. Denis, W. H. Gillard, Bristol, Sutherland, T. Gillard, Childs, Lang, Keiso, Wilson, Harvey, Blain, Boomer, Kinnear, Balfour, Warring, Killey and Eckardt.

President Ince in the chair.

Meeting called to order at 10.30, a.m.

Business.

What is to be asked of the refiners?

After discussing the many important features of the question, the following, in the order named, was decided upon as alike reasonable in the best interests of the trade and of the manufacturers:—

1. Would you be willing to furnish prices each Saturday, as mentioned in agreement?

2. If, after the trade has been canvassed and there should be a few who will not join, will you use your influence, either by personal application or in such other way as you may deem best, to induce them to fall into line?

3. Should they still resist, and the number who take that course be few, would you be willing to agree not to sell your goods to them, or if they buy from you, then, that they must pay you the prices covered by the agreement or the guild figures?

4. When selling to retailers, or persons who are not parties to this agreement, will you agree not to sell at less than association prices and terms?

It was understood, in response to a query raised by a delegate, that any combination the trade had, or might have, applied only to the Provinces of Ontario and Quebec.

Moved by Mr. Wilson, seconded by Mr. Davidson,

That the following gentlemen be a committee to attend to the carrying out of the sugar arrangement, and wait on refiners if found necessary:

Messrs. Childs, Kinlock, Hebert, Wilson, Lockerby, Montreal; Gunn, Fenwick, Kingston; Gillard, Stuart, Hamilton; Thos. Davidson, Blain, Warren, Toronto.

Tobacco Agreement.

Moved by Mr. H. Blain, seconded by Mr. J. J. Davidson,

That the trade be allowed the privilege of delivering tobaccos to all points where there are merchants who buy such tobaccos from the manufacturers direct, but no place shall be so considered a competing point until after the notice from the secretary of the Dominion Guild to that effect has been mailed to the several signers to the agreement.

Mr. Gillard handed a list of new points to the secretary for ratification.

Pickles.

Moved by Mr. W. W. Lockerby, seconded by Mr. H. Blain,
That there shall be no restriction on the price at which Crosse & Blackwell's
pickles shall be sold between the members of the various guilds.

Meeting adjourned at 1 p.m.

AFTERNOON SESSION.

Meeting called to order at 3 p.m.
President Ince in the chair.

Tobacco Agreement.

Moved by Mr. Gillard, seconded by Mr. Hebert,
That the minimum advance on the article of tobaccos be increased from 3 to 4
cents per pound, the city of Montreal to be excepted from the rule, as it is at pre-
sent, and a new document to that effect be at once prepared by the president and
sent to the respective secretaries for signature. The change to take effect from a
date to be fixed by the secretary of the Dominion Guild, and as early as possible
after the agreement has been completed, it being understood, however, that the new
agreement shall not supersede the existing one unless and until fully executed.
—Carried.

Terms and Discounts.

Moved by Mr. Harvey, seconded by Mr. W. H. Gillard,
That whereas some of the London wholesale grocers have refused to acquiesce
on the terms and discounts fixed by this guild, and whereas in consequence thereof
the grocers who have subscribed to the guild terms are placed at a great disad-
vantage in competing for the western trade, it is hereby resolved, in order to enable
the trade to compete for business on level terms with the London houses, that the
following counties be excepted from the operation of the rule now in force in respect
of terms and discounts, viz. :—

| | | |
|-------------|------------|---------|
| Essex, | Kent, | Elgin, |
| Lambton, | Middlesex, | Grey, |
| Huron, | Bruce, | Oxford. |
| Wellington, | Perth, | |
| Waterloo, | Bothwell, | |

and that the trade be privileged (in these counties only) to modify the terms and
discounts when necessary, to correspond with the terms and discounts allowed by
London houses.

Moved by Mr. H. Blain, in amendment, seconded by Mr. Alex. Turner,

That, while the meeting cordially approves of the present terms and cash dis-
counts, it is deemed inadvisable to make such terms and discounts absolutely bind-
ing, in all cases.

Moved in amendment to the amendment by Mr. Sloan, seconded by Mr. Childs,

That the terms remain as they are until Messrs. Hebert, Ince, and Wilson try
their influence with the London merchants, provided that by the 1st of May they
have not succeeded in getting the London merchants to sign, the Hamilton, London
and Brantford Guilds may, if they see fit, draw a geographical line to meet the case
within which terms of agreement shall not be binding until such time as the London
merchants fall in with the agreement.—Carried.

Messrs. Turner and Gillard, speaking to the meeting, pointed out the great an-
noyance the trade in the west suffered from the action of the London merchants in
refusing to come into the agreement.

Messrs. Blain and Balfour spoke most earnestly on the question. Mr. Blair,
speaking for his firm, had no desire for a moment to withdraw from the arrange-
ment if confidence could be restored.

Messrs. Hebert and Wilson urged the western merchants not to be discouraged; they had travelled over the same ground in the Province of Quebec, and gradually they were conquering, patience and determined perseverance were having their effect.

Finally Messrs. Harvey and Gillard withdrew their resolution, and with the understanding that his amendment was to be recorded, Mr. Turner withdrew his. During the discussion President Ince left the chair, which was taken by Mr. Childs.

Mr. Ince, in an earnest and vigorous speech, contended for the maintenance of the agreement intact. He fully realized the position of the Hamilton merchants. After a long and exhaustive discussion the amendment to the amendment, which had now become the motion before the chair, was carried unanimously.

Prepayment of Freight.

Mr. Turner read the following extract from the minutes of the Hamilton Guild, at a meeting held on the 27th January.

It was also moved by T. H. Macpherson, seconded by Alex. Turner,

That the delegates from the "Hamilton Guild be instructed on questions relating to freights and discounts, not to agree to any terms that do not provide for the non-payment of freight, or for the difference of freights, from any points (except, of course, on tobacco to the various competing points already provided for) and also that they insist upon a uniform rate of discount, with the recommendation that to simplify matters, and place disputes and misunderstandings beyond question, a percentage in all cases be allowed for the unexpired time."—Carried.

The census of opinion was that the system was a most unprofitable one to introduce; that it was a growing evil was generally admitted; that it was the duty of each and every wholesale grocer to do all in his power to suppress this miserable feature of the trade, was cordially endorsed by all present.

After a cordial vote of thanks to the president for his able conduct in the chair, moved by Mr. Hebert, seconded by Mr. Wilson,

The meeting adjourned.

WM. INCE, *President.*

EDGAR A. WILLS, *Secretary.*

Freights to competing points.

MEETING OF DOMINION GUILD.

2nd March, 1887.

By President Ince.

Freights to competing points means that a sale is made to a buyer at a competing point, freight may be paid by the seller to that place. If sale is made to a party at a non-competing point, freight may be paid to nearest competing place, or whatever freight the buyer has to pay, over and above the amount he would have had to pay had he bought in that place may be allowed him.

Competing points are places in which there are buyers from any of the regular sugar refiners.

GENERAL MEETING.

WINDSOR HOTEL, MONTREAL, 20th April, 1887.

Present: Hamilton—Messrs. W. H. Gillard, G. Bristol; Brantford—G. Watts; Kingston—W. G. Craig, secretary, G. Fenwick; Brockville—J. Gilmour; Toronto—W. Ince, president, J. J. Davidson, W. Warren, John Sloan; Montreal—Messrs. Hebert, Childs, Lockerby and Kinlock.

GROCERS' GUILD.

Meeting called to order at 11 a.m.

President Ince in the chair.

Minutes of last meeting read and confirmed.

Mr. Hebert reported that Montreal had fully signed the tobacco agreement, and therefore the clause excepting the city of Montreal should be eliminated from the agreement.

The president then took the sense of the meeting as to whether or not the sugar question should be the next order of business; the majority of the delegates present signifying in favor of the sugar question.

Notice of Motion.

It was moved by Mr. Lockerby

In amendment to fixing a scale of price for the ensuing week, that no traveller shall be allowed to name a price on the article of granulated sugar, but take orders only subject to the association price on the day he received the order, or at the date of receipt of order at the office.

The president after allowing some little discussion on this suggestion of Mr. Lockerby's, pointed out that it was desirable that questions of detail should be discussed later on, that it would be impossible at this stage of the proceedings to introduce any new plan. Speaking for the Toronto Guild, he felt that however desirable—and he was free to admit that Mr. Lockerby's suggestion was a very feasible one—it might appear, still the plan of operation had been well discussed and agreed upon, therefore it would be impossible to amend it without the authority of the different guilds.

Mr. Lockerby then consented that his resolution should stand as a notice of motion.

Mr. Childs reported the result of several interviews the Montreal Committee had had with Messrs. Drummond and Elmenhorst; the chief difficulty seemed to be with Mr. Elmenhorst.

After a lengthy discussion as to the points to be made with the refiners,

On motion of Mr. Bristol, seconded by Mr. Sloan,

Messrs. Ince and Childs were appointed speakers at the meeting to be held with the refiners at 2.30 p.m.

The *pros* and *cons* of the question were very fully discussed.

Re London and Terms and Credits.

The secretary read copies of four letters written by Messrs. Hebert and Wilson to Messrs. Masuret and Escott, from which it appeared that Messrs. Masuret were desirous that a penalty clause should be adopted. Messrs. Escott & Co. did not reply to Mr. Wilson as the secretary had no word of their having done so. The census of opinion of the meeting was certainly not favorable to the recommending the adoption of any such clause.

Mr. Gillard pointed out very emphatically the peculiar difficulties under which his firm labored consequent on these houses refusing to come into line.

Mr. Hebert urged the one or two Hamilton houses to struggle along a little longer; perhaps, when the sugar agreement came into operation, these houses would fall in with the terms.

Finally, the matter was allowed to drop for the present, awaiting the result of the interview with the refiners.

The meeting adjourned at 1.30 p.m.

AFTERNOON SESSION.

President Ince in the chair; all the delegates present, and, by invitation:

Mr. Drummond, President of the Canada Sugar Refining Company, Mr. Elmenhorst and Mr. Labelle, of the St. Lawrence Sugar Refining Company, Mr. Harris, of the Moncton Sugar Refinery.

The following telegram was read by the secretary, from the Nova Scotia Sugar Refinery :

HALIFAX, N. S., 15th April, 1887.

Are willing to join with other refiners in any scheme which may be arranged with fairness. Impossible to be in Montreal on 20th.

REFINERY.

Mr. Ince, after thanking the refiners for giving the trade the opportunity of meeting them, discussed the various objections that had been raised by the refiners, both by letter, and in conversation with members of the guild.

After Messrs. Childs and Gillard had spoken and Messrs. Drummond and Elmenhorst had replied, the refiners withdrew at 5.15 for consultation. At 5.45 they returned and announced to the meeting that they were prepared, should the proposed sugar document be signed by the great majority of their customers, to enforce from all non-signers of the said sugar agreement an advance of one quarter cent. per lb. on all sugars specified in the aforesaid sugar agreement (exclusive of freight), over and above the prices they may give from time to time to the authorized representatives of the Dominion Guild, the refiners to be furnished with a list of the subscribers and also to be promptly notified from time to time if any names are added to, or taken from said list of subscribers.

Mr. Drummond said that he would personally wait on Mr. F. Smith, and Mr. Elmenhorst agreed to see Mr. Lightbound, both gentlemen promising to endeavor to obtain their signatures to the agreement.

After some further conversation the refiners withdrew.

Tobacco.

The secretary read the following resolution of the Kingston Guild: "That the delegates to Montreal be instructed to strongly urge the Dominion Guild to appoint a committee to confer with Mr. McDonald as to the best way of removing the difficulties existing in the sale of tobacco throughout the district represented by the Kingston Wholesale Grocers' Association."

Mr. Craig explained the position of affairs, stating that Mr. McDonald was opening up new accounts in Kingston.

Moved by Mr. Gillard, seconded by Mr. Lockerby,

That Messrs. Fenwick, Hebert, Childs and Gilmour be a committee to wait on Mr. McDonald later on in the proceedings.

Mr. Childs stated that it had been suggested by Mr. Stewart, Mr. McDonald's agent, that it would be advisable for the Kingston merchants to call on Mr. McDonald in preference to a deputation. Mr. Fenwick and Mr. Gilmour therefore agreed to see Mr. McDonald.

Pickles.

The president read a communication he had received from the Retail Grocers' Association of Toronto, relative to the proposed increase of duty on imported pickles.

Moved by Mr. Gillard, seconded by Mr. Davidson,

That the duty on pickles of 25 per cent. is considered sufficient, and that any further increase would not be in the interests of the trade, and that a copy of this resolution be sent to the members of Parliament of Montreal, Toronto, Brantford and Hamilton, also that a telegram to this effect be sent to the Minister of Customs.—Carried.

Copy of Telegram sent.

Dominion Grocers' Guild, now in session, protest against the increased duty asked for by pickle manufacturers.

EDGAR A. WILLS, *Secretary.*

Hon. MACKENZIE BOWELL, *Minister of Customs, Ottawa.*

GROCERS' GUILD.

Sugar Agreement.

At the suggestion of the chair, Mr. Sloan moved, seconded by Mr. Bristol,

That in view of the arrangement made by the sugar refiners, the sugar agreement be at once prepared for signature, and that Mr. Wills be, and is hereby instructed to procure the signatures of the trade to same, it being understood that the expenses necessary to the task are to be a charge to the Dominion Guild, and all Dominion Guild expenses to be assessed equally between the four local guilds.

Moved by Mr. Childs, seconded by Mr. Bristol,

That the sugar agreement do take effect from a date to be named by the secretary.

Moved by Mr. Davidson, seconded by Mr. Gillard,

That the president of the Montreal Guild, or in his absence the vice-president of the Montreal Guild, be, and are hereby appointed, a committee to arrange the basis of price, it being understood that during the interval from Saturday to Saturday no advance or decline shall be noticed, unless the said advance or decline of price exceed one-eighth of a cent per pound.

Mr. Hebert trusted that now the Hamilton merchants would not seek to enforce a geographical agreement.

The meeting then adjourned.

CHARLES P. HEBERT, *Vice-President.*
EDGAR A. WILLS, *Secretary.*

GENERAL MEETING.

MONTREAL, 30th June, 1887.

10.30 a.m.

Delegates present :—Hamilton—Mr. Macpherson, Mr. Harvey, Mr. Park, Mr. Kitson, Mr. Scott; Kingston—Mr. Fenwick; Brockville—Mr. Gilmour; Quebec—Messrs. Turner and Ross; Montreal—Messrs. Kinlock, Chapeau, Donohue, Hebert, G. A. Childs, Ransome, Turner, Carter, Lockerby, Tees; Toronto—Messrs. Young, Boomer, Eckhardt.

Charles P. Hebert in the chair.

Minutes of last meeting read and confirmed.

Sugar Agreement.

Messrs. Kinlock and Tees reported that they had interviewed Messrs. Lightbound, Ralston & Co., and Messrs. Matheson & Co., who positively refused to join the guild.

Mr. Fenwick, on behalf of the Kingston Guild, entered a strong protest against so many retailers in the district within the jurisdiction of the Kingston Guild being permitted to sign the sugar agreement.

The chairman reminded the meeting that no one was allowed to sign the agreement unless the name had been first submitted by one of the refiners.

Mr. Fenwick entered very fully into the grievances of the guild he represented.

The census of opinion was that at present it would not be well for the guild to take any action in this direction. Their first duty was to decide as to the resolution to be submitted to the refiners in the afternoon.

The chairman had seen Mr. Drummond, who seemed disposed to favorably entertain the idea of an increase in the advance.

After allowing a great deal of discussion, the chairman finally called for a resolution, and the following was then submitted :—

Moved by Mr. Gilmour, seconded by Mr. Young,

That the refiners be asked to refuse to sell white sugars to non-signers of the sugar agreement.—Carried unanimously.

At first the Montreal delegates were disposed to favor a resolution looking for an increase in the advance from $\frac{1}{4}$ to $\frac{1}{2}$ cent, but finally, after hearing from the western delegates the resolution was carried unanimously.

Moved by Richard Turner, of Quebec, seconded by J. J. Young,

That the scale of prices at which white sugars will be sold in Quebec be on the same basis as in Montreal.—Carried.

Mr. Turner expressed his pleasure in being present at the meeting, and in response to a hint from the chair, trusted they would have a guild in Quebec shortly.

Notice of Motion by Mr. Lockerby.

"In amendment to fixing a scale of prices for the ensuing week," that no traveller shall be allowed to name a price on the article of granulated sugar, but take orders only subject to the association price on the day he received the order, or at the date of receipt of order at the office.

Mr. Kitson suggested that the discussion of this question be deferred until the several local guilds have had an opportunity of considering it.—Approved.

Ordered that the resolution of the Hamilton, London and Brantford Guilds relating to the future delivery of sugar be adopted, that the same be printed under the signature of the secretary.

Communications.

From Jardine & Co., St. John, New Brunswick, addressed to the secretary of the Montreal Guild, asking for information as to the formation of a Grocers' Guild in St. John, N.B.

From J. Allen, agent Armour's beef.

Copy of same to be furnished to the local guilds for consideration.

Secretary reported correspondence with Rathbun Co., Deseronto, as to the tobacco agreement, and stated that he looked for a favorable reply.

Moved by Mr. Tees, seconded by Mr. Boomer, that the secretary prepare for the use of travellers, printed and condensed synopsis of guild agreements, as they now exist.—Carried.

Tobacco.

Moved by Richard Turner, of Quebec, seconded by J. W. Young, that the advance upon 25 caddies lots, McDonald's tobacco, be reduced to three cents, east of Quebec.—Carried.

Messrs. the Chairman, Fenwick and McPherson, were appointed the speakers to address the refiners at 3 p.m.

Meeting adjourned at 1 p.m.

ADJOURNED GENERAL MEETING, 30TH JUNE, 1887.

Meeting called to order shortly after 3 p.m.

Present :—Messrs Drummond and Watson, Canada Sugar Refining Company; Messrs Elmenhorst and Labatt, St. Lawrence Sugar Refining Company; Mr. Chaplain, representing the Nova Scotia Refining Company, Mr. Mitchell, representing Moncton Sugar Refining Company.

Chas. P. Hebert in the chair.

The chairman presented the following resolution, which he stated had been carried unanimously at the morning session of the association, said he had little to tell them; the refiners were perfectly well acquainted with the annoyance the trade had been subjected to, caused by the action of the two Montreal houses who refused to sign the agreement, and in his opinion there should be no hesitating on their part as to what course to adopt.

Moved by Mr. Gilmour, seconded by Mr. Young,

"That the refiners be asked to refuse to sell white sugars to non-signers of the sugar agreement."

After the chairman and several of the delegates had spoken to the resolution, Mr. Drummond said he considered the resolution as specific enough, but it was a new

feature to him; he had been led to understand from conversations with members of the Montreal Association, that the object of the meeting was to request the manufacturers to increase the advance, and he desired to be advised as to the reasons for the change in front. This was full explained by several of the delegates.

Mr. Drummond pointed out that asking the refiners to refuse absolutely was a very serious business.

This statement was immediately met by the delegates naming several large manufacturers in other lines of business who had adopted this course.

Mr. Elmenhorst, of the St. Lawrence, in the course of his remarks, stated that half cent was not sufficient advance, and suggested that the resolution should be amended so that the manufacturers might agree to sell to parties at the quarter cent advance, provided those parties entered into obligations not to sell at less advance than that provided in the guild agreement.

Immediately several of the delegates pointed out that they did not want any such arrangement as this; all that the trade asked was that the three firms named should be put on the same footing as the subscribers of the agreement.

Mr. Elmenhorst further complained of the amount of raw sugars which were being imported, especially by the western merchants.

This was readily explained from the fact that there was a very large demand for low grade sugars which the refiners were not making.

Mr. Drummond was of opinion that the importations were not in excess of last year.

At this point in the proceedings, the secretary read extracts of communications received from the president of the Moncton Sugar Refining Company, and the secretary of the Nova Scotia Sugar Refining Company; both of these companies signifying their willingness to join with other refiners in positively refusing to sell to non-subscribers.

During the discussion, Mr. Kinlock made the statement which was confirmed by Mr. Tees, that Mr. Lightbound had stated the previous evening that he had enough sugar to last him to January, 1888.

Mr. Elmenhorst stated that he had reason to know to the contrary and these contradicting statements created an unpleasant impression.

Mr. CARTER:—Messrs. Matthewson and Co. were one of first to sign a combination agreement in the city of Montreal.

Mr. LOCKERBY:—Lightbound, Ralston & Co. have expressed themselves repeatedly in the past, to the knowledge of many delegates present, in favor of some action, looking for a cessation of the sugar trouble.

After two hours' discussion, Mr. Drummond stated that he would much prefer that the resolution would be put in another shape, but if, after further consideration, the delegates felt that they could not amend this resolution, he, speaking on behalf of the Canada Sugar Refining Company was prepared to agree to the conditions of the resolution, and Mr. Drummond, in making this statement pointed out that one of the non-subscribing firms had been a customer of the Canada Refining Company for over thirty years.

Mr. Drummond's decision was received with marked satisfaction. The chairman thanked Mr. Drummond for the way in which he had received the request of the trade and that gentleman withdrew.

The chairman then called upon Mr. Elmenhorst. The president of the St. Lawrence Sugar Refining Company positively refused to agree with the resolution of the guild, and stated that he would not refuse to sell, but that the trade might rest assured that he would use his best influence, and it was not small, to bring the non-signers into line; he further assured the trade that they could rely on his determination to protect their interests.

In reply to the question, if Lightbound Ralston & Co. refuse to come in after you have used your influence with them, will you refuse to sell them? Mr. Elmenhorst said: "I will not refuse to sell to any non-subscriber, but I am on your

side." During the discussion, Mr. Elmenhorst gave it as his opinion that an advance of $\frac{1}{4}$ cent was not a sufficient protection to the trade.

At this stage of the proceedings, Mr. Elmenhorst's attention was directed to the fact that one of the principal non-signers of the sugar agreement was a subscriber to four or five other combinations, all of which were profitable to him, and therefore their refusal to sign the sugar agreement was not based on principle.

Notwithstanding the arguments of the delegates, Mr. Elmenhorst remained firm in his position, which was that the trade must take his word.

As might be supposed, there was a general feeling of disappointment at the position taken by Mr. Elmenhorst, in view of the prompt and decided stand taken by Mr. Drummond.

Mr. Elmenhorst and the other representatives having withdrawn, the delegates proceeded to again discuss the resolution presented to the refiners. Finally, after a very heated discussion, the following was adopted:—

Moved by Mr. Gilmour, seconded by Mr. Boomer,

Whereas the motion passed at this morning's meeting of the Dominion Guild did not recommend itself to the approval of all the refiners; Be it resolved, That the refiners be asked to increase the advance on white sugars to non-subscribers to sugar agreement to one cent per pound.

The secretary was instructed to wait upon Mr. Elmenhorst with this resolution. This was done, and the secretary reported that Mr. Elmenhorst distinctly refused to be a party to any such agreement, and that he had again reiterated his determination to protect the trade and to use his influence to bring the non-signers into line.

The secretary's report was received with marked disapproval.

After passing a vote of thanks to the chairman, the meeting adjourned

The delegates left Montreal feeling that some good had and would be effected, as a result of the meeting.

WM. INCE, *President.*

EDGAR A. WILLS, *Secretary.*

GENERAL MEETING.

KINGSTON, 16th November, 1887.

Delegates present:—London—Messrs. Ford and Masuret; Hamilton—Messrs. Turner, Balfour, Lucas, Gillard, McPherson, Sterling, Stuart; Toronto—Messrs. Ince, Blain and Kinnear; Kingston—Messrs. Fenwick, Robertson, Craig and McRae; Brockville—Mr. Gilmour; Montreal—Messrs. Childs, Hebert, Lockerby, Kinlock; Quebec—Mr. Turner.

The meeting was called to order at 10.30 a.m., in the office of the president of the Kingston Guild.

Mr. Ince, president, in the chair.

The minutes of last meeting were read and confirmed.

A communication from the vice-president of the Montreal Guild advising the acceptance of the offer of the refiners that the advance should be one-half cent, was read and the action of Mr. Hebert in the premises unanimously confirmed.

Mr. Childs, President of the Montreal Association, presented copy of a resolution adopted on the 3rd of November, as follows:—

"Resolved that it be a recommendation from this Board to the Dominion Guild that the present sugar agreement be confined to strictly wholesale merchants and therefore that those retailers already on the list be erased therefrom, also that non-signers be permitted to purchase from the refiners at one-quarter cent per pound advance for not less than 25 barrels of one brand."

Mr. Childs also presented copy of a resolution sent by the Retail Grocers' Association of Montreal to Mr. Drummond.

GROCERS' GUILD.

515

Mr. Lockerby presented copy of the rules and regulations governing the Boston Wholesale Grocers' Association with a letter from the president of same.

After allowing considerable latitude of discussion, the president called for a resolution on the question.

Moved by Mr. Blain, seconded by Mr. Turner, of Hamilton,

That the sugar combination be confined to strictly wholesale houses and that local guilds be requested to erase from membership any retail house, a retail house being understood to mean any house selling direct to the consumer, and that a new list be sent refiners of those who are in the combination.

A long and interesting discussion ensued on this resolution and it was finally adopted.

The meeting adjourned at 1.30 p. m.

AFTERNOON SESSION.—2.30 p.m.

The meeting, being called to order, proceeded to discuss the proposal to reduce the advance to be charged non-signers from one-half to one-quarter cent.

The proposal was not favorably received, and finally, after a heated discussion, it was moved by Mr. Turner, of Quebec, seconded by Mr. Sterling, and carried, with the understanding that the delegates were authorized, if they deemed it best, to concede one-eighth; that is, that the advance to be charged to non-signers by the refiners should be three-eighths.

That the resolution of the Montreal Grocers' Association recommending that an advance of one-quarter of a cent per pound be charged to non-signers over combination prices is not satisfactory, and that a deputation be appointed to wait upon the refiners to express the views of this meeting and to make a more favorable arrangement in the interests of this guild. The deputation to consist of the following gentlemen: Messrs. Ince, Toronto; Turner, Quebec; Childs, Montreal; Gillard, Hamilton; Fenwick, Kingston.

Mr. Blain, in a forcible speech, proposed that the sugar terms given by the wholesale trade as to credit, should be the same as the refiners, and strongly advocated fourteen days net cash. Finally,

Moved by Mr. Blain, seconded by Mr. Ford,

That the question of a reduction on the sugar terms be referred to the local guilds to consider and report on the same at the next meeting of this guild.—Carried.

Mr. Fenwick, president of Kingston Guild, called attention to the distinct understanding as to the admission of parties having wholesale and retail establishments. The census of opinion was that any wholesale house having a retail establishment in the same town was morally bound for a proper supervision of the retail branch, and that the whole matter of admission lay entirely in the hands of the local guild in whose territory the party or parties did business.

Considerable discussion arose as to the question of off grades. The president reminded the meeting that Toronto, Hamilton, London and Brantford had strongly opposed the making of any off grades, but he was of the opinion that refiners must have an opportunity to meet their competitors.

Mr. Craig stated that his firm were holders of a considerable quantity of Scotch granulated and that they never considered it as a standard.

Moved by Mr. McPherson, seconded by Mr. Lockerby,

That in the opinion of this meeting Scotch granulated sugar be considered as an off grade and that the question be left in the hands of the delegates appointed to meet the refiners to fix the question definitely.

Mr. Lockerby's Notice of Motion.

After some discussion it was resolved to adjourn consideration of this matter till next meeting.

Tobaccos.

Mr. Childs laid before the meeting the resolution of the Montreal Guild re tobacco agreement. He also afforded very satisfactory information in relation to certain recent decisions of Mr. McDonald.

The meeting then proceeded to discuss the suggestions submitted by Montreal.:

(1.) Suggestion to allow signers to sell to each other at less than rate fixed by agreement.

The census of the meeting was decidedly against alteration of the present system in this respect.

(2.) Desirability of requesting all tobacco manufacturers to make the minimum quantity for a sale and terms of credit and discount the same as Mr. McDonald's.

Moved by Mr. Gillard, seconded by Mr. Blain,

That the "Empire" and "McAlpine" Tobacco Manufacturers be notified that the wholesale dealers in tobacco have agreed not to buy tobaccos in less quantities than 50 caddies, or the equivalent, and request them not to sell to anyone in less than said quantities, in one sale, and also that their terms shall be four months or 3 per cent. for cash.

Starch.

Mr. W. H. Gillard, president of the Hamilton Guild, announced that he was instructed by the Edwardsburg and British American Starch Companies to state that they were willing to make an arrangement with the trade for a sale of their goods, and submitted the following resolution:

Provided the Edwardsburg and British American Starch Companies sell to the wholesale trade only and make uniform prices and support the wholesale trade in a minimum advance to the retail trade of $\frac{1}{2}$ cent per pound on common laundry, $\frac{3}{4}$ cent on all others except rice (starch) upon which the advance shall be 1 cent; they agree not to sell the manufactures of any other starch company, who, upon being asked to join, refuse to do so, upon same terms.

Moved by Mr. McPherson, seconded by Mr. Stewart, That the matter be deferred for further consideration.—Carried.

Notice of Motion by Mr. Ford.

That prepayment of freight, except on combination goods, be in future discontinued by members of the guild.

There being no further business,

Moved by Mr. Lockerby, seconded by Mr. Turner of Hamilton,

That a vote of thanks be presented to the president of the Kingston Guild for the use of his pleasant and comfortable office for the use of this meeting—Carried.
The meeting adjourned.

President.
Secretary.

EXHIBIT 24 $\frac{1}{2}$.

HAMILTON, 16th March, 1888.

ADAM BROWN, Esq., M.P., Ottawa.

DEAR SIR,—At a special meeting of the Retail Grocers' Association of Hamilton, held last evening, the enclosed resolution was duly passed, and the secretary instructed to forward a copy of the same to you and the chairman of the Combine Committee. Kindly reply as to disposal of the same.

Yours truly,

ROBERT STEWART,
Secretary Hamilton Retail Grocers' Association.
GROCCERS' GUILD.

547

The following is resolution above referred to:—

Moved by A. Ballentine, seconded by B. Winnifrieth,

Whereas a Committee of the House of Commons has been appointed to collect information relative to "combines" and their effect upon trade; and whereas the retail grocers occupy the very important middle position between the wholesale merchant and the consumer of the chief necessaries of life;

Whereas Hamilton being one of the principal commercial cities of Ontario, the retail grocers of this city have had particularly favorable opportunities of observing the effect—"combines" and their influence upon trade; and whereas we are in possession of information touching the matter in question, which information we are anxious to impart: Therefore, be it resolved that in the event of an invitation being extended to us by the said Parliamentary Committee to appear by representative before it, representatives will be in readiness to appear when called upon, and that copies of this resolution be forwarded to the chairman of the said Parliamentary Committee, and to Adam Brown, Esq., and Alex. McKay, Esq., our city representatives at Ottawa.

EXHIBIT 25a.

At a meeting of the producers and shippers of anthracite coal held at the Fifth Avenue Hotel in New York, on Wednesday, the 14th day of April, 1886, Mr. J. J. Albright, acting as chairman, and Mr. W. E. Street, as secretary, the following resolution was adopted:—

Resolved, That a committee of fifteen be appointed by the Chair, to consider a plan for the business of the coming year, and submit the same to a meeting of the producers and shippers, to be held at two o'clock.

The following were appointed by the chair as such committee:—Messrs. J. J. Albright, Vaillant, Langdon, Holden, Swoyer, Sanderson, Sayre, Dininney, Davis, J. S. Richards, Slee, Ely, T. M. Richards, J. J. Albright, jun., and Kingman.

The meeting then adjourned until 2 o'clock.

At the adjourned meeting of the producers and shippers, the committee of fifteen presented the following resolutions, which had been adopted by the committee as their report:—

Resolved, That we adopt the plan of a division of the tonnages among the respective interests, upon the basis as adopted in April, 1885.

Resolved, That a committee not exceeding four in number, be appointed by each respective interest, to conduct the business for the year from 1st May, 1886, to 1st May, 1887, the committees to vote by interests, and each interest to be entitled to four votes.

Resolved, That the stocks on hand 1st May, 1886, shall be fully reported to the general committee, in the same manner as provided by the resolution of last year, and that the stocks so on hand shall constitute a part of the allotment of each interest for the year.

Resolved, That for the year beginning 1st May, 1886, the tonnage be divided among the respective interests in the same percentages as was adopted last year, viz:

| | | | |
|----------------------------|-------------------------------|-------|-----------|
| To the shippers <i>vid</i> | Del., L. & W. R. R. | 30.45 | per cent. |
| do do | Lehigh Valley R. R. | 19.40 | do |
| do do | N. Y., L. E. & W. R. R. | 23.13 | do |
| do do | Pennsylvania R. R. | 17.63 | do |
| do do | Phila. and Reading R. R. | 09.39 | do |

100.00

Resolved, That the general committee appoint a committee of five as an Executive committee, who shall have full power to regulate prices, allotments, &c., between the meetings of the general committee, subject always to the decisions of the general

Committee, and shall, from time to time, recommend to the general committee, for vote at their meetings, such matters as in their judgment may seem best for the maintenance of prices, allotments, &c.

Upon motion, it was

Resolved, That the above report of the committee of fifteen be adopted as a whole, by this meeting.

Resolved, That each interest appoint its respective committee.

The following persons were then chosen by the shippers as their committee to represent their respective interests during the ensuing year:—

Jos. J. Albright, Wm. E. Street, G. H. Vaillant, Andrew Langdon, representing coal sent *via* N.Y., L. E. & W. R. R.; E. R. Holden, W. R. Storrs, C. M. Sanderson, representing coal sent *via* D., L. & W. R. R.; W. H. Sayre, F. C. Dininney, A. G. Yates, A. J. Davis, representing coal sent *via* Lehigh Valley R. R.; J. S. Richards, J. D. F. Slee, Jos. Stickney, E. B. Ely, representing coal sent *via* Penn. R. R.; Thos. M. Richards, J. J. Albright, jun., W. L. Kingman, representing coal sent *via* Phila. & Reading R. R.

Resolved, That the resolutions which have been adopted, be put into the form of an agreement by the general committee, and the signatures of the various shippers and producers be obtained at the earliest possible day.

Resolved, That an assessment of five hundred dollars (\$500) be made, to be divided among the five initial interests, and that the chairman of each initial line be requested to collect the funds, and turn them over to the secretary.

The meeting then adjourned.

J. J. ALBRIGHT, *Chairman*.

W. E. STREET, *Secretary*.

A meeting of the General Committee was then convened; and, upon motion, it was

Resolved, That Mr. J. J. Albright be chosen as chairman, and Mr. W. E. Street as secretary, for the coming year.

Resolved, That we appoint a vice-chairman, to take the place of the chairman in his absence, or at his request; and that Mr. J. D. F. Slee be appointed vice-chairman

Resolved, That the following be appointed as an executive committee, as recommended by the shippers:—E. R. Holden for the D., L. & W. R. R.; W. H. Sayre for the Lehigh Valley R. R.; W. E. Street for the N. Y., L. E. & W. R. R.; Jos. Stickney for the Penn. R. R.; T. M. Richards for the Phila. & Read. R. R.

Adjourned to meet on Thursday, 15th April, at 10 o'clock.

B.

A meeting of the Committee on western and interior business was held in New York, on Thursday, 26th May. After a general discussion as to the condition of the trade the committee recommend

That the present prices be continued for the month of June, except that the price of grate size be advanced to the same price as charged for egg size.

They further recommend

That all sales be made with the distinct understanding that the delivery shall be made during the month of June.

Adjourned to meet at the Fifth Avenue Hotel, New York, on Wednesday, 29th June, at 11 o'clock, a.m.

W. E. STREET, *Secretary*.

A meeting of the Western Anthracite Committee was held in New York, on Thursday, 28th July. After a general discussion as to the condition to the trade, the committee recommend

That the present circular prices for Buffalo, Niagara River Bridges, Lake Ontario ports, and all interior points, be advanced twenty-five cents per gross ton for August delivery.

That the present circular prices on cars and from yards for Chicago and other Lake Michigan receiving ports, and also the receiving ports at the head of Lake Superior, be continued for August delivery.

That the prices at all points for grate and egg sizes, be twenty-five cents per ton below the prices of stove and chestnut.

Adjourned to meet at the Fifth Avenue Hotel, New York, on Tuesday, 30th August, at 9 o'clock, a.m.

W. E. STREET, *Secretary.*

A meeting of the Western Anthracite Committee was held in New York on Wednesday, 27th October. After a general discussion as to the condition of the trade, the committee recommend

That the present circular prices for Buffalo, the Niagara River Bridges, Lake Ontario ports, and all interior points, be advanced thirty cents per gross ton for November delivery.

That the prices on cars and from yards for Chicago and other Lake Michigan receiving ports, and also the receiving ports at the head of Lake Superior, be made \$6.25 for grate and egg and \$6.50 for stove and chestnut, per net ton for November delivery.

Adjourned to meet at the Fifth Avenue Hotel, New York, on Wednesday, 30th November, at 9 o'clock, a.m.

W. E. STREET, *Secretary.*

C.

At a meeting of the Western Anthracite Committee, held at the Fifth Avenue Hotel, Thursday, 15th April, 1886, the following were present: Messrs. Holden, Sayre, Davis, Dininney, Albright, Vaillant (by proxy), Langdon, Stickney, Slee, J. S. Richards, Ely, J. J. Albright, jun., Kingman and Street.

The secretary read the minutes of the meetings of the 14th, and on motion they were adopted.

The following resolutions were then adopted:—

Whereas, at the meeting of the joint committee, held 28th April, 1885, the following was adopted, viz.:

“*Resolved*, That the coal unsold, in stock and in transit, on the 1st day of May, be included in the distribution provided for, and shall count in the respective allotments;” and

Whereas, it is alleged that certain interests are under the impression that the above resolution was intended to include stocks at all points, as well as Buffalo, and the tonnage reports of stock on hand to the secretary, as of 1st May, 1885, are still incomplete; and

Whereas, by resolution adopted at a meeting of this committee yesterday, the stock on hand 1st May, 1886, was in similar way to be charged to the various allotments for the fiscal year; and

Whereas, it is alleged that with this report of stock on hand, the deficiencies in certain directions fall unjustly upon certain interests; therefore

Resolved, That this whole question be referred to our executive committee, to the end that they may hear the statements of those interested, to present their claims as above, or for any other deficiency that may have arisen, and that the said executive committee are hereby fully authorized to make such adjustment of claimed deficiencies, as shall be just and equitable to all concerned.

Resolved, That the executive committee report to us at our next regular meeting, a plan for reporting stock on hand, in accordance with the resolution of yesterday.

A communication from Mr. Vaillant was read, suggesting the expediency of pooling the whole western tonnage, which was referred to the executive committee.

The following rules and regulations were then adopted :

Resolved, That whenever any member of this committee shall be unable to attend a meeting, he shall have the right to appoint, in writing, a substitute who may represent him at such meeting.

Resolved, That any producer of coal who is a party to this agreement, shall be permitted to attend any of the meetings of this committee.

Resolved, That prices shall be made at all places as heretofore, and in addition at all points where any of the companies have agents, and also at all other points where any members of this committee may request the prices to be made.

Resolved, That the prices at Buffalo, Erie and the Niagara River Bridges be the same, and that they be regarded as the basis for fixing western prices.

Resolved, That no coal shall be sold at any point at a price which, with the schedule freight added, shall place such coal at any other point, at less cost to the purchaser than the established price, at the place to which such coal is destined.

Resolved, that no coal shall be sold at the breaker at a price which, with the schedule freight added, shall be less than the price established by this committee for coal at the point of destination, except that any miner of coal represented in this committee, may sell to any other party, also represented in this committee, at such prices as may be mutually agreed upon ; and that any violation of this resolution be promptly reported to this committee.

The following resolutions relating to prices were then adopted :—

Resolved, That the following prices be established to take effect at once and for delivery prior to 1st June.

For Buffalo and the Niagara River Bridges on cars, grate, \$4 00 per Gross Ton.

Egg 4 00 “

Stove, 4 25 “

Chest., 4 25 “

For Buffalo, F. O. B.....Grate, 4 30 “

Egg, 4 50 “

Stove, 4 55 “

Chest., 4 55 “

For shipment to Lake Ontario ports, viz.—From Oswego, Fair Haven, Sodus Point, and Charlotte, prices to be seventy (70) cents per gross less than Buffalo, F. O. B. prices, with the understanding that for coal shipped through the Welland Canal for western points, the prices to the same destination are to be equalized with Buffalo: in other words, that the cost to the purchaser is to be the same as if shipped from Buffalo.

For Rochester.....Grate, \$3 65 per Gross Ton.

Egg, 3 65 “

Stove, 3 90 “

Chest., 3 50 “

Resolved, That the prices on cars for shipment, and in yards to dealers and manufacturers, at Chicago, Milwaukee and Racine, whether the coal be received there by rail or lake, be as follows:

Grate, \$5 60 per Gross Ton, or \$5 00 per Net Ton.

Egg, 5 60 “ 5 00 “

Stove, 5 88 “ 5 25 “

Chest., 5 88 “ 5 25 “

Resolved, That a sub-committee of nine be appointed to adjust the prices at interior points in the State of New York, fixing them with some reference to the prices established for controlling points at Buffalo, Rochester and Syracuse, as near as possible.

The following were appointed as such sub-committee:—H. S. Holden, J. J. McWilliams, Thos. Hodgson, T. F. Torrey, J. H. Horton, W. A. Jewett, A. G. Yates, T. Guilford Smith, C. M. Underhill, chairman.

Resolved, That the price of the size known as No. 4 be, at all points, not less than the price of stove size, but that it be omitted from the circulars.

Resolved, That no coal for municipal purposes or public contracts, for which tenders are advertised, shall be sold at any less rate than the regular car prices in force at time of sale.

Resolved, That the prices of coal at ports at the head of Lake Superior, for distribution by rail, be submitted to a committee consisting of Messrs. Saunders, Pratt, J. E. McWilliams, Yates (or a substitute whom he may appoint), and Merriweather.

Resolved, That the prices on cars at Toledo, Sandusky, Detroit and Cleveland be one dollar (\$) per gross ton above the Buffalo prices on cars.

Resolved, That a committee consisting of Messrs. Yates, J. J. McWilliams, T. Guilford Smith, R. E. McWilliams and Underhill, be appointed to visit Toronto, for the purpose of endeavoring to harmonize the local interests in that city, and to establish the trade upon the basis of the wholesale prices fixed by this board.

Resolved, That a committee of five be, and is hereby appointed, for the purpose of taking such action in respect to the trade at Rochester, as will establish and regulate the local trade at that city, upon the basis of the wholesale prices established by this board, and that the committee be composed of the following named persons, viz.: Messrs. Yates, T. Guilford Smith, E. F. Holden, Underhill and Torrey.

Resolved, That a similar committee of five be, and is hereby appointed for the purpose of taking such action in respect to the trade in Buffalo, and that the committee be composed of the following named persons, viz.: Messrs. Hodgson, J. J. McWilliams, Horton, T. G. Smith, and Underhill.

Resolved, That the prices for interior points, as submitted by the sub-committee of nine, be and are hereby approved.

Adjourned to meet at the Fifth Avenue Hotel, New York, on Thursday, April 29th, 1886.

J. J. ALBRIGHT, *Chairman*.

W. E. STREET, *Secretary*.

At a meeting of the Western Anthracite Joint Committee, held at New York, Wednesday, 29th September, 1886, there were present, Messrs. Albright, Holden, Storrs, Sayre, Ely, J. S. Richards, T. M. Richards, Albright Jun., Underhill, Stickney, Yates, Langdon, Davis, Dininney, Kingman and Street.

The minutes of the preceding meeting were read and approved.

A communication was presented from the Central New York Coal Dealers' Association, relative to the sale of coal by the shippers to private parties by the car load, whereupon, on motion, the following resolution was adopted:—

Resolved, That the circular prices of coal as established by this committee, shall be held to apply only to sales to dealers regularly established in the business, and to manufacturers for their own consumption; and that sales to all other parties, at all points, shall be at fifty cents per gross ton above the circular prices.

A communication was received from the Grand Rapids Coal Dealers' Association, whereupon, the following was adopted:

Resolved, That the Coal Dealers' Association organized at Grand Rapids, Mich., be sustained in all lawful and practical efforts to secure harmony in the trade, and the adoption of reasonable methods, in the prosecution of their business.

Statements being made relative to the condition of the local trade in the city of Buffalo, it was

Resolved, That a committee of five be appointed to investigate the alleged irregularities in the sales to the local dealers, and to secure the maintenance of the prices made by this committee. The following committee was appointed by the chair: Messrs. Dininney, Hedstrom, Underhill, T. Guilford Smith and Langdon.

The following resolutions were then adopted :

Resolved, That the present circular prices for Buffalo, Niagara River Bridges, Lake Ontario ports, and all interior points (excepting the interior points named below) be advanced twenty-five cents per gross ton for October delivery.

Resolved, That the prices on cars and from yards for Chicago and other Lake Michigan receiving ports, and also the receiving ports at the head of Lake Superior, be made \$5.50 for grate and egg, and \$5.75 for stove and chestnut, per net ton, for October delivery.

The prices at interior points were referred to a committee consisting of Messrs. Storrs, Torrey, Horton, Underhill and Albright, Jun., which committee reported as follows :—

| | inc. | Circular Book, page 1 & 2 | No advance from September prices. |
|------------------------|------|---------------------------|-----------------------------------|
| Binghampton to Erwins | " | " 5 | " |
| Genesee to Dansville | " | " 4 | " |
| Corning to So. Livonia | " | " 17 & 18 | " |
| Binghampton to York | " | " 19 | " |
| Sayre to E. Waverley | " | " 21 | " |
| Barton to Oswego | " | " 3 | 10 cents advance. |
| Attica to Town Line | " | " 4 & 5 | " |
| Livonia to Red Creek | " | " 5 | " |
| Avon to Attica | " | " 18 | " |
| R. & P. Junc. to Alden | " | " 34 | " |
| Scottsville to Batavia | " | " 34 | " |
| Batavia to Attica | " | " 47 | " |
| Maplewood to Wyoming | " | " | " |

All other interior points advanced 25 cents.

Adjourned to meet at the Fifth Avenue Hotel, New York, 28th October, 1886, at eleven o'clock, a.m.

J. J. ALBRIGHT, *Chairman*.

W. E. STREET, *Secretary*.

D.

A meeting of the miners and producers of anthracite coal, shipping into the western and interior markets, was held in New York, on Wednesday, 27th April, 1887. A committee was appointed to consider the condition of the coal trade in these markets, and report such recommendations as they should find expedient. This committee, after a general discussion of the whole subject, presented the following recommendations :

That the miners and shippers of anthracite coal into the western and interior markets meet monthly or oftener, as may be advocated, for general conference in relation to matters pertaining to the condition of the trade and such adjustment of competitive relations as may be legitimate and practicable. For the purpose of facilitating such conference, and promoting the ends sought to be attained, it is recommended that a permanent committee of conference be appointed by those now assembled, which committee shall procure and promulgate information respecting the interests of the general trade, and make such recommendations in relation thereto as they shall deem proper.

That the organization of this committee of conference be communicated to all the miners and shippers of anthracite coal into the western and interior markets, and that they be invited to co-operate with the committee and conform to its recommendations.

That it is to be understood that the action of this committee of conference is purely recommendatory, and while urging upon all the desirability of conforming thereto, the committee assumes no authority in the premises, and does not seek to limit the freedom of action of any individual member of the committee or of those to whom these recommendations may come.

That the following prices be recommended :

| | Grate. | Egg. | Stove. | Chestnut. | |
|--|--------|--------|--------|-----------|-------------|
| For Buffalo..... | \$4 30 | \$4 40 | \$4 75 | \$4 75 | Gross tons. |
| " Lake Ontario Ports.... | 3 80 | 3 90 | 4 25 | 4 25 | " |
| " Rochester | 3 90 | 4 00 | 4 35 | 4 35 | " |
| " Syracuse | 3 65 | 3 75 | 4 10 | 4 10 | " |
| " Chicago. | 5 50 | 5 50 | 5 75 | 5 75 | Net tons. |
| " Lake Michigan and Lake Superior re- ceiving Ports..... | 5 50 | 5 50 | 5 75 | 5 75 | " |
| " East St. Louis..... | 5 75 | 5 75 | 6 00 | 6 00 | " |

That, in adjusting prices for common points beyond Buffalo, the prices free on board of vessels at that point be taken as a basis, and that there be added thereto the excess of the through rates of freight over the freight charged to Buffalo for free on board delivery.

That the prices proposed shall be strictly limited to deliveries for the month of **May**, and that the sellers will assume no obligations for delivery at these prices after **May**, and that they will assume no responsibility for inability to procure transportation for the same during that month.

E.

SUSPENSION BRIDGE, N.Y., 1st November, 1887.

For the present the prices of Scranton and Wilkesbarre coal will be as follows:

| | On Cars at Buffalo and Bridges for Shipment W. | |
|-----------------------|---|-----------|
| | Gross Tons. | Net Tons. |
| Grate - - - - - | \$5 05 | \$4 91 |
| Egg - - - - - | 5 05 | 4 51 |
| Stove - - - - - | 5 30 | 4 73 |
| Small stove - - - - - | 5 30 | 4 73 |
| Chestnut - - - - - | 5 30 | 4 73 |
| Pea - - - - - | 4 30 | 3 84 |

Subject to conditions on back of this circular (see below).

Prices, free on vessel at Buffalo and Sodus Point, furnished on application.

Also prices for ccke, Brier Hill, Fairmount, Lehigh and Altona Blacksmith.

PIERCE & CO.

Conditions of the Sale and Shipment of Coal.

Terms Cash.—All accounts not paid on the 10th of the month following shipment subject to sight draft.

1. All prices are subject to change without notice, and all deliveries conditioned upon ability to secure transportation.

The shippers will assume no responsibility, nor will they give any guarantee beyond their ability to secure cars or vessels for shipment.

2. All sales shall be at invoice weights as taken at original points of shipment. Shipments are thereafter in all respects at the risk of purchaser, and no claims for shortage will be entertained.

3. Cars are required to be unloaded in accordance with the rules and regulations of the railroads, and demurrage will be charged for the detention of cars in accordance with whatever rules may be established by the railroads, and in no case will the shippers be responsible for such demurrage.

4. All sales subject to strikes and accidents at mines.

THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY,
COAL DEPARTMENT, AGENCY AT OSWEGO, N.Y., 1st October, 1887.

Messrs. ELIAS ROGERS & Co., Toronto.

GENTLEMEN,—Affairs in the coal regions are in such a state that I am directed to withdraw all prices.

Yours truly,
A. G. COOK, *Agent.*

PENNSYLVANIA COAL COMPANY,
BUFFALO, N.Y., 31st October, 1887.

Messrs. ELIAS ROGERS & Co., Toronto.

DEAR SIR,—All prices issued by this company for points north and west of mines are this day withdrawn.

New prices will be furnished on application.

Yours truly,
THOS. HODGSON, *Western Superintendent.*

EXHIBIT 26.

56 CHURCH ST., TORONTO, 17th March, 1888.

N. CLARKE WALLACE, Esq., M.P.

MY DEAR SIR,—While you are looking after the combines please look up the banking combine. I was a member of the Board of Trade here when the proposal was made to form these so-called branches connected with various businesses, and it was this idea offering opportunities to work these combines that rushed the membership up. The public twigged the idea, and all business men of any consequence made a rush to get in for fear they would be left out of the ring. The bank officials here have one ring. The coal people have now another. With regard to the banks, as you know their present charters were principally granted when capital was very scarce and extra inducements had to be offered to attract it from abroad. Their privileges have proved so valuable that nearly all of them have set aside enormous rests after paying heavy dividends. No one objects to this if legitimately done, but this is not the case. Ever since Mr. King, of the Bank of Montreal, stepped into the New York market, when there was a financial flurry, and made millions for that bank. I am informed by leading bankers in New York city that our banks, whenever money becomes tight, appear on the scene and make enormous loans on the most insecure and speculative stocks such as local institutions would not dare do. The result is they draw in every dollar from customers here and many perfectly solvent concerns go to the wall. This has been admitted to me by bank managers here of local offices, and the effect upon their customers lamented. The effect even of one or two large banks doing this produces stringency all round. Now I am quite satisfied that these institutions could not so act if it was not for their deposits and rests or sinking funds. The one they hold in trust for the public and the other for their shareholders, and they are not justified in withdrawing either from the country. You cannot fairly restrict their customers from trading with the United States and allow these institutions to trade there with the earnings of our people made here. The capital of the country is already insufficient without giving to a few master minds the power of bringing the country time and again to the verge of panic. A commission should issue to make a rigid enquiry into these matters, or if sufficient information is at hand the Government should take early action. The banking section of the Board of Trade here in connection with a similar combine in Montreal run money up or down and make and ruin people as they choose. This

should be stopped. Hardly a merchant in the country carries on his business without dread of being caught in a pretended crisis or a real one caused by the agencies referred to. This paralyzes enterprise and renders people fearful of entering into undertakings which would otherwise be very profitable to the country. I could mention one bank here which holds more American brewers' paper than any institution in the United States, and a considerable part of its capital is used in carrying such institutions in New York alone, so much so that the credit they give to people who could not get a discount there is a matter of everyday comment amongst people concerned in the malt and hop trades in New York. The same concern, of course, has not enough money to carry its own customers here and joins in the cry of "tight money," &c., &c. As to the Board of Trade Combine it is iniquitous. Any man who may incur the displeasure of any of these bank noodles is liable to be beggared in a day, even though his affairs are on a perfectly sound basis. It is needless for me to impress upon you the evil effect of this and the necessity which exists of an immediate remedy. I have written at length as I feel from what I have seen and heard that it is high time a remedy should be applied.

As to the coal business—I do not know what Rogers said, but I understand that he arranged first with the producers on the other side not to sell except to this combination (then proposed). They came here and organized the combination on the ground that otherwise they could not get coal. Thus this iniquitous affair was carried through.

I am, dear sir, yours very truly,

J. W. BLAKE.

EXHIBIT 27.

MONTREAL, 17th March, 1888.

N. C. WALLACE, Esq., M. P.,

Chairman Committee on Trades Combinations, Ottawa.

SIR,—I thought my evidence was quite clear, but apparently it was not specific enough on the matter of glucose. I desire, therefore, to say that I intended to convey to the committee in answer to questions put to me, and now affirm, that not one pound of glucose was ever introduced into our works for the purpose of mixing with or adulterating our sugars or syrups.

I am, sir, yours truly,

GEO. A. DRUMMOND,

President Canada Sugar Refining Company (Limited).

EXHIBIT 28.

CANADIAN MARINE ENGINEERS' ASSOCIATION, 144 VANAULY STREET,
TORONTO, 20th March, 1888.

CLARKE WALLACE, Esq., M. P.

DEAR SIR,—Seeing your name in the public prints in connection with the investigation of the combines throughout the Dominion, I take the liberty of calling your attention to one that goes under the name (I think) of the Owners' Marine Association. They meet every year before the opening of navigation and issue a tariff of wages covering captains, engineers, and in fact down to boys on board of steam vessels, and I am given to believe that there is a penalty of \$1,000 attached if any of the owners should pay more than schedule wages. I do not think this is justice, as some men are worth more than others and should therefore get more pay, but the owner if he should even be willing to do so dare not. I cannot send you a copy of their by-laws, as they keep them very close. Enclosed please find copy of our rules, you

will see that we do not mention wages to restrict a man to take as much or as little as he may please to accept. If you can do anything with this we should be very happy to see it broken up. I might also say that if I can get a tariff of wages for this year I will send it to you.

I remain yours,

S. S. MALCOHNSON.

EXHIBIT 28b.

CONSTITUTION OF THE CANADIAN MARINE ENGINEERS' ASSOCIATION.

RULES.

The objects of the Association.

In consideration of the great number of persons engaged in the various branches of marine engineering, the growing importance of the trade and the great interests involved therein, it has been deemed desirable to establish a Canadian Marine Engineers' Association to watch over and protect the interests and welfare of all concerned; to diffuse sound and reliable information by the discussion of practical subjects, and generally to elevate and improve the condition of the marine engineer; also to give employers and owners greater facilities for obtaining engineers of undoubted practical experience and ability.

This association will give guarded attention to the daily increasing tonnage and dimensions of hull, horse power, and high pressure steam, all of which necessitates that the marine engineer shall be kept scientifically informed on the present, and upon all future improvements in marine engines and boilers.

SECTION I.

Constitution.

1. The association to consist of members and honorary members.
2. The officers of this association for the management of its affairs, to be chosen from the members only, are to consist of one president, 1st and 2nd vice-presidents, five members of council, treasurer and one secretary. All members who have filled the office of president of the association to be *ex-officio* members of council under the title of past president.

SECTION II.

Qualification of Members.

- 1.—MEMBERS.—Members to be practical licensed engineers, holding certificates of competency from either the Canadian Board of Steamboat Inspectors, or English Board of Trade, who shall be admitted to membership according to the articles and provisions of this constitution.
- 2.—HONORARY MEMBERS.—Honorary members shall be manufacturing engineers, steamboat inspectors, and such scientific men as the council shall deem eligible.

SECTION III.

Subscriptions.

1. The fee for admittance shall be two dollars, and the annual subscription one dollar.
2. All subscriptions for the first year to be due with the entrance fee at the time of election, and to be due annually in advance from the recurrence of that date.

SECTION IV.

Election and Expulsion of Members.

1. Every person admitted to membership in this association must be a licensed engineer holding a license from either the Canadian Board of Steamboat Inspectors, or the English Board of Trade, and be of good moral character.

2. Candidates for membership must be proposed by one member and seconded by another, according to form A in the appendix, and when balloted for, must receive two-thirds of all the votes cast by all the members present, to gain his election.

3. When the proposed candidate is elected, the secretary shall give him notice thereof, according to form B, but his name shall not be added to the list of members until he shall have paid his subscription according to article 2, section III. He must also sign the form C in the appendix, and enter into an obligation with the council.

4. Elections to take place at any regular meeting.

5. Each member shall furnish the secretary with his address; in case of removal, giving immediate notice of same, so that the secretary may have the means of informing such member of special meetings and other important business without loss of time.

6. If any member shall leave his subscription in arrear for more than one year, and shall fail to pay such arrears within three months after a written application has been sent to him by the secretary, his name may be struck off the list of members by the council at any time afterwards.

SECTION V.

Election of Officers.

1. The annual election of officers to take place at the anniversary meeting, on the second Thursday of January in each year.

2. The president, vice-presidents, council, secretary and treasurer to retire annually, but to be eligible for re-election.

3. There shall be two auditors elected every year whose duties shall consist in examining the books, receipts and expenditure, for the past year, and at the following meeting they shall report the result to the members present.

SECTION VI.

Meetings.

1. The regular meetings shall be held at the offices of the association every Thursday evening at 7.30 p.m.

2. The anniversary meeting of the association shall be held on the second Thursday of January in each year.

3. A special meeting may at any time be called by the council, or at the request of seven members, the president shall direct the secretary to call a special meeting stating the object thereof; at such meetings, members only shall attend.

4. Meetings shall be conducted as far as practicable in the following order:—

(1) The chair to be taken at 7.30 p.m.

(2) The minutes of the previous meeting to be read and after being confirmed, to be signed by the chairman. The minutes shall include the receipts and disbursements since the previous meeting.

(3) Reports or communications from the council.

(4) Reports from special committees, if any.

(5) Election of new members, and at the anniversary meeting, the election of officers.

(6) Introduction of new members.

(7) Communications approved of by the council to be read and discussed.

5. No alteration of the rules or by-laws to be made at any but special meetings, nor unless notice of such alteration has been given at a regular meeting held two

weeks previously, a copy of this notice to be sent to each member by post or otherwise.

SECTION VII.

Communications by Members and Others.

All communications intended to be read and discussed shall be submitted to the council for approval and after their approval shall be read at such meetings as the council shall direct.

SECTION VIII.

Duties and Privileges of Members.

1. Each member to have the privilege of introducing one friend to any meeting but the anniversary and special meetings.
2. Members and honorary members to take part in the discussion at an ordinary meeting, but members only can vote.
3. Members, honorary members and visitors shall enter their name and address in a book to be kept for the purpose, on entering each meeting.
4. Members must pay their subscriptions previous to the opening of the meeting, so as not to disturb in any way the proceedings.

SECTION IX.

Duties of Officers.

1. The president to be chairman at all meetings, and in his absence one of the vice-presidents; in the absence of a vice-president the members to elect a chairman for that meeting.
2. The secretary to be a member of the association, and to hold in trust all the funds of the association, which shall be deposited by him into such bank as the council may direct. Cheques to be drawn by the president and secretary, or by two vice-presidents and the secretary.
3. The secretary to be present at all meetings and to take minutes of the proceedings, and read those of the preceding meeting.

SECTION X.

Museum, Library and Property of the Association.

1. With a view to benefit the members and others of the association, by the diffusion amongst them of information essential for their knowledge, endeavors shall be made to establish a museum of marine engineering inventions (models and drawings) and a library of practical works for reference. This library not to be in any sense a lending library, but merely a library of reference for members.
2. All the movable property of the association to be held by the council, in trust for the association.
3. All books, drawings, communications, &c., to be accessible to all the members of the association, and to be held in trust by the council for the use of the members.
4. All communications to the meeting to be the property of the association, and to be published only by the authority of the council.
5. None of the property of the association, books, drawings, &c., to be taken away from the offices of the association without the consent of the council.
6. All donations to the association to be enumerated in the annual report of the council, presented to the anniversary meeting.

SECTION XI.

Registry of unemployed Marine Engineers.

This registry has been established with the object of giving employers in the mercantile marine trade greater facilities for obtaining marine engineers of practical

experience and ability. As no person can have his name registered here for a situation who has not the proper qualifications, and who is not in every way eligible to take the responsibility entrusted to his care, it will, it is hoped, be the means in future of inducing shipowners, captains and superintending engineers to apply to the secretary, who will take the earliest opportunity of forwarding mechanical engineers of good character, holding certificates of competency, for any vacancy that may occur.

1. No person shall be allowed to have his name placed on this register who does not hold a certificate of competency from the Board of Steamboat Inspectors, or the English Board of Trade.

2. It shall be imperative that every marine engineer shall give to the secretary any information that may lead to the benefit of his fellows, if by post, telegram, or otherwise, he shall on application to the secretary, have the amount returned to him, and any person obtaining assistance through the agency of this office shall pay to the secretary the cost thereof; and if not paid within twelve weeks after a situation has been obtained by such means, he shall have such sum added to his arrears of subscription.

3. Any person on the register leaving his employment shall, as soon as convenient, write his name and address in a book kept for that purpose, and if he shall have left his employment for any special reason he shall immediately put himself in communication with the secretary, stating his reason for so doing.

4. It is imperative that any marine engineer obtaining employment shall acquaint the secretary, stating the name of the vessel, where bound to, his position on board, whether 1st, 2nd or otherwise, and amount of pay received. Anyone infringing this rule shall be liable to a fine, to be determined by the first ordinary meeting held after the information has been received.

5. Any marine engineer who shall be discharged for misconduct, bringing him into disgrace, shall, if it be proven, have his name erased from the register, and upon no consideration shall he be reinstated.

6. The secretary shall, on receiving an application for men, use his best endeavors on behalf of the engineer who has been out of work for the longest period, but should anyone be three months in arrears he shall have no claim to priority, only in the event of such one being specially sent for, in which case it shall be deemed a sufficient guarantee for the secretary to give way to the one applied for.

7. Any person having a proposition to make for the improvement of the management of the registry shall, at his earliest convenience, submit the nature thereof to the secretary, that cognizance of the same may be given to the council.

8. Anyone who shall have obtained the entry of his name upon the registry by means of a false statement and declaration, shall, on the same being proved to the satisfaction of a council meeting, immediately have his name erased from the books, and upon no pretence shall he at any future time have his name placed thereupon.

FORM A.

Mr. _____ being desirous of admission into the Canadian Marine Engineers' Association, we, the undersigned, from our personal knowledge, propose and recommend him as a proper person to become a _____ thereof.

Witness our hands this _____ day of _____

} *Members.*

FORM B.

SIR,—I beg to inform you that on the _____
 you were elected a _____
 of the Canadian Marine Engineers' Association. In conformity with the rules, your
 560 _____
 MARINE.

election cannot be confirmed until the enclosed form be returned to me with your signature, and until your entrance fee and your first subscription be paid. If the first subscription is not received within two months from the present date the election will become void.

I am, sir, your obedient servant,

Secretary.

FORM C.

I, the undersigned, being elected a _____ of the Canadian Marine Engineers' Association, do hereby agree that I will be governed by the regulations of the said association, as they are now formed, or as they may hereafter be altered; that I will advance the objects of the association as far as shall be in my power, and will attend the meeting thereof as often as I conveniently can, provided that whenever I shall signify in writing to the secretary that I am desirous of withdrawing my name therefrom, I shall, after the payment of any arrears which may be due by me at that period, be free from obligation.

Witness my hand this _____ day of _____ 18 _____

FORM D.

DECLARATION.

To be made by all persons desiring to be placed upon the registry of the Canadian Marine Engineers' Association.

That this registry having been established by licensed engineers, men of commercial, practical and mechanical knowledge, whose only object is to prevent valuable property being placed in the hands of unskilful men, I, upon having my name placed upon your register, do conscientiously declare that I will uphold the principles of this association, and maintain them to the best of my ability. I also undertake to give such information that may come within my knowledge for the benefit of the association and my fellow-members, whose interest I will in every way promote.

Witness my hand this _____ day of _____ 18 _____

EXHIBIT 29.

N. CLARKE WALLACE, Esq., Chairman of Committee on Combines,
House of Commons, Ottawa.

DEAR SIR,—We, the undersigned ginger ale manufacturers of the city of Montreal beg to draw your attention to the great loss we have sustained since the formation of the Wholesale Grocers' Guild, by not being able to purchase our sugar direct from the refiners as formerly.

Sugar is the largest item in our business. The National Policy is intended to encourage manufacturers and give employment—the tendency of the Sugar Combine (Refiners' and Wholesale Grocers') is to destroy manufacturers that use large quantities of sugar, by making them pay advanced prices.

If you will kindly refer to the list of members of the Wholesale Grocers' Guild you will find three manufacturers in Montreal on it; why this distinction? Is this justice to us?

We remain yours most respectfully,

ROBERT MILLAR,
ROBERT ALLAN,
CHAS. GURD & CO.,
R. BLACKWOOD & CO.,
D. W. GAGNON & BROS.,
J. CHRISTIN & CIE.,
ARTHUR COOPER.

19th March, 1888.

EXHIBIT 30.

RICHMOND HILL, ONT., 10th March, 1888.

N. CLARKE WALLACE, Esq., M.P.,
House of Commons, Ottawa.

DEAR SIR,—I have seen by the newspapers that you have succeeded in having a committee appointed to enquire into combines. Amongst other combinations, I submit that the committee would render a great public service by directing its attention to a rigid enquiry into a grievous monopoly known as the Undertakers' Association, a combination that injuriously affects the interests of all classes of society, but more particularly the poor and those least able to bear the burthens this association inflicts on them. Its organization, I am informed, is such that no undertaker, who is not a member of the association, can purchase a coffin, and in order to keep up a monopoly and extraordinary high prices of coffins and funeral furnishings, they prevent competition by refusing to deal with undertakers outside of the combination, and they limit the number of those to whom they will sell or supply. For instance, a village like ours (Richmond Hill), they will not supply but one firm, thereby giving that firm a monopoly. They have their list of prices, and the suffering public have to submit to exorbitant charges for extremely doubtful value at a time when the families are bereaved. This is a crying evil that affects poor and rich, and some remedy ought to be found to guard a suffering public against the tyrannical monopoly. Please let me hear what you think of my suggestion.

Yours truly,

M. TEEFY.

EXHIBIT 31.

MONTREAL, 17th March, 1888.

DEAR SIR,—I had intended sending telegram for our W. B. Matthewson in his examination before the Committee at Ottawa, to be read and left with the Committee. The telegram intended to be thus sent was telephoned to him on the morning of giving his evidence, but it seems there was no opportunity of referring to the matter directly. As Mr. Drummond's evidence contained an offensive insinuation about crediting parties, it was open to and more than probable intended to convey the conviction to the public, and forming a sort of justifiable defence of his course in arranging with the guilds that parties who did not fall in with their views and refused to be coerced, were selling sugars under cost, and consequently unworthy of credit. While this is not positively stated, the insinuation is clearly apparent, even to an ordinary observer, and largely, therefore, on this account the telegram, afterwards telephoned, was sent. I have thought it well to now send this telegram which you will be pleased to read to the Committee and retain amongst its papers. This is another sample of the most offensive and slanderous mode of acting that I have had to do with. I also send a copy of our original telegram to Liverpool, when, on the 7th July, the intimation was conveyed that the secret band of conspirators, refiners and guilds' representatives, had decided to put half a cent the pound on refined white sugars against the outsiders who refused to be coerced. It was doubtful about getting the sugar, but the reply next day gave satisfactory assurances that we could get supplies. Another document is a letter from S. Cunard & Co., of 9th instant, showing that they also consider themselves bound to obey the dictation of the guild, thus proving that they are also hand and glove with the other refiners and the guilds. Thus showing that all the refiners are one in this great wrong against the public and the independent merchants of Ontario and Quebec in particular.

Mr. Drummond refers to what Mr. Lightbound said would have been the cost of granulated sugar about the end of the year or beginning of January as $8\frac{1}{2}$ to cost to import, ignoring the fact of a drop in the market as proved by a letter of 2nd Feb.

ruary, 1888, attached, in which we are offered 1,000 brls. granulated sugar at \$7.22 in double bags or \$7.30 in barrels, laid down in our store duty paid. This surely is an objectionable way of dealing with the matter. Only last evening we cabled across for some of the crystalized sugar.

About the quality of the yellow refined sugars. Yesterday a country dealer asked me what he would do with a barrel of yellow refined sugar he had that was so hard that an axe would be necessary in the case. I told him to bring it to the store and it would soften. Then he suggested about the loss in weight in consequence. He wanted to know the cause. I pointed him to the ice in the streets and let him imagine how it was caused. A city merchant also in our store at the time said he had known of a barrel in Toronto of 400 lbs. We have had them over 400 lbs. this last season. It would be well to know if the yellow sugars gave satisfaction to any of the parties giving evidence, especially as to dryness.

About this combination or conspiracy, as it really is. While the refiners in Nova Scotia and New Brunswick are joined in it against outside parties here, this conspiracy does not affect the trade in those provinces, nor anywhere but Ontario and Quebec. The refiners from Nova Scotia and New Brunswick should be called upon to explain their position and why they are joined to this outrageous affair.

There is a very strong article in to-day's *Herald* and a really good article in the *Monetary Times*, of Toronto, of this week, on the subject. The *New York Times* has lately devoted quite a space to our case here and communication is received asking for information from New York. One thing must not be forgotten; until about the time of the formation of the "United States Sugar Trust," so-called, price of granulated, up to July at least, say, and later, was for export about 3½ cents, but we could not touch it because of the extreme protection against United States our tariff gives.

It is very objectionable the indulgence in personalities and side issues on the part of some in the combine. Before the matter is finally disposed of I would like to go and further testify.

Faithfully yours,

J. A. MATHEWSON.

CLARKE WALLACE, Esq., Chairman of Committee on Combines.

EXHIBIT 32.

A.

HALIFAX, N.S., 9th March, 1888.

Messrs. J. A. MATHEWSON & Co., Montreal.

DEAR SIR,—We have your letter of 5th instant to the Halifax Sugar Refining Company. As agents for the sale of the product of the refinery we do not feel justified in running contra to expressed opinion and rules of the Grocers' Guild, representing, as it appears to do, nearly all the wholesale grocers' trade of Canada. We received a telegram from you yesterday asking for price of granulated, to which we replied asking you to apply to Mr. Osgood who sells for us in Montreal.

Yours very truly,

S. CUNARD & CO., Agents.

B.

HARGREAVES BUILDINGS, 5 CHAPEL STREET,
LIVERPOOL, 2nd February, 1888.

Messrs. J. A. MATHEWSON & Co., Montreal.

DEAR SIRS,—We had this pleasure, 23th January, and have none of your favors to reply to. The sugar market has continued falling until we were able to cable you

SUGAR.

563

a low offer for 1,000 barrels granulated, say \$7 30 per 100 pounds, or \$7.22 in double bags, laid down in your store duty paid. We are disappointed at having no reply elicited by so favorable opportunity. We found the "crystalized" which you some few weeks ago enquired about, also very cheap, 18s. 3d., f. o. b., and as it was within an hour or two of this steamer closing we ventured to send you a sample lot of 25 bags, as per sample herewith. We sent this little trial parcel to give you a fair test of this grade. We think it superior to anything your own refiners make (the refiner here calls it the cheapest in the world) and would be appreciated on the counters of your first-class grocers. Enclosed are bill of lading and invoice, £46 2s. 3d., and we hope it will please you to take it to account, and so much so as to order more. It would cost 6 cents more to put into barrels. Brown sugar: We can buy this at \$5.15 laid down d. p. See sample herewith. Surely this is laying the lines of business in sugar, and an escape for you from the thralldom you so much detest. As before said, we will do what we can for you.

Yours truly,
ANDREWS, BELL & CO.

C.

Copy of original telegram and reply from Andrews, Bell & Co., Liverpool, about^t granulated sugar:—

MONTREAL, 7th July, 1887, 10.30 p.m.

(Springbok)—Send samples refined sugar,—positively British, like—(Squeamish—) American granulated.

Reply received 2 p.m., Friday, 8th July, 1887.

Apaca.—We offer, subject to reply by telegraph, British, 500 double bags, quality to be guaranteed, 16s 6d. (cwt.), cost, freight and insurance.

Cost here, net reckoned, 6'64s., or say 6'81s. 4 months' basis.

EXHIBIT 33.

CONSTITUTION AND BY-LAWS OF THE COAL TRADE BRANCH OF THE TORONTO BOARD OF TRADE.

Deposited with the Council of the Board.

Rule I.—This association shall be known as the Coal Trade Branch of the Toronto Board of Trade, and shall be composed of such coal dealers as are members of the said board who are duly elected members of the branch by a majority of the members present at a properly constituted meeting thereof, and who shall have paid their initiation fee to the said branch. The amount to be paid as initiation fee shall not exceed the sum of \$100, and a register shall be kept of the names of the members enrolled from time to time.

Rule II.—The officers of the branch shall be an executive committee consisting of seven members, of whom five shall be owners or lessees of docks and yards in the city of Toronto, and two who have yards in the city of Toronto, but who need not have docks. Only one member of each firm shall be eligible as a member of the executive committee. Four shall form a quorum.

Rule III.—The executive committee shall be elected annually by ballot, at the annual meeting to be held in December in each year, of which due notice shall be given by the secretary.

Rule IV.—The executive committee immediately after this election shall elect from among their number a chairman, deputy chairman and treasurer, who shall hold their respective offices until others shall be elected at the next annual meeting in December in their stead, or until they shall be removed from office or shall vacate

the same, and shall also appoint a secretary, who shall hold office during the pleasure of the committee.

Rule V.—It shall be the duty of the executive committee further to fix prices for coal, and change the same from time to time as in their judgment the best interests of the trade demand, and to instruct the secretary to notify all the members of the branch promptly of such action, and the prices so fixed shall be the prices at which coal shall be sold by all the members of this branch, and not otherwise, and the executive committee comes under an obligation to submit at any time, at the request of the Council of the Board of Trade, for its consideration, a statement showing the percentage of profit being made by members of the branch, and the council may make a deliverance thereon.

Rule VI.—The secretary shall not be interested or engaged in the coal business, and shall be paid for his services.

Rule VII.—The regular meeting of the branch shall be held on the first Monday in each month at such time and place as the executive may direct.

Rule VIII.—Special meetings of the branch or executive committee may be called by the chairman at any time, and must be called by him upon a written request of three members in the case of the executive committee and seven members in the case of the branch.

Rule IX.—The executive committee of the branch shall fill any vacancies in their number arising from any cause who will hold office until next election.

Rule X.—All motions and resolutions of the branch shall be decided by a majority of the members present, and fifteen members shall constitute a quorum.

Rule XI.—The constitution or by-laws of the branch may be altered or amended at any of the executive committee meetings, on notice to that effect having been given at a previous meeting, such alteration or amendments to the constitution or by-laws being subject to the approval of the council of the Board of Trade.

Rule XII.—Any charges of violation of the by-laws of the branch must be reported to the secretary in writing, and it shall be his duty to investigate such charges under instructions from the executive committee; it shall be his privilege to examine the books of the accused; he shall also be allowed to require from the accused a written denial to the charges preferred, or an assent to the same. In the event of any accused member either refusing to permit an examination of his books by the secretary, or refusing to give a written denial or assent to the charges, it will be assumed as an acknowledgment of the correctness of the charges made.

Rule XIII.—The secretary's report in reference to any alleged violation of the rules or by-laws of the branch, shall be made in writing to the executive committee. In case such committee shall decide that any such charge so preferred is sustained, the member so found to have violated any of the rules of the branch shall be deemed in default, and liable to suspension or expulsion by a vote of the Executive Committee. An expelled member shall forfeit all claim on the funds of the branch. Any member so suspended or expelled, deeming himself aggrieved, shall have the right of appeal, first to the branch, or subsequently to the council of the Board of Trade; such appeal must be made in writing, addressed to the secretary, and the decision of the council shall be final.

BY-LAWS.

I.—It shall be the duty of the chairman to preside at the meetings of the branch, and during his absence the duty shall fall upon the deputy chairman.

II.—The secretary shall keep full minutes of the meetings of the branch, conduct its correspondence, and prepare its annual report under the direction of the executive committee.

III.—The treasurer shall take charge of the funds of the branch, disburse the same on the order of the executive committee, countersigned by the chairman, and shall report at all regular meetings, and his accounts shall be open to inspection at all proper times.

IV.—No proxy vote shall be allowed.

V.—At all meetings of the branch or executive committee, the following shall be the order of business when not changed by the chairman or deputy chairman:—

Call to order.

Reading minutes of previous meeting (which may be dispensed with by resolution).

Reports of secretary and the treasurer.

Unfinished business.

General business.

VI.—Every member of the executive who may have occasion to speak, shall rise and address the chair. All motions shall be made in writing. No person shall interrupt another while speaking, and all persons who may have once spoken to any motion shall, prior to speaking again, obtain permission from the presiding officer. It shall be lawful, however, for the presiding officer at any period of the meeting to announce that the subject is open for conversational discussion, and in such case this rule shall not apply.

VII.—The presiding officer shall be judge of all questions of order and procedure, and when the rules of the branch, or of propriety, are infringed upon, he may call to order the transgressing member, who shall thereupon take his seat; but any member may appeal to the branch, and if seconded in such an appeal, the majority of the members present shall decide.

VIII.—All rules of order or proceedings provided for by this constitution and by-laws shall be held to by the branch and the executive committee, as far as they may be applicable.

IX.—Any member of the branch who shall sell coal at less than the prices fixed, or in violation of the rules and regulations made by the branch for the sale of coal, shall be subject to trial in accordance with the provisions of rules XII and XIII of the constitution.

EXHIBIT 34a.

MINUTES OF MEETINGS OF THE COAL TRADE BRANCH OF THE
TORONTO BOARD OF TRADE.

From 14th June, 1886, to 1st March, 1888, inclusive.

Special meeting of the Executive Committee held 14th June, 1886.

President, Mr. Keith in the chair.

Messrs. Wm. McGill, J. R. Bailey, Down, E. Rogers, Fairbank, P. Burns, Johnson, McArthur, W. McFarlane and Mounse.

The meeting was called to arrange about the hospital contract to be tendered for to-day.

Moved by Mr. McGill, seconded by Mr. Fairbank and resolved that the prices be as follows:—

Egg, \$5.50, Pittston and Scranton; Lehigh, \$6 00; soft coal, \$4.50, awarded to J. R. Bailey & Co., for \$900.

22nd June, 1886.

JOHN KEITH, *Chairman*

A general meeting was called for the evening of 14th June, 1886, but there was no quorum.

A special meeting of the Executive Committee held 18th June, 1886.

Present: Mr. Keith in the chair. Messrs. Wm. McGill, J. R. Bailey, Crane, Fairbank, W. Bell and E. Rogers.

The meeting was called to receive an explanation from Mr. Jolly and Mr. Bunker, relative to Mr. Burrs' matter, these gentlemen having expressed a desire to meet the committee.

Resolved, that Mr. Jolly and Mr. Bunker who were in the Exchange be allowed to enter the meeting and make their explanation and then retire.

These gentlemen then entered and after stating their object, the meeting was adjourned until the following morning at 10 o'clock.

22nd June, 1886.

JOHN KEITH, *Chairman*.

On the 19th June, 1886, an informal meeting was held, and Mr. Burns having satisfied the exchange was declared re-instated as a member in good standing.

J. K.

Special meeting of the Executive Committee held 21st June, 1886.

Mr. Keith in the chair. Messrs. Crane, E. Rogers, Johnson, (P. Burns), Wm. McGill, Fairbank, McArthur.

The meeting was called to arrange about the Parkdale Waterworks contract to be tendered for to-day.

Moved by Mr. McGill, seconded by Mr. Johnson and resolved that the price be \$5.70 for egg and \$5.95 for stove.

The contract was awarded to the Conger Coal Company for \$380.

Mr. Wm. McGill gave a notice of motion that no clubs, &c. (as specified in rule No. 3) be taken at any price.

22nd June, 1886.

JOHN KEITH, *Chairman*.

Special meeting of the Executive Committee held 23rd June, 1886.

Mr. Keith in the chair.

Messrs. McGill, Johnson, (P. Burns), Gibson, T. R. Whiteside, E. Rogers, Bell (S. Crane & Co.).

Moved by Mr. McGill, seconded by Mr. Gibson, that rule No. 3 in the special rules be amended as follows: The words "except at regular card rates" to be struck out.—Carried.

Resolved, That where wood or soft coal is sold in connection with hard coal the price is to be \$4.50 per cord for long wood, and cut and split 2 cuts \$5, 3 cuts \$5.50; pine, long, \$3.50 per cord; cut and split, \$4; slabs, \$3; soft coal for steam, \$4.50 per ton; soft, for grates, \$5.50, and that the prices be written in the books before they are given out.

Resolved, That this meeting considers there has been a cut on the Parkdale Waterworks tender on the part of Mr. Shannon.

Resolved, That Mr. Shannon be requested to withdraw his tender for waterworks and in the event of his refusing to do so he be fined four hundred dollars. Mr. Shannon was present and gave his explanation relative to his tender which was not deemed satisfactory.

29th June, 1886.

JOHN KEITH, *Chairman*.

Executive Committee meeting held 22nd June, 1886.

Mr. Keith in the chair.

Messrs. Crane, Gibson, Johnson (P. Burns), E. Rogers.

Minutes of meetings of 14th, 18th and 21st June read and confirmed.

Moved by Mr. Rogers, seconded by Mr. Crane, that Mr. Shannon having included the weighing in his tender for the Parkdale Waterworks contract he be called upon to explain at a special meeting of the Executive Committee to be called for 10.30 to-morrow morning, 23rd instant.—Carried.

Resolved, That Mr. Burns' fine of \$1,000 be applied as a premium and be divided $\frac{1}{6}$ to the exchange and the balance to the importers according to tonnage of hard coal of last year as shown by the Custom house returns ending 1st May, 1886.

29th June, 1886.

JOHN KEITH, *Chairman*.

Executive Committee meeting held 29th June, 1886.

Mr. Keith in the chair.

Present: Messrs. Johnson, (P. Burns), W. McGill, Gibson, Fairbank, F. R. Whiteside & Co, C. J. Smith.

The minutes of meetings of 22nd and 23rd inst. read and confirmed.

Resolved, That Messrs. A. Shannon & Co. be declared in default *re* Parkdale Waterworks and that the secretary of the Toronto committee of the Western Anthracite Association be notified to that effect.

Moved by Mr. Johnson (P. Burns), seconded by Mr. Gibson,

Resolved, That the prices be now fixed for the House of Industry and Knox College tenders.

The following prices were then fixed:—

House of Industry:—

| | | | | |
|---------------|----------|--------|----------|-----------|
| Egg, | 75 tons, | \$5.50 | per ton, | delivered |
| Stove, | 40 do | 5 75 | do | do |
| Straitsville, | 30 do | 4.50 | do | do |
| Stove, | 200 do | 5.35 | do | in yard |
| Soft, | 200 do | 4 50 | do | do |

Awarded to Conger Company for \$296.00.

Knox College only:—

| | | |
|-----------|-----------|--------|
| 180 tons, | grate | \$5 50 |
| 20 do | stove | 5.75 |
| 17 do | soft | 5.25 |
| 16 cords | hard wood | 4.50 |
| 5 do | pine do | 3.50 |

Awarded to C. J. Smith for \$195.00.

Moved by Mr. Whiteside, seconded by Mr. Wm. Bell,

That the price to dealers of 75 cents off card prices be rescinded.

Moved as an amendment by Mr. Gill, seconded by Johnson (P. Burns).

That a special executive committee be called for to-morrow to discuss the question of prices to dealers.

The original motion was carried.

6th July, 1888.

JOHN KEITH, *Chairman*.

Special meeting of the Executive Committee held the 30th June, 1886.

Present:—Mr. Keith in the chair. Messrs. McGill, Gibson, Fairbank, J. R. Bailey, W. Bell, T. R. Whiteside, Johnson (P. Burns), and C. J. Smith.

This was a special meeting called by the chairman to discuss the matter of prices to dealers.

Resolved, That the resolutions passed at the meetings of 5th May last, relative to prices to dealers, be replaced by the following:—

That the price to the retail dealers either at yard or on cars here be \$1.00 per ton less than retail prices.

The secretary was instructed to telegraph Mr. A. G. Yates relative to A. Shannon & Co. being in default.

Moved by Mr. Gibson, seconded by Mr. Bailey, and carried unanimously,
That the motion passed at Queen's Hotel, 5th May last, *re* unfinished contracts,
be enforced immediately and that those who do not send in their list by next execu-
tive committee meeting be fined \$25.00.

Resolved, The secretary investigate the prices that are being paid by boats.
6th July, 1886.

JOHN KEITH, *Chairman*.

Executive Committee meeting held 6th July, 1886.

Mr. Keith in the chair. Messrs. (P. Burns) Johnson, J. R. Bailey, Lytle
(Crane & Co.), W. McGill and Gibson (Conger & Co.), C. Rogers (E. Rogers & Co.).

Minutes of executive committee's meetings of 29th and 30th June read and con-
firmed.

Moved by Mr. McGill, seconded by Mr. Gibson, and carried,

That the price to boats be 50 cents off retail prices delivered at the boats.

Moved by Mr. McGill, seconded by Mr. Gibson,

That the price to consumers from cars be the same as the regular retail prices
without reductions.

Moved as an amendment by Mr. Bailey, seconded by Mr. C. Rogers,

That the coal to consumers from cars be 40 cents off regular retail prices; cart-
age at consumers' expense.

The amendment was carried, and the secretary was instructed to notify all the
wholesale dealers to that effect.

Moved by Mr. McGill, seconded by Mr. Bailey, and carried,

That prices cannot be changed unless at a special meeting called for that pur-
pose, every member of the executive committee being duly notified of the object of
that meeting by registered letter.

Resolved, That the price for the Public Library contract be the present prices—
weighing free.

Resolved, On the motion of Mr. McGill, seconded by Mr. Gibson, That no com-
plaints be entertained except they be in writing.

JNO. KEITH, *Chairman*.

13th July, 1886.

Executive committee meeting held 13th July, 1886.

Present :—Mr. Keith in the chair; Messrs. Johnson (P. Burns), T. R. Whiteside,
Bell and Breckenridge (S. Crane & Co.), Wm. Bell, Fairbank and Elias Rogers.

Minutes of last meeting read and confirmed. The secretary read a letter
received from Messrs. Allbright & Smith, *re* Shannon & Co., to which he has replied,
giving the information they request. It having been stated that Messrs. Shannon
& Co. were supplying the Parkdale Waterworks with coal, the chairman and secre-
tary were appointed a committee to ascertain who were supplying Shannon & Co.
with coal.

Resolved, That the following be adopted as a special rule of this association,
namely, that in the event of this association reducing the prices from the present
rates, in no case is there to be any rebate allowed on any order previously entered,
and that no promise or offer of a reduction or rebate, directly or indirectly, shall be
made, and that any violation of this rule shall be treated the same as a violation of
this rule in regard to prices.

Resolved, That a special meeting of the executive committee be called for
Saturday next, 17th inst., at 11 o'clock, to fix prices and dispose of the Government
contract, and that all the inspectors be notified thereof, also that the secretary
request Mr. Nelson, the solicitor, to be present at that meeting to take affidavits of
those that are present.

Resolved, That the following be added to the special rules:—That for orders where the delivery extends over a length of time, in all cases an advance of 25 cents per ton shall be charged for deliveries after 1st September until 1st December, and that a further advance of 25 cents per ton shall be charged on 1st December for deliveries after that time until 1st May, 1887, and that this rule shall apply in all cases where the coal has not been paid for.

JOHN KEITH, *Chairman*.

20th July, 1886.

Special meeting of the executive committee and importers held Friday, 16th July, at 4 o'clock, p.m.

Present:—Mr. Keith in the chair, and J. R. Bailey, H. L. Fairbank, Mr. Johnson (P. Burns), Mr. Bell (of S. Crane & Co.), Wm. McGill, E. Rogers, T. Bell & Co., and J. Smith.

Resolved, That in the event of the market prices declining below the prices paid by the Toronto General Hospital, that the exchange pay back to J. R. Bailey & Co. whatever Bailey & Co. have to rebate. Amended, that the matter be left over until next meeting.—Amendment carried.

Resolved, That the prices for Government contract be as follows:—25 cents per ton less than the retail prices of anthracite coal, and no tender to be made for Lehigh; prices of soft coal to be, Brier Hill and Mount Morris, \$5.25; Massilon, \$4.75; Straitsville and others, \$4.50. Hardwood, \$4.50 and pine wood \$3.50 per cord, and that all coal delivered after the 15th December be 25 cents more per ton than prices for present delivery.

Resolved, That E. Rogers & Co., being the successful bidders, all others tender for 25 cents per ton higher on coal and 25 cents per cord on wood contract; sold to E. Rogers & Co. for \$1,500.

Resolved, That Mr. Hallewell, representing E. Rogers & Co., be called to attend the next meeting of the executive committee and be examined in regard to selling coal at less than prices fixed.

A. journed.

JOHN KEITH, *Chairman*.

H. L. FAIRBANK, *Secretary pro tem*.

Executive committee meeting held 20th July, 1886.

Present:—Mr. Keith in the chair; Messrs. Johnson (P. Burns), W. McGill, Bell and Breckenridge (S. Crane & Co.), Fairbank and Gibson (Conger & Co.), T. R. Whiteside, W. Bell and E. Rogers, Whiton.

Minutes of meetings of 13th and 16th July, read and confirmed.

Moved by Mr. McGill, seconded by Mr. Rogers, and resolved,

That the money received by the treasurer *re* contracts, be divided among the importers on the basis of the custom house returns now received, as per resolution passed at the general meeting of 5th May last, to include those amounts for which the tenders have been accepted, previous to next executive committee meeting on 20th inst.

Moved by Mr. McGill, and resolved,

That a general meeting be called of the dealers for Friday evening next, 23rd inst., at 7.30.

Moved by Mr. Johnson, seconded by Mr. McGill,

That it having been reported that the contract for the Public Library had been taken by Mr. Whiteside without an extra price for bagging, the secretary was instructed to investigate the matter.—Carried.

Mr. Whiteside being present made an explanation respecting the matter, and it was resolved that the same be accepted.

Mr. Wm. Bell stated to the meeting that Messrs. Cooney, Clements, Duff and Sloggie were acting as agents, and it was resolved that the secretary ascertain who was supplying them with coal.

Mr. Johnson named that Mr. Burns was supplying Duff, and Mr. Bell, of S. Crane & Co., that they were supplying Sloggie at Dominion Bank, Queen Street West.

Resolved, That Messrs. Robinson and McArthur and S. McAdam be requested again by the secretary to attend before the executive committee at their next regular meeting to be held 27th inst.

Moved by Mr. Wm. Bell, seconded by Mr. McGill, and resolved,

That the motion relative to advance in prices, passed 6th July, be temporarily suspended to admit of legally confirming the motion passed 13th regarding an advance in prices, after which confirmation the motion of 6th July is hereby confirmed.

Moved by Mr. McGill, seconded by Mr. Rogers, and resolved,

That the resolution regarding advance of prices on 1st September and 1st January, passed 13th July, be confirmed, and that it be clearly understood as applying to dealers as well as to general trade.

The secretary was instructed to inform new members that they must be elected members of the Board of Trade.

Special meeting of members held 23rd July, 1886.

Present :—Mr. Keith in the chair.

Messrs. J. Aikens, W. Kennedy, T. Milligan, T. Grinnell, F. Woodrow, T. Peacock (Peacock & Jackson), W. S. Dalby, J. Vance, T. R. Whiteside, R. Sauter (R. & W. Sauter), F. L. Fairbank (Corger Co.), J. Keith, G. W. Williamson, W. McGill & Co., T. W. Barber, W. McFarland, W. Law, Jas. Bell (S. Crane & Co.), E. Rogers, T. Mounce, Wm. McGill, J. Frost, A. G. Hagerman (Hagerman & Co.), R. Cross, J. Burns (Burns & McCormack), J. Cotts.

This was a special meeting called to take the affidavits of the members as per special rule No. 2.

Moved by Mr. Wm. McGill, seconded by Mr. Whiteside,

That five dollars per member be paid out of the funds of the Coal Trade Branch as initiation fee to the gratuity scheme of the Board of Trade. After some discussion, the motion was withdrawn.

Moved by Mr. Whiteside, seconded by Mr. T. W. Barber, and resolved,

That this meeting recommends to the executive committee that the resolution passed 13th July, allowing consumers 40 cents per ton from cars, be rescinded.

Special meeting of the executive committee held 23rd July, 1886.

Present :—Mr. Keith in the chair; Messrs. Rogers, Wm. McGill, Fairbank, W. Bell, T. R. Whiteside and James Bell.

Resolved, That the Secretary be instructed to see all those members, along with the solicitor, at once, who have not yet taken the affidavit, and obtain their signatures.

Resolved, That in future no dealer will be allowed to do business until he has been duly received by the executive committee as a member of the Coal Trade Branch.

Executive committee meeting held 27th July, 1886.

Present :—Mr. Keith in the chair; Messrs. Wm. McGill, Johnson (P. Burns) T. R. Whiteside, J. R. Bailey, E. Rogers, Lytle (S. Crane & Co.), Fairbank and S. McAdam (the last named by request).

This was a special meeting called to receive and register the names of the salesmen.

The following were received and accepted:—

S. McAdam, A. G. Clements, 972 Queen St. W., at own office 641 Queen St. W.; E. Rogers & Co., F. Hellowell and C. A. Rogers; J. Keith, Wm. Summerfeldt, office next Street Railway Offices, King St. East; E. Rogers & Co., offices 20 King St. W., 413 Yonge St., 536 Queen St. W., corner Esplanade and Princess Sts., Esplanade near Berkeley St., Bathurst St., Yorkville; J. R. Bailey & Co., M. Dwan and J. H. Milnes salesmen, offices 10 King St. East, 355 Yonge St.; Conger Co., office 6 King St. East, salesmen, G. L. Whiton and M. Thurston; Wm. McGill & Co., salesmen, Jas. Richardson and G. Williamson; S. Crane & Co., salesman, J. C. Breckenridge.

The list of branch offices was left over until next meeting.

Robinson & McArthur's list was rejected, owing to their absence.

The secretary reported that the following had applied to become members, who were received subject to their election as members of the Board of Trade: Burns & McCormack, Thomas Grinnell, Coulter (in place of John Ward), W. Kennedy (in place of W. Reeves). The last named had been elected to the Board of Trade.

The secretary was instructed to notify these parties that they must become members of the Board of Trade at once.

The secretary's account for salary and disbursements (\$35.82 to 25th instant), was submitted and passed.

Resolved, That the salesmen be requested to attend a special meeting, to be held on Thursday, 29th instant, at 4 o'clock, to sign an affidavit relative to past and future, beginning 1st May last. The affidavit to be prepared by the solicitor in the meantime and printed.

It having been reported to the meeting that Messrs. J. R. Bailey & Co. have been supplying certain boats with anthracite coal at less than present prices, the secretary was instructed to investigate the matter and report to next meeting.

The secretary reported that T. McConnell & Co., and W. McConnell, had refused to sign the affidavit when presented to them.

Resolved, That in cases where members have been asked to sign the affidavit and have declined, that if they do not sign at once, they be declared in default.

Resolved, That the secretary notify the members to send in their lists of salesmen immediately, and not later than Monday, 2nd August.

Mr. Rogers gave notice of motion to fix a price for pea coal at the next ordinary meeting of the executive committee on 3rd August.

It being reported to the meeting that a case has occurred where money had been offered to be returned to a purchaser in the form of a bonus, the secretary was instructed to investigate the case.

Special meeting of the executive committee held 29th July, 1886.

Mr. Keith in the chair.

Present:—Messrs. E. Rogers, W. McGill, Johnson (P. Burns), Lytle (S. Crane & Co.), Whiton (Conger Co.), Breckenridge (S. Crane & Co.), Summerfeldt (J. Keith).

The agents were present relative to signing the affidavits, and the following refused to sign in the meantime:

Breckenridge (S. Crane & Co.), G. Whiton (Conger Co.), Knight (P. Burns).

Moved by Mr. Rogers, seconded by Mr. McGill, and resolved,

That a form of affidavit, relative to past business, be prepared by the solicitor for signature of the principal, and that any members who refuse to take the affidavit already prepared by Monday next, 2nd August, be declared in default.

Special meeting of the executive committee held 30th of July, 1886.

Present:—Mr. Bell in the chair until Mr. Keith's arrival. Mr. H. L. Fairbank acting secretary. Messrs. Rogers, McGill, Johnson (P. Burns), J. Bell (S. Crane & Co.).

Resolved, That it be understood that by-law No. 9 is intended to mean that no shops or other business places be allowed to take orders for coal except where coal business is the principal business carried on in the place, and clerks employed devoting their entire time to the business.

Resolved, That ten days from date be allowed to make necessary changes to comply with the above, and the secretary give notice to all dealers at once.

Resolved, That dealers have all salesmen swear their affidavits and have them ready by Monday night, 2nd August, according to printed form, and that the affidavits of principals be in at the same time.

Special meeting of the executive committee held 2nd August, at 4 p.m.

Present :—Mr. Keith in the chair. Messrs. Bailey, Fairbank and Gibson (Conger Co.), Lytle and J. Bell (S. Crane & Co.), Rogers, Johnson (P. Burns), W. Bell.

Resolved, That with reference to the reported offer to return money on sales, that the secretary is instructed to call on the president of the Board of Trade and find out the name of the member of this branch who has been violating the rules, in order that the committee can deal with said member.

Moved by Mr. Rogers, seconded by Mr. James Bell,

That each member of this association do take the following affirmation, or one to like effect, in lieu of or in addition to the affirmation mentioned in special rule No. 2.

Moved as an amendment by Mr. Fairbank, seconded by Mr. Bailey,

That the consideration of any further affirmation to be made by members of this association or their resident partners, salesmen or agents be postponed until all said members and their resident partners, salesmen or agents do take the affirmation or near as may be to that prescribed by special rule 2 of the constitution.

The amendment was declared carried.

Messrs. J. R. Bailey & Co., submitted a supplementary list of salesmen as follows: Thos. Hanscomb, and Robert McMaster. The latter name was rejected.

The meeting was appealed to, to know if Mr. Rolls was acting for any member present as agent; the replies were in the negative.

Resolved, That the secretary in consideration of extra work for July and August, be allowed one dollar per day extra salary for the month of August.

Resolved, That Mr. Scroggie be registered as representing Messrs. Crane & Co. The office being Dominion Bank, Queen Street, West.

General meeting 2nd August, 1886.

Present :—Mr. Keith in the chair. Messrs. E. Rogers, Jas. Bell (S. Crane & Co.), T. McNolty, A. G. Hagerman, G. Gerrie, T. Grinnell, W. Bell, T. Mounce, J. Chisholm, T. Vance, H. Woollatt, J. Burns, T. Johnson (P. Burns), I. McGill, J. Alderman, H. Woodrow, T. Peacock, A. McIntosh, James Richardson, G. H. Williamson (W. McGill & Co), J. Aikens, J. Clancy, G. Sharpe, R. Cross, R. Sauter.

The secretary was instructed to send a circular to each member, quoting present price.

Resolved, That any members who have not signed the affidavit are now declared to be in default.

Notice of motion, Moved by Mr. E. Rogers, seconded by Mr. W. Bell,

That the Coal Trade Branch as an organization should pay the \$5, 1st assessment of the gratuity scheme of the Board of Trade, and that this branch should pay thereafter all assessments so long as there are funds sufficient in the treasury of the said branch, and that special meetings be called for Tuesday, 17th instant, at 8 o'clock in the evening, regarding the matter.

Special meeting of the executive committee held 6th August, 1886.

Present :—Mr. Keith in the chair. Messrs. T. R. Whiteside, W. Bell, E. Rogers, Mr. Knibb of the D. and H., and Messrs. Shannon and Robinson of R. and Mc A.

This was a special meeting called by request of several members to consider the present position of Shannon & Co., *re* the Parkdale Waterworks contract.

Resolved, That Mr. Shannon, who was present, be heard respecting the matter. Mr. Shannon then made his explanation, and it was resolved that the matter be left over until the executive committee meeting on Monday, 9th instant, when Mr. Shannon could be present to make any further statement he might wish to make.

Special meeting of the executive committee held 9th August, 1886.

Present:—Mr. Keith in the chair. Messrs. Fairbank, W. McGill, Johnson, (P. Burns), S. Crane, W. Bell.

Moved by Mr. McGill, seconded by Mr. Crane, and resolved, That the meeting do now make prices for the city contract.

Moved by Mr. Bell, seconded by Mr. McGill,

That the tenders for the city contract be made to expire 1st May.—Lost.

Moved by Mr. McGill, seconded by Mr. Fairbank,

That the prices be as follows: Egg and grate \$5.55, stove and nut \$5 80 to 1st November; 25 cents per ton advance after that date, 40 cents extra per ton for any coal that may require bagging or carrying.

Moved as an amendment by Mr. Rogers, seconded by Mr. Johnston,

That the price be \$5.90, stove and nut; \$5 65, egg and grate; 40 cents per ton extra for that where bagging or carrying is required. The motion was carried.

Resolved, The following be the prices of soft coal and wood for the city contract: Briar Hill \$5.50, Straitsville \$4 50; other conditions same as hard coal; hardwood \$4.50, pine \$3.50.

Resolved, That all others tender 25 cents advance on these prices for coal and wood. Disposed of to E. Rogers & Co. for \$500.00.

Moved by Mr. McGill, seconded by Mr. Fairbank, and

Resolved, That the money now in the treasurer's hands *re* contracts closed, be divided as per apportionment submitted by the secretary.

Resolved, That the tonnage of T. Bell & Co., 2,236 tons, as per their letter, be admitted when the secretary is satisfied as to its correctness.

Resolved, on the motion of Mr. McGill, seconded by Mr. Crane, That cheques be made out from the list submitted, and be handed to each importer, that for T. Bell & Co. to be kept back until satisfactory proof is given.

Moved by Mr. Rogers, seconded by Mr. McGill, and

Resolved, That so soon as the secretary is satisfied that Mr. Shannon has withdrawn his tender for Parkdale Waterworks contract, he is to be at once re-instated in his membership.

Resolved, on the motion of Mr. McGill, seconded by Mr. Rogers, That where agents or principals who have not taken the affidavit, unless it be taken before 6 o'clock p.m. to-morrow, 10th inst., they be fined \$100.00 each.

Special meeting of the executive committee held 11th August, 1886.

Present: Mr. Keith in the chair; Messrs. Crane, Whiteside, Fairbank, McGill, J. Granary, (P. Burns).

Moved by Mr. McGill, seconded by Mr. Granary,

That the meeting having heard the report of the secretary in cases where T. McConnell & Co. had agents taking orders for them with boards of prices and samples of coal out,

It is resolved, That if they do not withdraw their agents and boards and samples before 6 o'clock to-morrow, 12th inst., they be fined \$100.00.

Reports were received *re* House of Providence, Power Street, and Messrs. John Macdonald & Co., order from the detections.

Mr. Crane complained that an order booked by W. J. McMaster & Co. with them had been taken from them by Robt. McMaster for J. R. Bailey & Co., he not being a registered agent of the Coal Trade Branch.

Resolved, That the secretary write Messrs. J. R. Bailey & Co., asking for explanation respecting the matter, and report to the next meeting.

Moved by Mr. Crane, seconded by Mr. Fairbank,

That it having come to the knowledge of this committee that certain dealers have been in treaty with Messrs. John Macdonald & Co. and Gillespie, Ansley & Martin regarding the orders for their warehouses, employees and friends, it is resolved that the secretary write to the dealers, reminding them that the booking of club orders is a violation of the rules of the Coal Trade Branch, and subjects anyone to be declared in default.

Resolved, That the chairman be authorized to sign the apportionment of moneys received *re* contracts, as follows:—

| | |
|---|------------|
| Toronto Waterworks | \$1,000 00 |
| Hospital | 900 00 |
| Knox College..... | 195 00 |
| Government | 1,500 00 |
| | <hr/> |
| | \$3,595 00 |
| Less $\frac{1}{6}$ to C. T. Branch..... | 599 17 |
| | <hr/> |
| | \$2,995 83 |

| | Tons. | |
|--------------------------|---------|------------|
| J. R. Bailey & Co..... | 34,324 | \$457 96 |
| P. Burns..... | 64,713 | 864 12 |
| Conger Coal Co..... | 15,585 | 208 06 |
| S. Crane & Co..... | 7,339 | 97 89 |
| Guest & McNolty..... | 2,584 | 34 42 |
| Jno. Keith..... | 7,210 | 96 22 |
| Wm. McGill & Co..... | 12,438 | 166 02 |
| E. Rogers & Co..... | 67,040 | 896 31 |
| Robinson & McArthur..... | 10,817 | 144 38 |
| T. Bell & Co..... | 2,286 | 30 45 |
| | <hr/> | |
| | 224,336 | \$2,995 83 |

Executive committee meeting on 17th August, 1886.

Present:—Mr. Jno. Keith in the chair; Messrs. Crane, Wm. McGill, Brown (J. R. Bailey & Co.), Whiton, (Conger Coal Co.), T. R. Whiteside, E. Rogers & Co.; request, Messrs. Shannon, Robinson (R. & McA.), Coleman (C. J. Smith).

The following lists of salesmen and sale agents were submitted for approval:—C. J. Smith, A. P. Stewart & Coleman, accepted. John Mun, left over for further enquiry. Robinson & McArthur, left over for further enquiry. Mr. McAdam; Clements again submitted and refused.

Moved by Mr. McGill, seconded by Mr. W. Bell, and resolved,

That the resolution of 31st July, *re* agents, be confirmed. W. Shannon & Co., J. Keith, Williams, accepted. Conger Coal Co., J. Rollo, left over for further investigation. J. R. Bailey, P. Burns, J. Hanscomb, Coons & McKee, accepted.

Mr. Shannon having put in a new tender for Parkdale Waterworks, it was pointed out to him that it was out of order, and he agreed to withdraw the same.

Mr. McGill made a charge against Messrs. Robinson & McArthur that they were supplying Messrs. Shannon & Co., and S. McAdam, with coal at over \$1 off retail prices.

The secretary reported that there was no reply from Mr. Burns *re* Duff, Edwards, and Atkinson, who were still selling for him without having passed the committee.

Resolved, That the secretary enquire further into the matter.

The secretary submitted his report in the case of Robert McMaster, an unregistered agent, having taken an order to Messrs. J. R. Bailey & Co., which had previously been booked with Messrs. S. Crane & Co.

Resolved, That the consideration of this be left over until next meeting.

Resolved, That Messrs. T. McConnell & Co. not having withdrawn their agents as requested by the committee, they be now declared in default and be fined \$100.

Resolved, That price cards be printed and sent to each dealer.

Special general meeting held 17th August, 1886, at 8 p.m.

Present:—Mr. Keith in the chair; Messrs. E. Rogers, Clancy, J. McGill, T. Mounce, Woodrow, T. Peacock, A. E. Hagerman, W. McConnell, A. McIntosh, T. Roulston, T. Coulter, Frost, T. W. Barber, J. Burns, Wm. Law, G. Sharp, Wm. Bell, J. Aikins, J. Vance, T. Grinnell.

The following motion was moved by Mr. Rogers, which the meeting was specially called to consider, and of which notice had been given at last meeting, seconded by W. Bell,

That this branch having heard the explanation from the secretary of the Board of Trade regarding the gratuity scheme, recommends, so far as those members are concerned who are wishful to join in it, that the first payment of \$5 shall be paid out of the funds of the branch in the hands of the treasurer, subject to the approval of the executive committee.—Carried.

Executive committee meeting held 24th August, 1886.

Present:—Mr. Wm. Bell in the chair; Messrs. Fairbank, W. McGill, Crane, E. Rogers and Gibson.

Minutes of meeting of 20th and 23rd, 27th, 29th, 30th July, 2nd, 6th, 9th, 11th, 17th August, read and confirmed.

The name of Mr. Munn was again submitted as the salaried salesman of Mr. C. J. Smith and was approved.

The secretary was instructed to buy coal from agents not registered with this committee to the extent of one ton from each, to ascertain from whom they obtain their supply of coal.

Moved by Mr. Fairbank, seconded by Mr. Rogers, and carried unanimously,

That the recommendation from the general meeting held 17th August, 1886, relative to the first payment of \$5 to the gratuity scheme of the Board of Trade for those members who are wishful to join in it, being paid out of the funds of the branch in the treasurer's hands, be approved and confirmed.

A letter was read, received by the secretary, from Mr. S. McAdam, relative to the agency of Mr. Clements, and it was

Resolved, That the previous decision of the committee not confirming his appointment be confirmed.

The secretary was instructed to see Mr. McAdam and explain the reasons of the committee for their action in this matter.

Resolved, That the secretary see Messrs. Robinson and McArthur relative to their contract with Shannon & Co. and S. McAdam, and divert their attention to prices to dealers and that no violation would be permitted.

Resolved, That Mr. Keith withdraw the contract for the House of Industry, which he is reported to have obtained, and same to be transferred to Conger Coal Co., and pay to them the difference between prices at which Mr. Keith made contract and those made by the Conger Coal Company.

Resolved, That if Mr. Keith does not carry out the foregoing resolution he be fined five hundred dollars.

Resolved, That advertising prices be considered at next meeting.

Resolved, That a special meeting be called for Monday, 30th instant, at 4 o'clock, to take into consideration raising prices.

The name of James Beamish was submitted for membership, which was approved, subject to his election to the Board of Trade.

Resolved, That the secretary be instructed to investigate if Mr. Tihis has obtained Parkdale Waterworks contract and on what terms, and if below prices, he be required to cancel.

It having been stated that Messrs. E. Rogers & Co. have taken the post office employees as a club at \$6 for all winter,

Resolved, That Messrs. Crane, Fairbank and W. Bell be a committee along with the secretary to investigate the matter and to report at next meeting.

Resolved, That Mr. J. Rollo be accepted as a salaried salesman for the Conger Coal Company upon taking the usual affidavit.

Correct.

H. L. FAIRBANK, *Chairman pro tem.*

Special meeting of the executive committee held 28th August, 1886; Mr. Keith in the chair.

Present:—Messrs. Fairbank, Crane, Wm. Bell, W. McGill and E. Rogers.

This was a special meeting called to receive the secretary's report on several cases of breaking the rules and cutting prices.

P. Burns, selling half ton nut to Mrs. Curtain, 100 Argyle Street, through A. R. Duff, an unauthorized agent.

Resolved, That if Mr. Burns could not give a satisfactory explanation at next committee meeting, 30th inst., a fine of \$100 be imposed.

Robinson & McArthur, selling half ton stove to Donnelly, rear No. 11 Euclid Avenue, through Beavis, an unauthorized agent, at \$3.

Resolved, That this being a double breach, if Messrs. Robinson & McArthur could not give a satisfactory explanation at next committee meeting, they be fined \$100 in each case.

John Keith for selling Hill Brockton, P. C., winter supply of coal at \$6, receiving a deposit on account, the balance to be paid from time to time as the coal is delivered. Mr. Keith explained that this had been done by one of his men without his knowledge and consent, and directly he heard of it he cancelled the order.

Resolved, That as the order had been taken, Mr. Keith must be held responsible, and a fine of \$100 was imposed.

While this case was being discussed, Mr. Fairbank took the chair *pro tem*, and by request of Mr. Keith retained it until the end of the meeting.

Mr. Breckenridge at this stage entered the meeting, and by request of Mr. Crane stated a case that had just come to his knowledge where T. McConnell & Co. had taken an order which had been booked by Crane & Co. at full prices, at under \$6.

The secretary reported that Guest & McNolty had supplied T. McConnell & Co. with a load of stove coal to No. 56 Sherbourne Street, on 25th August, T. McConnell being in default.

Resolved, That Guest & McNolty be fined \$100 if they cannot give a satisfactory explanation at next committee meeting.

Jos. Dilworth, selling Mr. Bradley half ton nut at \$3 to-day, while the account was made out at \$3.15.

Resolved, That unless Mr. Dilworth could give a satisfactory explanation at next committee meeting, he be fined \$100.

It was named that it was reported and the sub-committee appointed were investigating the matter, that E. Rogers & Co. had taken the post office employees as

a club at \$6 for all winter, and Mr. Rogers was asked to explain. He stated they had received no order from them and would not do so as a club nor under regular prices.

Correct.

H. L. FAIRBANK, *Chairman pro tem.*

Executive committee meeting held 30th August, 1886.

Present :—Mr. Fairbank, who was voted into the chair; Messrs. Crane, Wm. Bell, C. Rogers (R. Rogers & Co.), Wm McGill, Johnson (P. Burns), Gibson & Robinson, of Robinson & McArthur, and Joseph Dilworth, the two latter by request.

Minutes of the meetings held 24th and 25th August were read and confirmed.

Mr. Robinson (of Robinson & McArthur) explained his action in the matter of the sale through Beavis, an unregistered agent, which was considered unsatisfactory, and fines of \$100 for underselling and \$5 for selling through Beavis were imposed.

Mr. Johnson, for P. Burns, explained that Duff was no longer in the coal business, that they were putting a man out of their own office in the place.

Resolved. That on condition that this man is put in on the following morning there be no fine imposed.

The secretary reported that he had received a letter from Mr. Keith, which was read, stating he was going out of town, and would send in his cheque for the \$100 fine next day.

Mr. Jos. Dilworth made an explanation to the meeting relative to the charge against him, which was unsatisfactory, and he was fined \$100.—*Resolved* unanimously.

Resolved. That as no one had appeared from Guest & McNulty relative to their charge *re* T. McConnell & Co., the secretary see them and hear what explanation they have to make.

Mr. Bell here took the chair at the request of Mr. Fairbank.

Mr. Fairbank gave a notice of motion to be brought up at the next regular meeting, "That special rule No. 1 be amended to make the minimum fine of \$10 instead of \$100 named therein." He explained that his intention in so doing was that fines should be made more or less severe according to the nature of the offence.

Resolved, That the secretary see the dealers personally who have been fined, and state to them, if the fines are not paid before 6 to-morrow, 31st August, they are declared in default, and that the dealers be notified of same by registered letter and Mr. Yates be notified by telegram.

A charge was brought against Messrs. Crane & Co. that Scroggie, their agent, had sold one-half ton of coal at \$3. Mr. Crane explained, and the secretary was instructed to investigate the matter.

Moved by Mr. McGill, seconded by Mr. Crane, and resolved, that the resolution of 13th July, respecting prices, be rescinded.

Resolved, unanimously, that prices remain as at present until 1st October, and that there be no orders taken for delivery after that date at present prices, and that this shall apply in all cases where the coal has not been paid for.

Resolved, That prices be advertised to-morrow and on each Saturday for a month in the *Globe, Mail, News, World* and *Telegram*.

JOHN KEITH, *Chairman.*

6th September, 1886.

General meeting held 1st September, 1886.

This was a special meeting called by the chairman at the request of more than seven members.

Present :—Messrs. Gerris O'Leary, Dalby Hagerman, T. Bell, S. McAdam, John McGill, W. Spence, A. Shannon, W. R. Tesky, Woodrow, Mounce, Cotts, Robinson, Roulston, Cross, P. McConnell, McFarlane, Law, C. H. Rogers, Barber, Aikens, Clancy, W. Bell, Lytle, Jos. Dilworth, Jas. Dilworth.

At the opening of the meeting none of the executive committee were present, and Mr. C. H. Rogers was unanimously voted into the chair.

He explained that this was a special meeting called at the request of several of the members, and would like to hear from them.

Mr. McAdam moved a resolution which, after considerable discussion, was withdrawn, and the following substituted. (Before the meeting could proceed, however, it was pointed out to the chairman that there were certain members present who were in default, and who were not entitled to be present.)

The secretary was requested to read out their names, and at the request of the chairman, Messrs. Robinson, T. M. McConnell, Jos. Dilworth and Jas. Dilworth withdrew from the meeting.

Moved by Mr. McAdam, seconded by Mr. W. Bell, That this meeting petitions the executive committee for enlarged representation for the small dealers on the executive committee.—Carried unanimously.

JOHN KEITH, *Chairman.*

CHAS. H. ROGERS.

6th September, 1886.

Executive Committee meeting held 6th September, 1886.

Present:—Mr. Keith in the chair. Messrs. Gibson, Jas. Bell, J. R. Bailey and C. H. Rogers.

Mr. James Dilworth entered the meeting and introduced Mr. Wickens (from Mr. McNab's office) who attended to defend J. & J. Dilworth in the charge against them for which they had been declared in default.

Moved by Mr. Gibson, seconded by Mr. Bailey and

Resolved, That Mr. Wickens be heard.

After hearing Mr. Wickens' further explanation respecting the matter, it was

Resolved, that the case of Messrs. J. & J. Dilworth be left over for two weeks for investigation of the executive committee as a whole, and in the meantime the dealers be allowed to supply them with coal.

This result having been made known to Messrs. Wickens and James Dilworth (who had withdrawn from the meeting during its discussion) they then retired.

The minutes of the executive committee meeting of 30th August and general meeting of 1st September, 1886, were read and confirmed.

The secretary having given in his further report on the charge against Guest & McNolty *re* T. McConnell & Co. the matter was allowed to drop without any fine.

The secretary reported on the Scroggie & Co. case, and it was moved by Mr. Bailey seconded by Mr. C. H. Rogers, and

Resolved, That in Mr. Crane's absence through sickness it be left over until he is able to be present.

Moved by Mr. C. H. Rogers, seconded by Mr. Bailey, and

Resolved, That this meeting having received the resolution passed by the general meeting on 1st September, 1886, relating to the smaller dealers being further represented on this committee, the matter be left over until the annual in December next.

Moved by Mr. Gibson, seconded by Mr. Bailey, and

Resolved, That special rule No. 1 be amended as follows where it reads "for the first breach or offence forfeit or pay a fine of not less than \$100 which shall be payable forthwith to the treasurer, &c." it shall be corrected to read: "The minimum fine shall be \$10 with a sliding scale for different offences, the executive committee to impose same as the merits of each case demands."

The city having called for fresh tenders on 6th September, it was resolved that the award of this contract made at a meeting held 9th August, be confirmed.

Mr. Nelson, solicitor, account to the present, \$50, was submitted, and was ordered to be paid on the motion of Mr. Bailey, seconded by Mr. Gibson.

TORONTO COAL BRANCH.

579

Messrs. T. McConnell & Co. not having paid their fine, it was moved by Mr. C. H. Rogers, seconded by Mr. Bailey, that if the same be not paid within 48 hours from this date that he be expelled from the Coal Trade Branch.—Carried.

JOHN KEITH, *Chairman.*

14th September, 1888.

General meeting held 7th September, 1886.

Present : C. H. Rogers in the chair. Messrs. Beamish, Frost, Woodrow, McFarlane, Sharp, Hagerman, Cross, O'Leary, Dalby, Law, Thompson, T. Bell, Lytle, and Grinnell.

The minutes of last meeting were read and confirmed.

The secretary read the resolution passed by the executive committee relative to a further representation of smaller dealers on that committee as requested by the last general meeting leaving the matter over until the annual meeting in December next. After a conversation among the members relative to the trade, the motion was passed to adjourn.

JOHN KEITH, *Chairman.*

4th October, 1886.

Executive Committee meeting held 14th September, 1886.

Present : Mr. Keith in the chair. Messrs. A. McGill, S. Crane, Fairbanks and W. Bell.

Minutes of last meeting read and confirmed.

It was moved and seconded that J. & J. Dilworth's fine of \$100 be confirmed.—Carried.

It having been reported that certain dealers (not members of this branch) and West Toronto Junction were selling coal in this city and cut prices, it was moved by Mr. Fairbanks, seconded by Mr. Crane, and resolved, That the secretary ascertain what dealers are supplying coal outside the city limits within five miles of the same.

A letter was read received from Robinson & McArthur, stating they had opened a branch office at No. 419 Queen Street, West, solely under their own control and expense, which was approved subject to these conditions upon enquiry being confirmed.

It being reported that T. McConnell & Co. have received a cargo of coal from Fairhaven, the secretary was instructed to ascertain the particulars and telegraph Mr. Yates.

The following notice of motion was given by Mr. McGill :—

That orders may be taken at following prices: Stove and chestnut, \$6; egg and grate, \$5.75, for all winter.

Resolved, That T. McConnell & Co. be reinstated in membership on condition that they comply with the rules and by-laws of the branch and pay a fine of \$200.

JOHN KEITH, *Chairman.*

2nd September, 1886.

Special meeting of the executive committee held 17th September, 1886.

Present : Mr. Keith in the chair. Messrs. Rogers, Fairbank and Crane.

Mr. McConnell was present by request to explain his action in regard to his agents, and it was resolved on the motion of Mr. Rogers, seconded by Mr. Fairbank,

That Mr. McConnell's fine be reduced to \$100 on his complying with the rules of the branch, and upon payment of same he be reinstated as a member.

JOHN KEITH, *Chairman.*

21st September, 1886.

Executive committee held on 21st September, 1886.

Present: Mr. Keith in the chair. Messrs. Crane, Rogers, McGill, Gibson and Bailey.

The minutes of the last two executive committee meetings read and confirmed.

The charge against E. Rogers & Co. for selling three tons of coal to a Mr. Brown, Seaton village, from their Queen Street office, for delivery as required, receiving \$3 on account, was reported on by the secretary, and it was resolved, on the motion of Mr. Gibson, seconded by Mr. McGill,

That the report lay upon the table in the meantime.

Moved by Mr. Rogers and resolved,

That the following be sent to each member of the branch:—

“At a meeting of the executive committee held to-day, it was decided to rescind the resolution of 31st August in regard to the advance 1st October on unfilled orders.”

Moved by Mr. McGill, seconded by Mr. Gibson, and resolved,

That dealers be at liberty to take orders at present for delivery until 1st May next at the present retail price, namely, \$6 for stove and chestnut and \$5.75 for egg and grate.

Resolved, That Mr. John Keith's fine be remitted.

Moved by Mr. McGill, seconded by Mr. Gibson, and resolved,

That the treasurer be authorized to advance \$35 for a stove for the board room.

The matter of S. Crane & Co.'s agent, Scroggie, having sold half a ton at \$3 was again considered and a fine of one hundred dollars was imposed on S. Crane & Co. for the same.

Letters were read from A. McNab, Messrs. Dilworth's solicitor, which were ordered to be laid on the table.

JOHN KEITH, *Chairman*.

Special meeting of the Executive Committee held 22nd September, 1886.

Present:—Mr. Keith in the chair; Messrs. Bailey, Gibson, McGill, Crane and Rogers.

The city contract having been tendered for at cut prices by a Mr. G. Logan and which tender has been accepted, this meeting was called to consider the matter.

Moved by Mr. McGill, seconded by Mr. Gibson, and resolved,

That having regard to McConnell's matter and the city contract, a sub-committee consisting of Messrs. Rogers, Bailey, Crane and the chairman, be appointed to proceed to Buffalo to confer with the members of the Toronto committee, with a view to taking steps to stop supplies to non-members in this market.

Resolved, That the secretary telegraph to Mr. T. Guilford Smith, advising him that a deputation has been appointed to proceed to Buffalo to confer with their committee on matters of importance, asking him what is the earliest date they can meet the deputation, Mr. Bailey to telegraph Mr. Yates.

Mr. Gibson gave the following notice of motion:—

That a motion will be made at the next regular executive committee meeting on Tuesday, 28th September, to advance the price of coal 50 cents per ton, and that the same be advertised in the daily papers by the month.

Resolved, That Mr. Keith be paid \$1 for cab hire.

JOHN KEITH, *Chairman*.

28th September, 1886.

Executive committee held 28th September, 1886.

Present:—Mr. Keith in the chair; Messrs. McGill, Gibson, Fairbank and Crane.

The minutes of the last two meetings read and confirmed.

Resolved, That the secretary obtain from Mr. W. Bell, the chairman of the committee appointed to investigate the post office employees' order, his report on the matter, to lay before next meeting.

Moved by Mr. Bailey, seconded by Mr. Crane,

That Messrs. E. Rogers & Co. be fined \$10 for the Brown Seaton village charge.

Moved by Mr. McGill, seconded by Mr. Gibson,

That Messrs. E. Rogers & Co. be fined \$100 for the same, as an amendment.

The amendment was lost and the original motion was declared carried on the casting vote of the chairman.

Moved by Mr. McGill, seconded by Mr. Rogers, and

Resolved, That the assessment No. 1, now made by the gratuity scheme of the Board of Trade for the first death upon its members in the Coal Trade Branch as per account submitted by their secretary amounting to \$129 be passed and the treasurer be authorized to pay the same.

Moved by Mr. Gibson, seconded by Mr. Bailey, and carried,

That commencing 1st October, 1886 (next), the price of coal be advanced 50 cents per ton all round as per card prices, and that same be advertised in daily papers by the month, same as in Buffalo markets, nothing extra for half tons, 15 cents extra for quarter tons.

Resolved, That members of the Board of Trade gratuity scheme who have paid the first assessment of \$5 have that amount paid to them by the treasurer who is hereby authorized to pay the same. A letter was read, received by the secretary from T. Bell & Co., enclosing a copy of their contract with J. Dilworth, who is in default, who was pressing them to fill the order, asking the committee for instructions in the matter.

Resolved, That T. Bell & Co. be notified that the Coal Trade Branch have nothing to do with the agreement, and that the secretary inform them that if they supply them they will be liable to be fined.

The following accounts were passed and ordered to be paid. The secretary's account for salary and disbursement for the month, \$51.02; Mr. Bradley, \$11.25; Mr. Coleman's affidavit, \$2.

Executive committee held 4th October, 1886.

Present :—Mr. Keith in the chair; Messrs. Crane, W. Bell, Whiteside and Rogers.

This was a special meeting called by the chairman with a view to meeting Mr. Parrish, of Messrs. Chisholm & Parrish, *re* T. McConnell & Co.'s matter, who had expressed a wish to the meet committee to have them re-instated. Mr. Parrish, having been delayed in his arrival, was unable to be present.

The secretary read a report from the sub committee *re* Rogers & Co., and the post office employees.

Moved by Mr. Bell, seconded by Mr. Whiteside, and resolved.

That the matter be left over until next meeting.

JOHN KEITH, *Chairman*.

October, 1886.

Executive committee meeting held 5th October, 1886.

Present :—Mr. Keith in the chair; Messrs. Crane, Whiteside, W. Bell and Johnson (P. Burns).

T. McConnell & Co., and Mr. Parrish (of Chisholm & Parrish, Buffalo) were present to meet the committee in relation to re-instating T. McConnell & Co. as members of the branch.

Resolved, That the following be admitted to act for T. McConnell & Co., on their complying with the rules of the branch: John Cooner, salaried salesman to take affidavit. Moses, Young Street, C. Burns, King Street East, Bethel, to have separate office and clerk in charge who shall attend to no other business. The business to be done in T. McConnell & Co.'s name only, who shall have his name up.

Resolved, That upon the secretary being satisfied that the requirements of the branch as above stated are complied with, he is authorized to send out notifications of T. McConnell & Co. being re-instated as members. T. McConnell & Co. then paid their fine of \$100.

JOHN KEITH, *Chairman*.

General meeting held 4th October, 1886.

Present:—Mr. Keith in the chair; Messrs. Beamish, Kennedy, R. Saulter, Chisholm, Cross, Sharp, Roulston, J. McGill, J. Aikins, Jas. Burns, McAdam, W. Bell, W. McGill, Mounce, T. Bell, Robinson, Lytle, J. Bell, E. Rogers, O'Leary, Cotts.

The minutes of the last meeting were read and confirmed.

Moved by Mr. Robinson, seconded by Mr. McAdam and carried,

That in consideration of the executive committee of the coal branch changing the by-laws by which they took office, this meeting wishes them to account for so doing.

After considerable discussion in which many members took part, an explanation by some of the members of the executive committee which was satisfactory to the meeting, it was resolved to adjourn.

Executive Committee meeting 26th October, 1886.

Present:—Mr. Keith in the chair; Messrs. Gibson, W. McGill, Crane and Whiteside.

Minutes of previous meeting read and confirmed.

Resolved, That in the event of E. Rogers & Co.'s fine of \$10 not being paid at once they be declared in default.

Resolved, That the matter of S. Crane & Co.'s fine, \$100, which has not been paid, be left over for consideration at next meeting.

The secretary read a letter received from Mr. James Dilworth of J. & J. Dilworth, offering to pay \$50 as his share of the \$100 fine against that firm.

Resolved, That the full amount must be paid.

The secretary read a copy of a bill of lading for 254 tons egg and stove coal per schooner "Ariadne" shipped by Butler, Coll & Co. for H. C. Springer & Co. per Geoderham & Worts, and he reported that he had sent a copy of this bill of lading to Mr. A. G. Yates and Mr. T. Guilford Smith.

Resolved, That the secretary telegraph these gentlemen asking if these shipments cannot be stopped and a heavy fine imposed on the shippers.

Resolved, That the secretary ascertain from whom Bowman (Stinson's successor) is obtaining his coal and if necessary purchase a ton to obtain the information.

Mr. W. McGill gave notice of a motion to reduce the price of coal to \$6.
26th October, 1886.

JOHN KEITH, *Chairman*.

Executive Committee meeting held 26th October, 1886.

Present:—Mr. Keith in the chair; Messrs. Fairbank, T. Bell (S. Crane & Co.), W. Bell, J. R. Bailey, W. McGill and E. Rogers.

Minutes of the last meeting read and confirmed.

Resolved, That as Messrs. E. Rogers & Co. have not paid their fine of \$10 the secretary is instructed to call upon them for payment and if it is not paid they be declared in default.

Resolved, That S. Crane & Co.'s fine be reduced to \$10, *re* Scroggie.

Resolved, Moved by Mr. Bailey, seconded by Mr. McGill,

That the matter of the shipments by the Butler Colliery Co. to Gooderham & Worts be left in the hands of the Toronto committee in Buffalo, to be dealt with as the importance of the case demands; and it is further

Resolved, That as the Butler Colliery Co. have indicated their willingness to make reparation for the damage done this market through the shipment of coal to Gooderham & Worts contrary to the rules of this association, this committee are of opinion that several thousand dollars would not be sufficient to undo the mischief, as the coal has been distributed among a large circle of friends and connections who freely informed their friends that they have succeeded in beating the coal ring, and have got their coal at a large reduction from ring prices. However, in view of the prompt offer of the Butler Colliery Co., the Coal Trade Branch of the Toronto Board of Trade are to be as reasonable as possible in their demands, and will accept \$1,000 as full satisfaction in this instance, and that the secretary be instructed to forward a copy of this resolution to the secretary of the Toronto committee at Buffalo.

Resolved, Moved by Mr. W. Bell, seconded by Mr. McGill,

That those dealers who have applied to become members of this exchange who have become members of the Board of Trade be allowed two weeks to become members, otherwise their supplies of coal will be cut off.

Resolved, Moved by Mr. Rogers, seconded by Mr. Bailey,

That the Conger Coal Company having supplied Mr. Edwards, a dealer, who is not a member, they be fined \$10 for the same. The fine was paid.

Mr. Bailey proposed A. W. Bowman, seconded by Mr. W. Bell, as a member of the coal trade branch.

Moved by Mr. Fairbank, seconded by Mr. McGill, and

Resolved, That all members of this branch who have supplied dealers who are not members, be fined \$10.

Moved by Mr. McGill, seconded by Mr. Crane,

That coal be reduced 50 cents per ton.—Lost.

Moved by Mr. McGill, seconded by Mr. W. Bell,

That a detective be employed to test the market, as regards present prices.

The secretary stated that T. McConnell had not yet complied with the rules by paying his fine and withdrawn his agents, and it was

Resolved, Moved by Mr. Bailey, seconded by Mr. McGill,

That a committee, consisting of Messrs. Rogers, Fairbank and Bailey, be appointed, to proceed to New York with full power to lay the case before the Buffalo committee.

The following accounts were passed:—For telegrams, \$4.69; Blackett Robinson, \$49.85; Secretary account for month, \$49.18.

JOHN KEITH, *Chairman*.

2nd November, 1886.

The monthly meeting of the members was called for 1st November, 1886, but owing to their being no quorum no meeting was held.

Executive Committee meeting held 2nd November, 1886.

Present:—Mr. Keith in the chair; Messrs. J. R. Bailey, Gibson, W. McGill, Whiteside, W. Bell and S. Crane.

Minutes of the last meeting read and confirmed.

The secretary reported that Messrs. E. Rogers & Co. had paid their fine of \$10.

Mr. Gibson as representing the sub-committee who proceeded to New York, re T. McConnell & Co., and the Butler Colliery Co., submitted their report to the effect that the matter was left in the hands of the Toronto committee of the Western Anthracite Association.

The secretary read letters and telegrams passed between this branch and A. G. Yates, Esq., and T. Guilford Smith, Esq., *re* T. McConnell & Co. since last meeting.

The secretary was instructed to call a special general meeting for Monday next, 8th November, for the election of the following members of the branch:—

A. M. Bowman, proposed by Mr. J. R. Bailey.

Edwards, proposed by Conger Coal Co.

J. Grinnell, proposed by Mr. E. Rogers & Co.

The sub-committee on the Post Office submitted their report and it was resolved that Messrs. E. Rogers & Co. be fined \$50 for taking the same contrary to the rules of the association.

Mr. Gibson gave notice of motion as follows:—

That the dealers doing business in the outskirts within 5 miles of the city limits be required to register with the committee and take the affidavit, and that the dealers supplying them see that this resolution is carried out.

The secretary reported that Messrs. T. Bell & Co. were supplying Mr. Jas. Dilworth, he being in default.

Resolved, That T. Bell & Co. be fined \$100 for so doing.

Mr. Crane gave notice of motion as follows:—

To reduce the price to farmers to \$1 per ton off retail prices.

The expenses of Mr. Gibson to New York \$36 50, and Mr. Rogers to New York and Buffalo (2 trips) \$38.50 were ordered to be paid.

JOHN KEITH, *Chairman*.

20th November, 1886.

Special Executive Committee meeting held 5th November, 1886.

Present:—Mr. Keith in the chair; Messrs. Fairbank, Jas. Bell (S. Crane & Co.), W. Bell, E. Rogers, Wm. McGill.

Mr. T. McConnell was present by request *re* Logan. He admitted that he was supplying Logan with both hard and soft coal for the city contract, for which he stated he was getting full price.

Resolved, That T. McConnell & Co. be required to make a deposit of \$1,000 with this branch as a pledge of good faith before again being received into membership.

Resolved, That Mr. Fairbank be deputed to proceed to Buffalo as representing this committee to explain to the Toronto Committee of the Western Anthracite Association the wish of this committee respecting the matter.

Resolved, The following be a sub-committee to see that the city contract is put in according to specification.

The secretary read letters from Messrs. J. R. Bailey and Co. and MacNab and Wickens, to the effect that the fine of \$100 was paid by the firm of J. & J. Dilworth, and that the partnership is dissolved. James Dilworth continues a member of the Coal Trade Branch under his present membership. Joseph Dilworth being still in default.

Resolved, That Messrs. T. Bell & Co., not having paid their fine of \$100, if not paid to-morrow, 6th inst., the secretary is instructed to declare them in default.

JOHN KEITH, *Chairman*.

30th November, 1886.

Executive committee meeting held 9th November, 1886.

Present: Mr. John Keith in the chair; Messrs. W. McGill, Fairbank, Rogers, Crane, W. Bell, Mr. R. E. McWilliams, as representing the Toronto Committee in Buffalo, and Mr. Parish of Messrs. Chisholm & Parish, Buffalo, were present *re* T. McConnell & Co.'s matter.

The secretary at the request of the chairman read the resolution passed by the executive committee, 5th November, stating that the committee wished that a de-

posit of \$1,000 be made with the treasurer by T. McConnell & Co., as a pledge of good faith for the future.

The same to be forfeited to the Coal Trade Branch if T. McConnell & Co. should violate its rules or by-laws.

Moved by Mr. McGill, seconded by Mr. Fairbank,

That assessment No. 3 of the gratuity scheme of the Board of Trade as presented by the secretary, amounting to \$135, be paid out of the funds of the Coal Trade Branch of the Board of Trade, and the treasurer is authorized to pay the secretary of the Board of Trade that amount.—Carried.

T. Bell & Co. not having paid their fine of \$100, resolved, they are now declared in default, and the secretary is instructed to notify the shippers in the Buffalo Coal Exchange.

The matter of T. McConnell & Co. was discussed freely with Messrs. R. E. McWilliams and Mr. Parish, and it was ultimately agreed and resolved that upon Messrs. T. McConnell & Co. paying to the treasurer \$1,000, as resolved at the last meeting and complying with the rules, that they be reinstated as members. Mr. Parish agreed to this resolution and promised in the presence of the committee that the \$1,000 should be paid before he left the city.

The unanimous thanks of the committee were tendered to Mr. R. E. McWilliams, the deputation, for his presence and support.

Resolved, That the price to farmers ex-yard for consumption outside the city be 75 cents off present retail prices. The prices to expressmen and others, for city consumption, to remain as at present, 40 cents off retail prices ex-yard.

JOHN KEITH, *Charman.*

30th November, 1886.

Special meeting held 13th November, 1886, of the executive committee.

Present:—Mr. Keith in the chair; Messrs. W. Bell, Jas. Bell (S. Crane & Co.), T. R. Whiteside.

The secretary reported that T. McConnell & Co. had paid cheque for \$500 marked.

Resolved, That this committee confirms the resolution passed at the last meeting in the presence of Mr. Parrish, to the effect that \$1,000 be deposited in cash by T. McConnell & Co. with the treasurer as a pledge of good faith, the same to be forfeited in case of T. McConnell & Co. violating the rules or by-laws of the exchange.

This payment of \$500 in the meantime to be considered as a payment on account and that T. McConnell & Co. are still in default. That a copy of this resolution be sent to Messrs. R. E. McWilliams, Chisholm & Parrish, and to Mr. Yates, the secretary of the Toronto Committee in Buffalo.

JOHN KEITH, *Chairman.*

30th November, 1886.

Meeting of the executive committee held 19th November, 1886.

Present:—Mr. Keith in the chair; Messrs. W. McGill, W. Bell, S. Crane, J. R. Bailey, E. Rogers and Fairbank.

The secretary read the correspondence that had taken place with Buffalo since last meeting relative to Messrs. T. McConnell & Co.

Moved by Mr. Crane, seconded by Mr. Bell, and resolved,

That Messrs. T. McConnell & Co. having paid the sum of \$500 as a deposit of good faith that they will keep the rules and by-laws of the Coal Trade Branch, they be received as members on complying with the rules.

Mr. T. Bell was present and explained his position regarding his contract with Jos. Dilworth.

Moved by Mr. McGill, seconded by Mr. Crane and resolved,

That Messrs. Bailey and Fairbank be a sub-committee to assist and advise Mr. Bell in arranging a settlement with Mr. Dilworth. Mr. Bell in the meantime to remain in default.

Resolved, That Messrs. Bailey, Fairbank and the secretary be a sub-committee to reply to the letter received from Buffalo re T. McConnell & Co.

The following accounts were passed:—Bengough, Typograph, \$14; advertising in *World*, \$3.60; advertising in *Telegram*, \$6; advertising in *Mail*, \$6; Canada Mutual, Telegrams, Oct., \$2.55.

Resolved, That Mr. W. Bell and Mr. Fairbank be auditors for the year.

JOHN KEITH, *Chairman*.

30th November, 1886.

Executive Committee meeting held 23rd November, 1886.

Present:—Mr. Keith in the chair; Messrs. E. Rogers, Fairbank and W. Bell.

Mr. Rogers handed to the chairman a letter addressed to them from Mr. Riddell, in the Post Office, relative to the Post Office employees, which was read.

The secretary reported that T. McConnell & Co. has recently been supplying the Court Street Fire Hall with hard coal for Logan under the city contract and he expected to have further cases. He was instructed to have them ready for next meeting so as to give the committee sufficient evidence to deal with the matter.

The secretary reported that T. McConnell & Co. had requested payment of the amount they claimed was due to them in their tonnage for last year, namely, 9,500, \$126.87. The chairman certified its correctness and it was ordered to be paid.

JOHN KEITH, *Chairman*.

30th November, 1886.

Executive committee meeting 30th November, 1886.

Present:—Mr. Keith in the chair; Messrs. Crane, Whiteside, W. Bell and James Bell (S. Crane & Co).

Minutes of committee meetings of 2nd, 5th, 9th, 13th and 23rd were read and confirmed.

The secretary reported that he had proof that on several occasions T. McConnell & Co. had supplied coal to fill the city contract, and it was resolved that the amount deposited with the treasurer, \$500, as a pledge of good faith, is declared to be forfeited, and that T. McConnell & Co. are put in default.

The secretary was instructed to obtain an affidavit of the evidence, a copy of which is to be sent to Mr. Yates and Mr. R. E. McWilliams, and to notify the shippers in Buffalo that T. McConnell & Co. are in default.

The chairman reported that Messrs. E. Rogers & Co. having understood special rule No. 3 differently from the committee, especially as applying to the post office, they were willing to refer the meaning of that rule to the committee and be guided by their decision.

Resolved, that Rule No. 3, which was read by the secretary, means just what it states, and that the taking of the post office employees from one of their number with the separate names and quantity ordered by each one is a breach of this rule.

JOHN KEITH, *Chairman*.

3rd December, 1886.

Executive committee meeting held 3rd December, 1886.

Present:—Mr. Keith in the chair; Messrs. Fairbank, James Bell, S. Crane & Co. J. R. Bailey, E. Rogers, W. Bell.

Minutes of last meeting read and confirmed.

Moved by Mr. Bailey, seconded by Mr. Fairbank, and resolved,

That Messrs. T. Bell & Co.'s fine be reduced to \$25, and upon payment of same they be re-instated. Messrs. S. Crane & Co.'s fine, \$10, and E. Rogers & Co.'s fine, \$50, were reported as paid.

Mr. Rogers read a letter they had received from the Butler Colliery Co. relative to Mr. Springer's shipment to Gooderham & Worts, and the matter was referred to Mr. Bailey to make up prices and report at next meeting.

Moved by Mr. W. Bell, seconded by Mr. Fairbank, and resolved,

That the secretary of the Board of Trade account for the fourth assessment to the gratuity fund, amounting to \$135, be passed and is ordered to be paid by the treasurer out of the funds of the branch.

WILLIAM BELL, *Chairman.*

General meeting (the annual meeting) held 6th December, 1886.

Present: — Mr. Keith in the chair; Messrs. Bowman, N. McConnell, W. Bell, Woollat, Cross, Clancy, J. Aikens, Dailey, McFarlane, O'Leary, Sharpe, Woodrow, Whiteside, Gibson, Crane, S. McAdam, Robinson, Shannon, Frost, W. Spence, Hagerman, Gerrie, Gemmill and Woodrow.

The secretary submitted his report, which was adopted on the motion of Mr. Gibson.

The treasurer's report, showing a balance of \$1,344.99 on hand, was also adopted.

The chairman announced that the executive committee would now be elected for the ensuing year. As five required to have docks and yards, the following were declared elected: Messrs. P. Burns, Elias Rogers & Co., J. R. Bailey & Co., S. Crane & Co., the Conger Coal Company.

Nominations.

| | | | | | | | |
|-------|-----------------|-----------|----|-------------|----------|----|------------|
| 21 | W. Bell, | nominated | by | Mr. Sharpe, | seconded | by | Mr. Frost. |
| 19 | T. R. Whiteside | do | do | Grinnell | do | do | Aikens. |
| 11 | W. McGill | do | do | W. Spence | do | do | Woodrow. |
| 14 | John Keith | do | do | Gibson | do | do | Woodrow. |
| 4 | Robinson | do | do | McAdam | do | do | Frost. |
| 12-15 | J. Clancy | do | do | Gerrie | do | do | Robinson. |
| 12-10 | J. McGill | do | do | McFarlane | do | do | O'Leary. |
| 3 | J. McAdam | do | do | Robinson | do | do | Shannon. |

The following were elected: Messrs. W. Bell (21 votes), T. R. Whiteside (19 votes), J. Keith (14 votes), J. Clancy (15 votes).

Messrs. Gibson, Hagerman and the secretary acting as scrutineers by appointment of the meeting.

The members of the executive committee then retired to elect the officers for the year; on their return the secretary stated to the meeting the following elections:

Chairman, Mr. W. Bell; vice-chairman, Mr. John Keith; treasurer, Mr. S. Crane; secretary, (*pro tem*) G. W. Wood.

The thanks of the meeting were tendered to Mr. Keith for his past efficient services as chairman, on the motion of Mr. Aikens, seconded by Mr. Gerrie.

The following new members were admitted: Messrs. A. M. Bowman, C. W. Edwards and T. Grinnell.

The following nominations for new members were received;

Mr. W. Johnston, by Mr. W. Bell; J. Wiggins, by Mr. Whiteside.

On the motion of Mr. Woodrow, the thanks of the meeting were presented to the secretary.

WILLIAM BELL, *Chairman.*

Minutes of the special executive committee meeting for the election of officers, 6th December, 1886.

Present: J. Keith, W. Bell, Gibson, T. R. Whiteside, J. Clancy and Crane.

Moved by Mr. Crane, seconded by Mr. Gibson, and resolved,

That Mr. Bell be appointed chairman.

Moved by Mr. Crane, seconded by Mr. Whiteside, and resolved,
That Mr. Keith be vice-chairman.

Moved by Mr. Whiteside, seconded by Mr. Clancey, and resolved,
That Mr. Crane be treasurer.

Moved by Mr. Crane, seconded by Mr. Gibson, and resolved,
That Mr. G. W. Wood be secretary *pro tem*.

WILLIAM BELL, *Chairman*.

Executive committee meeting held 14th December, 1886.

Present :—Mr. W. Bell in the chair; Messrs. S. Crane, Keith, E. Rogers, Fairbank.

Resolved, That the reading of the minutes of the last meeting be left over.

Resolved, That the matter of Mr. Bailey and the price *re* Springer be deferred.

The secretary read a letter received from Robinson and McArthur regarding their fine of \$185 imposed 30th August.

Resolved, Moved by Mr. Keith, seconded by Mr. Crane, that the fine be reduced to \$25.

The following accounts were passed and ordered to be paid:—*News*, advertising, \$6; Canadian Pacific Co., telegram accounts, two, \$4.58.

Resolved, That the Executive Committee meetings adjourn for the holidays and be subject to the call of the chair.

WM. BELL, *Chairman*.

Executive committee meeting, held 12th January, 1887.

Present :—Mr. Wm. Bell in the chair; Messrs. Fairbank, Clancey, Whiteside, Crane and Keith.

Minutes of the executive committee meetings of the 6th and 14th December read and confirmed.

The secretary reported that owing to Mr. J. R. Bailey being out of town he had been unable to obtain his report on the Springer matter.

Moved by Mr. Fairbank, seconded by Mr. Keith, and resolved,

That the members pay the annual subscription to the Board of Trade.

The secretary read letters from Messrs. Albright and Smith requesting the names of the members of the branch and tonnage of anthracite and bituminous coal imported by each importer into Toronto.

Resolved, That the secretary give the information asked for upon their agreeing to pay the expense.

Moved by Mr. Fairbank seconded by Mr. Whiteside, and resolved,

That Mr. Keith be nominated as the representative of the Coal Trade Branch as a member of the council of the Toronto Board of Trade and that Mr. Crane be nominated as a member of the Board of Arbitration of said board. The nominations to take place on 14th instant at 3.30.

The secretary was instructed to notify the members of the Coal Trade Branch of these nominations and request their attendance to vote.

The following accounts were passed: Boyce, \$2, and secretary's account for December, \$37.63.

WILLIAM BELL, *Chairman*.

General meeting (special) held 21st January, 1887.

Present :—Mr. Fairbank in the chair (by Mr. Bell's request); Messrs. Hagerman, Jno. McGill, W. Bell, Sharp, Saulters, McFarlane, C. J. Smith, Mounce, Cross, Pringle, S. Crane, E. Rogers, Jno. Keith, Whiteside, Fairbank, D. Daniels, Aikins, W. McConnell, Clancey, Lytle and W. Walsh.

This was a special meeting called by request of several members for deciding upon a ticket to be supported for the council of the Board of Trade and Board of Arbitration which was accordingly done. The election to take place immediately subsequent to this meeting at the City Hall.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 15th March, 1887.

Present :—Mr. Wm. Bell in the chair; Messrs. J. R. Bailey, J. Clancey, Fairbank, S. Crane and T. R. Whiteside.

Minutes of last meeting read and confirmed.

Resolved, That the prices to be charged Messrs. Springer *re* Butler Colliery Co. be summer prices, namely; \$5.75 for egg and grate and \$6 for stove and nut.

The treasurer submitted an account received from the secretary of the Board of Trade for assessments No. 5 and 6 for the gratuity fund on the members of the Coal Trade Branch.

Resolved, That the treasurer be authorized to pay the said assessment for those members in good standing out of the funds of the Coal Trade Branch and that the secretary be instructed to look into the matter and inform the treasurer of the amount required.

Resolved, That the next executive committee meeting be held first Tuesday in April.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 5th April, 1887.

Present :—Mr. W. Bell in the chair; Messrs. Fairbank, Whiteside, Clancey, S. Crane.

Minutes of last meeting read and confirmed.

Secretary reported that the amount paid by the treasurer *re* gratuity fund, as per resolution passed at last meeting, was \$300.

Secretary was instructed to see Mr. Shannon regarding his branch office, No. 938 Queen Street West, and inform him the same could not be allowed without the consent of the committee.

Mr. W. H. Lackie having sent in a written application for membership of the board, he was duly nominated.

Resolved, That the next committee meeting be held 19th April, or previously at the call of the chair, if required.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 3rd May, 1887.

Present :—Mr. W. Bell in the chair; Messrs. J. R. Bailey, T. R. Whiteside, H. L. Fairbank, S. Crane and Clancey.

Minutes of last meeting read and confirmed.

The secretary read a letter from Mr. Shannon relative to his branch office, Queen Street West.

Resolved, That the secretary reply, stating that the rule must be complied with and that the branch must be closed.

New Members.

The following were received and approved unanimously: J. Westcott, corner Fuller and Queen Street, Parkdale; W. Gosnell & Bro., 256 King Street East; and Peppiatt & McDonogh, Parkdale.

The name of J. B. West was left over in order that the secretary might ascertain if he has a coal yard.

Hugh Spence.

The secretary read a letter relative to the assessment due during the time he was in default, in which he requested the committee to reconsider their decision.

After again disussing the matter, it was

Resolved, That the committee could not alter their previous decision; that these assessments to the gratuity fund, made during the time Mr. Spence was in default, must be paid by him.

Albright & Smith.

A letter from them was read relative to statistics.

The secretary was instructed to reply that he could not obtain the information requested.

Treasurer submitted assessment No. 7 of gratuity fund received from the secretary of the Board of Trade for payment.

Resolved, That the treasurer be instructed to pay the same for members in good standing.

Caretaker's Widow.

Moved by Mr. Bailey, seconded by Mr. Fairbank, and resolved,

That the sum of \$10 be paid to the widow and family of the late caretaker of the Board of Trade Rooms, out of the funds of the branch.

Prices.

Moved by Mr. Crane, seconded by Mr. Bailey, and resolved,

That the present prices remain without alteration until further notice, and that the secretary send a notice to this effect to each member of the branch.

Secretary's account to 24th April, for \$31, passed and approved.

Entrance Fee.

The secretary was instructed to look up the minute referring to members' entrance fee for the Conger Co. *re* Peppiatt & McDonogh.

W. BELL, *Chairman.*

Executive Committee meeting 14th May, 1887.

Present :—Mr. Keith in the chair; Messrs. J. R. Bailey, J. Clancey, T. R. Whiteside, Gibson, S. Crane and E. Rogers.

Special meeting called to consider prices in consequence of the duty on anthracite being taken off by the Government.

Notice of motion was given by Mr. Rogers to fix prices.

Gratuity Funds.

The amount reported by the secretary as required for assessment No. 7 passed at the last meeting is \$153.

Prices and Waterworks Tenders.

Resolved, That a special executive committee meeting to consider prices and the waterworks tenders be called for 21st instant at 11 o'clock.

W. BELL, *Chairman.*

Executive committee meeting held 21st May, 1887.

Present :—Mr. Wm. Bell in the chair; Messrs. Crane, John Keith, P. Burns, Whiteside, Clancey, Elias Rogers, Brown (J. R. Bailey), Gibson, Fairbank, Litster (J. Keith), Johnson, (P. Burns), W. McGill and C. J. Smith.

Special Meeting.

This being a special meeting, the minutes of previous meeting were not read.

J. B. West.

A letter was read from this gentleman relative to his coal yard which was not sufficiently explicit, and it was resolved,

That the chairman and the secretary be a sub-committee to interview Mr. West and satisfy themselves as to his *bona fides* in regard to his yard prices of hard coal.

The notice of motion to fix prices was now brought before the meeting, and it was moved by Mr. Gibson, seconded by Mr. Crane, and resolved,

That the price of stove and nut coal be \$6 per ton, and egg and grate \$5.75 per ton, delivered until 1st July next, and that no contract be taken for delivery after that date at these prices, no change in soft or Blossburg; half tons to be charged 15 cents extra.

John Keith.

It having been reported to the meeting that Mr. Keith had been supplying the waterworks with coal at \$5 (Mr. Burns having refused to continue to supply them at that price after the expiry of his contract,) a discussion took place relative to the matter, Mr. Keith made his explanation and the matter was allowed to drop. The secretary was instructed to notify Mr. Keith to cease delivering any more coal to the waterworks except at full prices.

Waterworks Contract for 1887-88.

The secretary read the advertisement calling for tenders.

Moved by Mr. Gibson, seconded by Mr. Brown, and resolved,

That all proceedings at this and all other meetings, both as regards prices and all other matters, be considered strictly confidential. At this stage of the meeting the chair was taken by Mr. Fairbank, Mr. Bell having to leave to attend another engagement.

Moved by Mr. McGill, seconded by Mr. Brown (J. R. Bailey),

That the prices for the waterworks be \$4.55 per ton in shed; \$4.70 per ton in boiler houses.

Moved as an amendment by Mr. Litster (J. Keith) seconded by Mr. Burns,

That the prices be \$4.75 per ton in shed and \$5 per ton in boiler houses.

The amendment was lost and the original motion was carried.

Mr. Bell having returned he resumed the chair.

Waterworks contract having been offered for, it was awarded to J. R. Bailey & Co. for \$600, who handed a cheque to the treasurer for the amount.

W. BELL, *Chairman.*

Executive committee meeting held 30th May, 1887.

Present: Mr. Wm. Bell in the chair; Messrs. E. Rogers, Gibson, T. R. Whiteside, Clancey, S. Crane, Litster (J. Keith) and McArthur.

Minutes of executive committee meetings of 3rd, 14th and 21st May, read and confirmed.

Prices of Wood and Soft Coal.

Resolved. That prices of wood and soft coal when sold in connection with hard coal be as follows:—

| | |
|--------|----------------------------------|
| \$5.50 | per cord for hardwood—long. |
| \$6.00 | do do cut and split, two cuts. |
| \$6.00 | do do do three cuts. |
| \$4.00 | per cord for pine—long. |
| \$4.50 | do cut and split. |
| \$3.50 | do slabs. |
| \$4.50 | per ton for soft coal for steam. |
| \$5.50 | do do grate. |

J. B. West.

The sub-committee gave their report respecting Mr. West's yards, which was considered satisfactory, and he was duly nominated a member.

Prices to Dealers.

Moved by Mr. Rogers, seconded by Mr. Litster (J. Keith),

That with regard to the resolution passed at the meeting on 21st May last, stating that no contracts be made to extend beyond 1st July next, delivery, it is understood that this resolution referred to applies not only to retail trade but also to trade with small dealers.—Lost.

Agents and Offices.

Resolved, That these matters be brought up at the next meeting for discussion.

Unfinished Contracts.

Moved by Mr. Rogers, seconded by Mr. Gibson and resolved,

That all unexpired contracts on 1st May last, both to consumers and dealers be reported to the secretary before next meeting on 7th June, and that the secretary send a notice to each member to this effect.

T. McConnell & Co. still in default.

The secretary was instructed to notify the shippers on the other side that this firm is still in default and request them to govern themselves accordingly.

WILLIAM BELL, *Chairman.*

Executive Committee meeting held 6th June, 1887.

Present:—Mr. Wm. Bell in the chair; Messrs. Gibson, Clancey, Wm. McGill, McArthur, Johnson (P. Burns), S. Crane, E. Rogers, C. J. Smith, Coleman, J. R. Bailey, J. Keith and T. R. Whiteside.

Minutes of last meeting read and confirmed.

Special meeting called to fix prices for the Government tenders.

Government Contract.

Resolved, That a condition of this and future purchases of contracts be, that a cheque be given at once for the amount of purchase, which is to be held by the treasurer until the contract is signed.

Prices.

Moved by Mr. Gibson, seconded by Mr. Keith, and resolved,

That the price for egg and grate be made \$5.25 per ton net; stove and nut \$5.50 per net ton, for Reformatory, Central Prison and Asylum; Straitsville, \$5.25; Fairmount, \$4.75 per net ton, for the Asylum; Straitsville, \$5.50; Fairmount, \$5 per net ton, for the Central Prison, Reformatory; soft, 10 tons, at \$5.50 per net ton.

Purchase awarded to the following:—

Soft coal, to C. J. Smith, for 56 cents per ton, or \$677.60.

Hard coal, to E. Rogers & Co., for 41 cents per ton, or \$721.60.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 11th June, 1887.

Present:—Mr. Wm. Bell in the chair; Messrs. J. R. Bailey, Gibson, T. R. Whiteside, Johnson (P. Burns), Robinson, McArthur, E. Rogers, C. J. Smith, Coleman, Coulter, S. Crane and J. Keith.

Special meeting called to fix prices for the Public Schools tenders.

TOBONTO COAL BRANCH.

Moved by Mr. Crane, seconded by Mr. Bailey,
That the coal be the present retail prices and that the wood prices be left open.
Moved as an amendment by Mr. Gibson, seconded by Mr. Whiteside,
That there be a price fixed for the coal and that it be bid for.
The amendment was lost and the original motion was carried.

Prices for Knox College Tenders.

Moved by Mr. Bailey, seconded by Mr. Keith,
That the prices be full card prices.—Carried.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 18th June, 1887.

Present:—Mr. William Bell in the chair; Messrs. Keith, Clancey, Crane, Gibson, E. Rogers, Johnston (P. Burns) and Coulter.

Special Meeting.

This was a special meeting and the minutes were not read.

Hospital Tenders.

Resolved, That the following be the prices:—

| | |
|--------------------|--------------------|
| Egg and grate..... | \$5.50 per net ton |
| Stove..... | 5.75 do do |
| Soft..... | 5.25 do do |

Lehigh, \$1 per net ton higher in all sizes. Awarded to E. Rogers & Co. for \$255.

Net Ton.

Moved by Mr. Rogers, seconded by Mr. Gibson,
That the prices on above and all contracts be per net ton.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 28th June, 1887.

Present:—Mr. T. R. Whiteside in the chair; Messrs. Gibson, J. R. Bailey, Crane, Clancey, Whiteside.

Minutes.

This being a special meeting it was resolved,
That the reading of the minutes be dispensed with.

Treasurer's Report.

The treasurer reported the amount in hand to be \$2,470.14.

Accounts.

The following accounts were submitted and passed:

T. Blackett Robinson, printing, \$10; the secretary's account to 24th June, \$33.38.

Prices.

Moved by Mr. Crane, seconded by Mr. Bailey,
That prices remain as they are until further notice, and that the matter be brought before a special meeting to be called for Saturday, 2nd July, at 11 o'clock.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 2nd July, 1887.

Present:—Mr. W. Bell in the chair; Messrs. E. Rogers, Fairbank, Keith, Whiteside, Crane, W. McGill, Clancey, Johnston (P. Burns), J. R. Bailey, McArthur Gibson, C. J. Smith, Mr. Marshall, Mr. Cowan.

Moved by Mr. Bailey, seconded by Mr. Crane,

That Mr. Cowan (who is about opening a dock in Toronto) be allowed to be present and tender for the Government contract.—Carried.

Minutes of 11th, 18th and 28th June read and confirmed.

Mr. Spence's Assessment.

This matter was again brought before the committee for re-consideration, but it was unanimously

Resolved, That the Coal Trade Branch could not pay the assessment to the gratuity fund while Mr. Spence was in default, but he might send a letter embodying his request.

Prices.

Resolved, That prices remain as at present until 1st August next, and that no orders be taken in the meantime for delivery after that date. This resolution to apply to whole-sale as well as retail trade. A copy of the resolution to be sent to each member.

W. F. Johnston.

The chairman stated to the meeting that Mr. Johnston had taken a partner, and it was

Resolved, That the secretary write Mr. Johnston to ascertain the alteration of his firm, and request his new partner to take the affidavit.

A. McArthur, jun., stated that he had succeeded to the business of Robinson & McArthur.

Resolved, That the secretary write Mr. Robinson and notify him that it will be necessary, owing to the dissolution, for him to make application to be elected a member of the Coal Trade Branch, paying the usual initiation fee.

Government Tenders.

Resolved, That the price be on hard coal 25 cents per ton off present retail prices, namely, stove and nut, \$.75; egg and grate, \$5.50 per net ton; soft coal, \$5.25 per net ton; long hardwood, \$5.50 per cord; long pine, \$4 per cord; charcoal, \$1.50 per barrel. For delivery of coal after December 1st, that prices be 25 cents per ton higher. The above to apply to Government contract as above only. Lehigh coal, \$1 per ton higher on all sizes.

Awarded to the Conger Coal Co. for \$610, all other tenders to be 25 cents extra.

House of Industry.

Resolved, That the prices be \$5.75 per net ton for stove, \$5.50 per ton for egg, \$5.25 per ton for soft, either for present delivery or at yard during winter.

Awarded to Mr. John Keith for \$160.

Library Tenders.

No special prices were fixed.

WILLIAM BELL, *Chairman.*

General meeting held 4th July, 1887.

Present:—Mr. W. Bell in the chair.

Messrs. J. McGill, Lackie, Whiteside, Barber, Sharp, Shannon, T. Bell, Higgins, Cotts, McDougall, Dwan, Clancey, W. F. Johnston, Macfarlane, Frost, Westcott, H. Spence and T. Coulter.

Minutes of last two meetings read and confirmed.

New Members.

The following were passed and received;—W. H. Lackie, J. Westcott, W. Gosnell & Bro., Peppiatt & McDonogh, J. B. West, W. Leak & Co. and M. Dwan; (Gosnell & Bro. bought out Peacock & Jackson); (Peppiatt & McDonogh bought out Titus); (M. Dwan bought out N. McConnell).

H. S. Raymore.

An application for membership was read from Mr. Raymore, but it was left over until he had been elected a member of the Board of Trade.

School Contract.

Mr. Richardson, a non-member, was referred to as having taken part of the school contract. The chairman stated he was acting as agent for Mr. W. McGill, but he promised it would be looked into.

WILLIAM LEAK.

Executive Committee meeting held 9th July, 1887.

Present:—Mr. Wm. Bell in the chair; Messrs. Whiteside, J. R. Bailey, S. Crane, J. Keith, Coleman for C. J. Smith, Elias Rogers.

Minutes of last meeting read and confirmed with the following addition to the minutes relative to the Library tender, namely: That it is understood and agreed that the Library contract be awarded to Mr. Wm. Bell.

Richardson and Wm. McGill and School Contract.

The secretary was instructed to write to W. McGill & Co., for an explanation regarding Mr. Richardson supplying the contract.

H. Spence and arrears of assessments to Gratuity Fund.

Mr. Spence was present at his own request to make his own statement to the committee; upon hearing the same it was

Resolved, That they could not alter their previous decision not to allow him his assessment to the gratuity fund while he was in default.

Tenders—Custom House, Post Office, Revenue Offices.

Resolved, That the tenders be not bid for but left open at full card prices, namely \$5.75 per ton for egg (hard) and \$5.50 per ton for soft coal.

Special Meeting.

Resolved, That a special executive committee meeting be called for 3 o'clock on Thursday, 14th inst., and that the following matters be considered:—Commission men; prices to farmers; branch offices; prices for future delivery.

WILLIAM BELL, *Chairman.*

Executive Committee meeting held 14th July, 1887.

Present:—Mr. W. Bell in the chair; Messrs. Fairbank, Keith, Whiteside and Clancey.

Minutes of last meeting read and confirmed.

W. F. Johnston and his agents.

It having been stated that Mr. Johnston was employing agents, the secretary was instructed to see him and inform him that this was against the rules.

Commission men.

This matter was discussed and it was considered advisable that no alteration be made in the rules.

Prices to Farmers.

Resolved, That no alteration from present prices, 75 cents off card prices, be made.

Branch Offices.

Resolved, That the secretary ascertain if there are any new offices being opened, which have not received the sanction of the committee. The Conger Company reported that they had taken Mr. P. Burn's office, No. 678 Young Street, as a branch office, which was duly registered.

Prices for future delivery.

Resolved, That as the attendance is small these be fixed at the next regular meeting on Tuesday next, 19th instant, at 4 o'clock.

WILLIAM BELL, *Chairman.*

Executive Committee meeting held 19th July, 1887.

Present :—Mr. W. Bell in the chair; Messrs. Keith, Rogers, Whiteside, Clancey, Gibson, J. R. Bailey, Crane and Messrs. C. C. Ray & Cowan, of C. C. Ray & Co. Minutes of last meeting were read and confirmed.

C. C. Ray & Co.

The secretary reported receiving their application to become members of the Coal Trade Branch, and it was

Resolved. That they be elected, subject to complying with all the conditions.

Jos. Little who has bought out E. Jackson, Young Street, Yorkville, having sent in written application to become a member, he was duly elected on the usual conditions.

W. F. Johnson & Co.

Permission was given to take orders at Mr. Johnson's (his father) store situated on the corner of Green and Bathurst Streets.

Branch Offices.

The following were allowed : F. W. Thompson, 359½ Queen Street West, Burns & McCormick, 479 Queen Street West.

Mr. Dwan's Advertisement.

The secretary submitted a copy of the advertisement to which his attention had been called in which Mr. Dwan offers to take orders to be delivered during winter. The secretary was instructed to notify Mr. Dwan to withdraw that portion of the advertisement immediately as it is against the rules.

Division of Proceeds of Contracts.

After some discussion it was

Resolved, That the division be made in a similar manner to last year in accordance with minutes of 5th May and 20th July, 1886, namely *pro rata* among the importers according to the tonnage of hard coal for the year ending 1st May last, as shown by the Customs house books.

Mr. Crane's Appeal.

Mr. Crane gave notice of appeal to the Board of Trade against the beforenamed resolution.

Disposal of Proceeds of Contracts.

Mr. Keith gave notice of motion, That in future the proceeds of contracts be divided equally among the importers.

Prices.

Resolved, That the fixing of prices for future delivery after 1st August be left over until a special meeting to be held on 29th instant, at 3 o'clock, in order that it may previously be known what prices are made at the meeting to be held in New York on 28th inst.

Affidavits.

Resolved, That the partners and all employees be required to take fresh affidavits respecting prices, rules and by-laws of the branch, and the secretary request the solicitor to prepare a form of affidavit for signature.

Mr. Mills, 22 King Street East.

It was named that Mr. Mills had purchased 1,000 tons of coal from an importer, and was soliciting orders for winter delivery for all winter at \$6. The secretary was instructed to investigate the matter.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 22nd July, 1887.

Present :—Mr. W. Bell in the chair; Messrs. Keith, Crane and J. R. Bailey.

Messrs. Macfarlane, John McGill and Coulter were present to bring charges against Messrs. E. Rogers & Co., that their Young Street branch office had made a contract for eight tons of coal at \$6 per ton for delivery any time during the winter, and to be paid for as delivered.

E. Rogers & Co.'s Charge.

Resolved, That the secretary write Messrs. E. Rogers & Co., making this charge, and request that they will give immediate instructions to that officer to stop taking similar orders, which is a violation of the rules. Mr. Rogers was requested to be present at a special meeting, to be held on the 22nd instant at 11 o'clock, to reply.

Conger & Co.'s charge re Best & Fortier.

The secretary reported that several orders had been taken by Best & Fortier to supply the Conger Co.'s coal any time during the winter at \$6 per ton, payment to be made on delivery, and a reduction to be made should prices be lowered.

Resolved, That the Conger Co. be notified by the secretary to withdraw that agency immediately, and that Mr. Gibson or Mr. Fairbank be requested to be present at to-morrow's meeting, to answer this charge.

Clerks in Office and Agents.

The secretary was requested to obtain the names from each member duly certified, in order that they may be registered and take the affidavit.

Prices for future delivery.

It was deemed advisable that these should be made as soon as possible, and that a decision should be come to at the meeting to be held to-morrow morning.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 23rd July, 1887.

Present :—Mr. Wm. Bell in the chair. Mr. J. R. Whiteside taking the chair until Mr. Bell's arrival. Messrs. Bailey, Rogers, Whiteside, Clancey, Keith and Gibson.

*E. Rogers & Co.—Charge re Yonge Street branch, for selling for all winter at \$6.
Resolved, That they be fined \$5.*

Conger Co. and Best & Fortier.

This was considered a breach of the rules, but action was deferred until next meeting. In the meantime they were instructed to withdraw their agency.

Assessment No. 8, Gratuity Fund.

Resolved, That this be paid out of the fund of the branch; amount, \$165; 55 members.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 29th July, 1887.

Present, Mr. W. Bell in the chair; Messrs. S. Crane, T. R. Whiteside, J. Keith, Clancey, Gibson, J. R. Bailey, E. Rogers. Mr. Wm. McGid was also present.

Minutes of meetings held 19th, 22nd and 23rd July, read and confirmed.

Conger Co. and Best & Fortier.

A letter from the Conger Coal Company was read by the secretary, requesting that Best & Fortier's office might be made a branch office.

Resolved, That as it would be a violation of the rules that request could not be granted.

Treasurer's report.

Amount on hand, \$3,371.76.

W. F. Johnston & Co.

Resolved, That they be not allowed to take orders at the store of Mr. Follis Johnston, No. 556 Queen Street West, as it would be contrary to the rules.

A. McArthur, Jun.

Resolved, That as it would be contrary to the rules to continue a part of Mr. Beavin's office, Queen Street West, as a branch, the same cannot be allowed.

D Daniels.

A charge was brought against Mr. Daniels for selling 5 tons nut coal to be delivered by 1st January at \$6, to be paid for as delivered, as per receipt, now produced, obtained by the detective.

Resolved, That the secretary inform Mr. Daniels, and request him to be present at the next committee meeting to answer the charge.

A. Shannon & Co.

The secretary was instructed to notify them that they must cease taking orders through Mr. Greenwood, or his branch office, Queen Street West, otherwise it will be considered a violation of the rules.

Prices.

Resolved, That the prices of coal be \$6.50 per ton for stove and chestnut, and \$6.25 per ton for egg and grate, for present delivery, to take effect 1st August next, and that 50 cents per ton discount be allowed for spot cash and present delivery.

The price to small dealers to be one dollar per ton off; the same condition to apply subject to advance without notice.

Amendment.

The following was moved by Mr. Keith, which was lost:

That the price of coal, until further notice, be \$6.25 cash for stove and chestnut coal, and \$6 per ton for grate and egg, and no coal be sold but for cash and present delivery at the above prices.

Accounts passed: Mr. Bradley, \$7.50; Secretary's account for the month, \$40.38.

THOS. R. WHITESIDE, *Chairman pro tem.*

Executive committee meeting held 8th August, 1887.

Present :— Mr. W. Bell in the chair; Messrs. Whiteside, J. Keith, Crane, Clancey, Cowan, of C. C. Ray & Co., was also present.

D. Daniel's Charge.

Mr. Daniels and his clerk were present by request to answer the charge.

Resolved, That the matter be left over until next meeting for decision what shall be done.

Minutes of last meeting were now read and confirmed.

The secretary reported on the following matters given to him to investigate:— Hewlitt & Bell are being supplied by T. Bell & Co.

A. R. Duff, Arcade, Queen Street, are being supplied by P. Burns.

J. Atkinson, corner Carleton and Parliament Streets, are being supplied by P. Burns.

Best & Fortier, still being supplied by Conger Coal Co.

Hanscombe, Ontario Street, are being supplied by J. R. Bailey & Co.

Resolved, That the secretary write to the dealers supplying above parties as named and request their attendance to answer the charge of employing agents without the consent of this committee at a special meeting to be called for Wednesday, 10th inst., at 4 o'clock.

Accounts passed: *News*, advertising, \$4; *Telegram*, advertising, \$2.40.

Prices.

Mr. Keith gave notice of motion that prices be re-considered at next meeting.

Mr. Cowan, of C. C. Ray & Co., was requested by the chairman to state his views with regard to the disposal of the funds from the contracts, with a view to an understanding being arrived at by the parties interested.

Upon hearing Mr. Cowan, it was

Resolved, That a sub-committee be appointed, consisting of Mr. Keith and Mr. Cowan to wait upon the members of the executive committee regarding the same and report at next meeting.

WM. BELL, *Chairman.*

General meeting held 8th August, 1887.

Present :— Mr. W. Bell in the chair; Messrs. T. Beamish, Cotts, W. Gosnell, J. Wescott, Dally, Woollatt, Pringle, Lackie, Vance, Mounce, Aikens, Woodrow, Peppiatt, R. Saulters, W. Leak, T. Bell, Bell & Crane, G. Sharp, Gerry, Dixon, Macdougall, Grinnell, Burns (P. & M. Co.), Clancy, McDonogh.

The minutes of the last general meeting were read and confirmed.

Mr. Wm. McGill, Richardson and the School Contract.

The secretary stated that this matter had been satisfactorily explained to the executive committee.

Trade.

After a conversation about the state of the coal trade and taking of orders for delivery for all winter, the meeting adjourned.

Correct.

JOHN KEITH.

3rd October, 1887.

Executive committee meeting held 10th August, 1887.

Present :— Mr. W. Bell in the chair; Messrs. Keith, Gibson, Whiteside, Crane, Mr. Cowan, of C. C. Ray & Co., Clancey and E. Rogers.

Minutes of last meeting read and confirmed.

J. Bell & Co. and Howlett & Bell.

Mr. J. Bell was present to answer the charge of employing Howlett & Bell as agents without the consent of the executive committee. Mr. Bell stated that they had not been authorized to take orders for his firm nor had they done so, which was considered satisfactory.

Division of proceeds of contracts was again discussed and the report of the sub-committee received.

Resolved, That the matter be left over until Mr. J. R. Bailey's return when a special executive committee meeting shall be called.

Prices.

Resolved unanimously, That the portion of the resolution about not taking orders except for present delivery be rescinded and that members be allowed to take orders at \$6 per ton for stove and chestnut and soft coal for grate purposes, and \$5.75 per ton for egg and grate hard coal for future delivery if they care to take the risk.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 11th August, 1887.

Present :—Mr. W. Bell in the chair; Messrs. Keith, E. Rogers, J. R. Bailey, Crane, Whiteside, Gibson, P. Burns, Clancey, W. Cowan, of C. C. Ray & Co.

Re-division of Proceeds of Contracts.

Special meeting called to discuss again this matter.

Moved by Mr. Rogers, seconded by Mr. Clancey,
That the division be similar to last year.—Carried.

Mr. Keith's notice of motion

Re Disposal in future of Proceeds of Contracts.

This was brought forward and it was

Resolved, That it be left over for future consideration.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 17th August, 1887.

Present :—Mr. W. Bell in the chair; Messrs. Keith, Gibson, E. Rogers, Whiteside, Clancey and Mr. Cowan, of C. C. Ray & Co.

Minutes of meetings held 10th and 11th read and confirmed.

Notice.

The chairman stated that he had received a written notice from W. McGill & Co, not to pay over the proceeds of the contracts as they had appealed to the Board of Trade against the decision of the executive committee. He understood that the treasurer had received a similar notice.

Notify Mr. P. Burns.

The secretary was instructed to notify Mr. P. Burns not to employ Mr. Duff in the west end and Mr. Atkinson, corner Parliament and Carlton Streets, as agents, as it is a breach of the rules to do so; also notify W. McGill & Co. regarding Mr. Johnston's flour and feed store, Queen Street, to the same effect.

W. BELL, *Chairman.*

Executive committee meeting held 23rd August, 1887.

Present :—Mr. Wm. Bell in the chair; Messrs. Rogers, Gibson, Whiteside, Keith and Cowan (of C. C. Ray & Co.).

Wm. McGill & Co.

The letter relative to forbidding of divisions of money on decisions of the executive committee at meeting of 11th August, 1887, was produced; also a letter dated 20th August, 1887, tendering their resignation as members of the branch.

On the motion of Mr. Rogers, seconded by Mr. Keith,

Both letters were laid on the table.

In the absence of the secretary Mr. Gibson acted as secretary *pro tem.*

Assessment No. 9.

Resolved, That if the last call for gratuity fund insurance has not been paid that the president see the treasurer and have it paid, \$174.

WM. BELL, *Chairman.*

Executive committee meeting held 30th August, 1887.

Present:—Mr. Wm. Bell in the chair; Messrs. Whiteside, Keith, Gibson, S. Crane, J. R. Bailey, Mr. Cowan, of C. C. Ray & Co., Mr. W. Bell, Jun., and Mr. McFarlane.

Minutes of the last meeting read and confirmed.

This being a special meeting called to fix a price for Parkdale Waterworks it was

Resolved, That the price be left open for each one to tender at any price they may choose.

The following accounts were submitted and passed:—*Mail*, advertising account, \$6; Bradley, time wages, \$26.75; Bradley, half ton coal, \$3; secretary's account to 24th August, \$37.88.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 5th September, 1887.

Present:—Mr. W. Bell in the chair; J. R. Bailey, Gibson, Crane, Whiteside, Keith, McArthur and Cowan, of C. C. Ray & Co.

Minutes of last meeting were read and confirmed.

City Tender.

This was a special meeting called to fix prices and dispose of the city tenders.

Resolved, That the following be the prices:—

| | | | | | | | |
|--------------------|---|---|---|---|---|---|--------|
| Stove and chestnut | - | - | - | - | - | - | \$5 75 |
| Egg and grate | - | - | - | - | - | - | 5 50 |
| Briar Hill | - | - | - | - | - | - | 5 50 |
| Straitsville | - | - | - | - | - | - | 5 00 |
| Long hardwood | - | - | - | - | - | - | 5 50 |
| Long pine | - | - | - | - | - | - | 4 00 |

And that all tender alike.

The tenders included supplies to fire halls, jail, registry offices, city hall and police court. The quantities were 500 tons stove, chestnut and egg, 340 tons Briar Hill and Straitsville, 180 cords long hardwood, 15 cords white pine, long.

Grenadine Ice and Coal Co.

The secretary reported he had received a letter from the company applying to become members of the Coal Trade Branch.

Resolved, That they be received.

Jacob Malloy.

The secretary reported receiving a letter from this party who had taken the yard formerly occupied by Mr. Jos. Dilworth, No. 141 Queen Street West.

Resolved, That he be received.

Account of Mr. W. J. Nelson, the solicitor of the branch, amounting to \$28.35, was submitted, which was passed and ordered to be paid upon the secretary satisfying himself as to its correctness.

WILLIAM BELL, *Chairman*.

General meeting held 5th September, 1887.

Present:—Messrs. Vance, Wescott, Gerrie, Aikins, Woodrow, W. F. Johnston, Whiteside, West, McDonogh, Sharp, Cotts, Hagerman and Grinnell.

No quorum. Owing to this, an informal meeting was held, Mr. Whiteside being voted into the chair. The general state of the coal trade was discussed and after several members had spoken the meeting separated.

Executive committee meeting held 1st October, 1887.

Present:—Messrs. Gibson, E. Rogers, J. R. Bailey, Clancey and Keith. In the absence of the president, Mr. Gibson was voted into the chair.

Special Meeting.

The meeting was called specially to discuss prices.

Prices Raised.

On the motion of Mr. Keith it was unanimously resolved that the retail prices of coal on and after Monday, 3rd October, be advanced to \$6.25 per ton for stove and chestnut, \$6 per ton for grate and egg, and dealers' prices be 75 cents off these prices on cars or in the yards.

Farmers' Prices.

Resolved, That the prices to farmers be 40 cents off above retail prices, coal and wood combined.

Resolved, That where wood or soft coal is sold in connection with hard coal the price is to be:—

| | | |
|---------------------|-----------|------------------|
| Hard wood, long | - - - - - | \$6 00 per cord. |
| do cut and split | - - - - - | 6 50 do |
| Pine, long | - - - - - | 4 00 do |
| do cut and split | - - - - - | 5 00 do |
| Slabs | - - - - - | 3 50 do |
| Soft coal for steam | - - - - - | 4 50 per ton. |
| do do grates | - - - - - | 6 00 do |

WILLIAM BELL, *Chairman*.

Executive committee meeting held 12th October, 1887.

Present:—Mr. W. Bell in the chair; Messrs. Gibson, Clancey, J. Keith, Lytle (S. Crane & Co.), Cowan (C. C. Ray).

Special meeting called to consider the advisability of raising prices.

Resolved, On the motion of Mr. Keith,

That on and after Saturday the 15th instant the price of stove and chestnut coal be raised to \$6.50 per ton, and egg and grate \$6.25 per ton. Best soft \$6.25. Blossburg, \$6.00; 15 cents per ton on quarter and half tons.

Notice in Newspapers.

The secretary was instructed to have notices inserted in the papers the day before the rise, explaining the reason for the rise in prices.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 29th October, 1887.

Present :—Messrs. J. R. Bailey, E. Rogers, Gibson and J. Keith.

In the absence of Mr. Bell, Mr. Gibson was voted into the chair.

Treasurer's Resignation.

Mr. Crane having tendered his resignation as treasurer,

Resolved, That the resignation of Mr. Crane be accepted, and that Mr. Whiteside be appointed treasurer *pro tem*.

That Mr. Whiteside and the secretary be appointed to audit the treasurer's accounts before taking over the books and money in hand.

Re McConnell & Co. and city contract.

Resolved, That Mr. Keith be appointed to examine the coal being supplied by T. McConnell & Co. for the city contract.

WILLIAM BELL, *Chairman.*

Executive committee meeting, held 1st November, 1887.

Present :—Mr. W. Bell in the chair; Messrs. J. Keith, E. Rogers, Gibson, J. R. Bailey and H. L. Fairbanks.

Treasurer Appointed.

The secretary reported that Mr. Whiteside had expressed his willingness to accept the office of treasurer and that Mr. Crane was preparing the accounts and having the bank book balanced by the bank to enable him to make the transfer to Mr. Whiteside.

Raising Prices.

Moved by Mr. Keith, seconded by Mr. Gibson, and

Resolved, That a special meeting be called for Wednesday, 2nd November, to consider about raising prices.

WILLIAM BELL, *Chairman.*

General meeting held 3rd October, 1887.

Present :—Messrs. J. Keith, Sharp, Aikens, Beamish, Abbs, Lackie, West, Grinnell, Humphries, Higgins, Cross, Dally, J. Millory and Johnston.

Chairman.

In the absence of the chairman of the branch, Mr. Keith was voted into the chair.

Minutes of the last meeting were read and confirmed.

Several members spoke relative to the recent advance in coal, and expressed their views.

The general feeling was that the executive committee had done what was for the best interest of the branch in raising retail prices 25 cents per ton.

After a conversation respecting the trade generally the meeting adjourned.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 2nd November, 1887.

Present :—Mr. W. Bell in the chair; Messrs. J. R. Bailey, Keith, Crane and Gibson.

This being a special meeting called to consider the raising of prices, no minutes of previous meetings were read.

Prices Raised.

Resolved, That the prices be raised 25 cents per ton on all sizes, namely on and after 3rd November:

| | | |
|--------------------|-----------|-----------------|
| Stove and chestnut | - - - - - | \$6 75 per ton. |
| Grate and egg | - - - - - | 6 50 do |
| Best soft | - - - - - | 6 50 do |
| Blossburg | - - - - - | 6 25 do |

Where wood or soft coal is sold in connection with hard coal, the prices to be full retail prices, dealers 75 cents per ton off above retail prices.

Raising Price of Wood.

The chairman and the secretary were deputed to wait upon Mr. C. J. Smith and other members interested in wood relative to an advance of 50 cents per cord at retail, and if all were unanimous regarding this raise, the secretary was instructed to send notices to the members advising them of the same.

Lake Freight.

Mr. Rogers proposed that unanimous action should be taken, viz: The importers relative to fixing the rate of freight on coal from the other side to Toronto. No decision was, however, come to in the matter.

WILLIAM BELL, *Chairman.*

General meeting held 7th November, 1887.

Present :—Mr. W. Bell in the chair; Messrs. John McGill, Gerrie, Vance, J. Dilworth, Woodrow, Sharp, Cotts, O'Leary, Milloy, Mounce, Humphries, Lackie, Abbs, Hagerman, Gosnell, Dally, Johnston, Rolston and Thompson.

Minutes of last meeting read and confirmed.

A general conversation took place relative to the trade, and after an hour's discussion the meeting adjourned.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 15th November, 1887.

Present :—Mr. W. Bell in the chair; Messrs. J. R. Bailey, E. Rogers, T. R. Whiteside and J. Keith.

Minutes of 5th September, 1st, 12th and 29th October, 1st and 2nd November, read and confirmed.

Lister's advertisement at \$5.75 and \$6.00, and Grange Supply Company advertisement circular.

The secretary reported that they had been attended to and that they would be discontinued.

Prices of Wood.

Resolved, That prices until further notice for:

| | | |
|------------------|-----------|------------------|
| Hardwood, long | - - - - - | \$6.50 per cord. |
| do cut and split | - - - - - | 7.00 do |
| Pine, long | - - - - - | 5.00 do |
| do cut and split | - - - - - | 5.50 do |

And that the secretary notify each member of this.

Treasurer reported receiving \$3,122.80 from Mr. Crane, the late treasurer, which he has deposited with the Dominion Bank to the credit of the branch.

Hill & Weir's account, \$3.25, for printing, was passed and ordered to be paid.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 2nd December, 1887.

Present :—Mr. William Bell in the chair; Messrs. J. Keith, Gibson, J. R. Bailey, C. J. Smith, Cowan of C. C. Ray & Co.

This was a special meeting called by request.

A conversation took place as to the advisability of raising prices, and a notice of motion was given to alter prices at the next meeting to be held at 7 o'clock Monday, the 5th inst.

WILLIAM BELL, *Chairman.*

Executive committee meeting held 5th December, 1887, (before the general meeting).

Present :—Mr. Wm. Bell in the chair; Messrs. J. R. Bailey, Gibson, Clancy, Cowan, of C. C. Ray & Co.

The minutes of the last meeting were read and confirmed.

Prices.

The notice of motion to alter prices was brought up and after its discussion it was resolved,

That prices be left as they are for the present.

Report.

The secretary submitted his annual report of the branch for the year which was passed, to be read at the annual meeting.

Assessment to Gratuity of Board of Trade.

A letter was read by the secretary received from the secretary of the Board of Trade advising another assessment.

Resolved, That the assessment be collected from the members of the Coal Trade Branch individually by the Board of Trade.

THOS. R. WHITESIDE, *Chairman.*

Annual meeting held 5th December, 1887.

Present :—Mr. W. Bell in the chair; Messrs. J. R. Bailey, Gibson, Cowan, Mounce, Clancy, McFarlane, J. McGill, Jos. Dilworth, Cross, J. Aikins, T. R. Whiteside, Hagerman, Cotts, C. J. Smith, Gosnell, McDougall, Little, Frost, Sharp McFarlane, Abbs and Coulter.

Minutes of last meeting read and confirmed.

Secretary's account showing present number of members of the branch to be 74, and treasurer's balance in hand, \$575.27, were read and passed, and ordered to be filed.

Election of executive committee for ensuing year was then proceeded with, and the following nominations were made:—Messrs. J. R. Bailey, Elias Rogers, S. Crane, R. E. Gibson (Conger Co.) and Jas. Cowan (C. C. Ray & Co.) were elected by acclamation.

Nominations.

Mr. Mounce nominated by Mr. Frost.
 Mr. Teskey nominated by Mr. McFarlane.
 Mr. Cross nominated by Mr. Clancey.
 Mr. J. R. Whiteside nominated by Mr. R. E. Gibson.
 Mr. J. H. Thompson nominated by Mr. Coulter.
 Mr. C. J. Smith nominated by Mr. R. E. Gibson.
 Mr. A. McArthur nominated by Mr. Cotts.
 Mr. T. Coulter nominated by Mr. Cowan.
 Mr. J. Keith, nominated by Mr. J. R. Bailey.

Scrutineers.

Resolved, That Messrs. Hagerman and Higgins act as scrutineers.

Elected.

Messrs. C. J. Smith, T. R. Whiteside, T. Coulter and F. H. Thompson.

The executive committee then retired to elect their officers.

Present:—Messrs. J. R. Bailey, R. E. Gibson, Cowan, C. J. Smith, T. R. Whiteside, T. Coulter and F. H. Thompson.

Election.

Chairman—Mr. T. R. Whiteside proposed by Mr. Bailey.

Deputy Chairman—Mr. Cowan proposed by Mr. Gibson.

Treasurer—Mr. Gibson proposed by Mr. Bailey.

Secretary—G. W. Wood proposed by Mr. Cowan.

On the return of the committee to the general meeting the names of the officers were announced.

Thanks.

On the motion of Mr. Gibson, seconded by Mr. Cowan, and carried unanimously a hearty vote of thanks was tendered to Mr. Bell the late chairman for his constant and faithful attention to the duties of that office.

Adjournment.

It having been moved and seconded that the meeting do now adjourn, it was carried unanimously.

Executive committee meeting held 13th December, 1887.

Present:—Mr. T. R. Whiteside in the chair; Messrs. Cowan, Thompson and Coulter.

Minutes of the last meeting were read and confirmed.

J. B. West's Assessment.

A letter was read from Mr. Wills, Secretary of the Board of Trade, stating that Mr. West had paid Nos. 7, 8, 9 and 10 himself when he was a member of the branch and he has applied for a refund of the same.

Resolved, That the Assessments Nos. 7, 8, 9 be paid, but not 10, as that had been paid by the members themselves.

Testing Prices.

The secretary submitted a report of the test of prices he had made for the whole trade which was considered satisfactory.

Steam Coal.

Mr. Cowan gave notice of motion to be brought up at the next meeting to fix a price for steam coal.

J. F. Mitchell, Cowan Avenue, Parkdale.

A letter was read requesting that he be admitted a member of the branch. The Secretary stated he had been elected a member of the Board of Trade.

Resolved, That he be received as a member on the usual conditions.

Account for \$3 of T. H. Kidd passed and ordered to be paid.

Resolved, That the meeting do now adjourn for the holidays, subject to the call of the chair.

THOS. R. WHITESIDE, *Chairman.*

Executive committee meeting held 9th January, 1888.

Present:—T. R. Whiteside in the chair; Messrs. C. J. Smith, Cowan and Thompson.

Special.

This was a special meeting held to consider prices.

Prices.

Mr. C. J. Smith gave a notice of motion, seconded by Mr. Cowan, that prices be advanced.

Resolved, That a special meeting be called for Thursday, 12th inst., at 4 o'clock, for the discussion of the motion and to nominate members for the council and committees of the Board of Trade for 1888.

THOS. R. WHITESIDE, *Chairman.*

General meeting called for 9th January, 1888, but as there was no quorum an informal meeting was held.

There were present: Messrs. T. R. Whiteside, C. J. Smith, Pringle, Hagerman, Gosnell, Frost, Cowan, Grinnell, Thompson, Sharpe, Cross, Dally, Aikens and W. Spence.

The question of advancing prices was discussed, and the majority of the meeting seemed to be in favor of a rise of 25 cents per ton all round on hard coal. It was thought advisable that a representative for the council of the Board of Trade and each of the committees from the Coal Trade Branch should be nominated, and it was resolved that a general meeting should be called about two days before nomination day, 24th instant, to fix upon the names.

Executive committee meeting held 12th January, 1888.

Present:—Mr. Whiteside in the chair; Messrs. Gibson, Thompson, Coulter, C. J. Smith and Lytle.

Special meeting called to consider the notice of motion to advance prices.

Minutes of meeting of 13th December, 1887, and 9th January, 1888, read and confirmed.

J. B. West's Assessments.

The secretary read a letter from Mr. Wills, secretary of the Board of Trade, stating it was in order for the treasurer to pay assessments Nos. 6, 7, 8 and 9, \$12.00 in all; which was passed and ordered to be paid.

Albright & Smith.

A letter was read received by the secretary from these gentlemen, asking for a revised list to date of the members of the branch. The secretary was instructed to furnish them with the list.

Prices.

In the absence of Mr. Cowan, who had seconded the notice of motion to raise prices and who had given the notice of motion to fix a price for steam coal, it was resolved to postpone action in those matters until the next regular meeting on 17th instant.

T. McConnell & Co.'s Orders.

A charge was brought against C. C. Ray & Co. and J. R. Bailey & Co., for supplying orders taken by this firm at under present prices. The secretary was instructed to see Messrs. C. C. Ray & Co. and J. R. Bailey & Co. respecting the matter and request that they will be present at the next meeting, when the secretary is to report.

Nomination of members for Board of Trade Council and Committee.

Resolved, That the question be left over until next meeting.

THOS. R. WHITESIDE, *Chairman.*

Executive committee meeting held 17th January, 1888.

Present :—Mr. Whiteside in the chair; Messrs. Cowan, Thompson and Coalter.

T. McConnell & Co.'s Orders.

The Secretary reported that Messrs. C. C. Ray & Co. admitted taking over these orders. Mr. Bailey declined to answer any questions respecting the matter. Mr. Cowan (of C. C. Ray & Co.) was present, and confirmed the secretary's report respecting his firm.

Resolved, That as the attendance was small, the subject was left over until next meeting.

Prices.

Consideration of this was deferred.

Nomination for Committee of Board of Trade.

Resolved, That the following be recommended by the executive committee for nomination :

Board of Trade Council, Mr. Elias Rogers; Arbitration Committee, Jas. Cowan; Industrial Exhibition Committee, J. R. Whiteside; Harbor Committee, S. Crane.

T. R. WHITESIDE, *Chairman.*

Informal general meeting held 23rd January, 1888.

(No quorum.)

Present :—Mr. T. R. Whiteside, Messrs. Aikens, Woodrow, Gosnell, Frost, Mitchell, Dally, Cowan, Higgins, Cross, Garrie, Lackie, C. J. Smith and Vance.

The secretary read the names of the nominees from the executive, for the committee of the Board of Trade.

Executive committee held 2nd February, 1888.

Present :—Mr. T. R. Whiteside in the chair; Messrs. Cowan, Gibson and C. J. Smith.

Minutes of last meeting read and confirmed.

Re T. McConnell & Co.'s order, and C. C. Ray & Co., and J. R. Bailey & Co.

Messrs. C. C. Ray & Co. having acknowledged, and Messrs. J. R. Bailey & Co. having been reported taking over a number of orders taken by T. McConnell & Co., at \$6, stove and chestnut,

Resolved, That they each be fined \$10 for so doing, which is a breach of the rules of the branch.

Messrs. C. C. Ray & Co. promised to furnish the committee with a list of the orders so taken.

THOS. R. WHITESIDE, *Chairman*.

Executive committee meeting held 7th January, 1888.

Present:—Mr. T. R. Whiteside in the chair; Messrs. Gibson, Coulter, Cowan, F. H. Thompson and E. Rogers.

Minutes of last meeting read and confirmed.

The secretary reported that Messrs. C. C. Ray & Co. had paid their fine of \$10, *re* T. McConnell & Co.'s orders. Mr. Cowan who was present stated to the meeting that he had not had time to prepare the list of these orders, but would do so this week.

Prices to farmers. Notice of motion to reduce prices to farmers was made.

J. R. Bailey & Co., and T. McConnell & Co. city contract.

Whereas Messrs. J. R. Bailey & Co. have taken over this contract at below current prices from T. McConnell & Co., who is in default, it is resolved,

That Messrs. J. R. Bailey & Co. be fined \$:0.— Carried.

A. A. Stinson.

Resolved, that if he be a member of the Board of Trade in good standing, his name be again entered on the list of membership of the Branch.

THOS. R. WHITESIDE, *Chairman*.

Special meeting of the executive committee held 1st March, 1888.

Present:—Mr. Whiteside in the chair; Messrs. Cowan, Rogers and Gibson.

Minutes of the last meeting were read and confirmed.

Sympathy to Mrs. Fairbank and Family.

Moved by Mr. E. Rogers, seconded by Mr. Cowan, and carried unanimously:— That this association, in memory of the late Harvey L. Fairbank, president of the Conger Coal Co., express their deep sense of his noble character and the great loss sustained by his removal. It is only about two years since he first came to Toronto, yet in that time his honest, upright course and genial manner have won, we believe, the esteem and respect of all who knew him. We deeply sympathize with his widow and family in the sore bereavement which has come to them and would commend them to that God in whom he trusted, whose promises are sure and whose peace abideth for ever.

Resolved, further, That this resolution be engrossed, and that copies be sent to the bereaved widow and mother.

EXHIBIT 34b.

COPY OF CONSTITUTION, BY-LAWS AND SPECIAL RULES OF THE COAL TRADE BRANCH OF THE TORONTO BOARD OF TRADE.

Submitted by Mr. G. W. Wood, secretary, in his evidence before the Committee, 23rd March, 1888, as the recognized regulations by which the Coal Trade Branch of the Toronto Board of Trade was governed to date.

CONSTITUTION.

Article I.—This Association shall be known as the Coal Trade Branch of the Toronto Board of Trade, and shall be composed of such coal dealers as are members

of the said board, and who are duly elected members of the branch by a majority of the members present at a properly constituted meeting thereof, and who shall have paid their initiation fee to the said branch. The amount to be paid as initiation fee shall not exceed the sum of twenty dollars, and a register shall be kept of the names of the members enrolled from time to time.

Article II.—The officers of the branch shall be an executive committee, consisting of nine members, of whom five shall be owners or lessees of docks and yards in the city of Toronto, and four who have yards in the city of Toronto, but who need not have docks. Only one member of each firm shall be eligible as a member of the executive committee. Four shall form a quorum.

Article III.—The executive committee shall be elected annually by ballot, at the annual meeting to be held in December in each year, of which due notice shall be given by the secretary.

Article IV.—The executive committee, immediately after this election, shall elect from among their number a chairman, deputy-chairman and treasurer, who shall hold their respective offices until others shall be elected at the next annual meeting in December in their stead, or until they shall be removed from office or shall vacate the same, and shall also appoint a secretary, who shall hold office during pleasure of the committee.

Article V.—It shall be the duty of the executive committee to pass such special rules and resolutions as may from time to time be deemed necessary in the interest of the trade.

Article VI.—It shall be the duty of the executive committee further to fix prices for coal, and change the same from time to time as in their judgment the best interests of the trade demand, and instruct the secretary to notify all the members of the branch promptly of such action, and the prices so fixed shall be the prices at which coal shall be sold by all the members of this branch, and not otherwise, and the executive committee comes under an obligation to submit at any time, at the request of the council of the Board of Trade, for its consideration, a statement showing the percentage of profit being made by members of the branch, and the council may make a deliverance thereon.

Article VII.—The secretary shall not be interested or engaged in the coal business, and shall be paid for his services.

Article VIII.—The regular meeting of the branch shall be held on the first Monday in each month, at such time and place as the executive may direct. The executive committee shall meet on Tuesday of each week at four p.m.

Article IX.—Special meetings of the branch or executive committee may be called by the chairman at any time, and must be called by him upon a written request of three members in the case of the executive committee, and seven members in the case of the branch.

Article X.—The executive committee of the branch shall fill any vacancies in their number arising from any cause, who will hold office until next election.

Article XI.—All motions and resolutions of the branch shall be decided by a majority of the members present, and fifteen members shall constitute a quorum.

Article XII.—The constitution or by-laws of the branch may be altered or amended at any of the executive committee meetings, on notice to that effect having been given at a previous meeting, such alteration or amendment to the constitution or by-laws being subject to the approval of the council of the Board of Trade.

Article XIII.—Any charges of violation of the constitution, by-laws or rules of the branch must be reported to the secretary in writing, and it shall be his duty to investigate such charges under instructions from the executive committee; it shall be his privilege to examine the books of the accused; he shall also be allowed to require from the accused a written denial to the charges preferred, or an assent to the same. In the event of any accused member either refusing to permit an examination of his books by the secretary, or refusing to give a written denial or assent to the charges, it will be assumed as an acknowledgment of the correctness of the charges made.

Article XIV.—The secretary's report in reference to any alleged violation of the rules or by-laws of the branch, shall be made in writing to the executive committee. In case such committee shall decide that any such charge so preferred is sustained, the member so found to have violated any of the rules of the branch shall be deemed in default, and liable to suspension or expulsion by a vote of the executive committee. An expelled member shall forfeit all claim on the funds of the branch. Any member so suspended or expelled, deeming himself aggrieved, shall have the right of appeal first to the branch, or subsequently to the council of the Board of Trade; such appeal must be made in writing, addressed to the secretary, and the decision of the council shall be final.

BY-LAWS.

I.—It shall be the duty of the chairman to preside at the meetings of the branch, and during his absence the duty shall fall upon the deputy-chairman.

II.—The secretary shall keep full minutes of the meetings of the branch, conduct its correspondence, and prepare its annual report under the direction of the executive committee.

III.—The treasurer shall take charge of the funds of the branch, disburse the same on the order of the executive committee, countersigned by the chairman, and shall report at all regular meetings, and his accounts shall be open to inspection at all proper times.

IV.—No proxy vote shall be allowed.

V.—At all meetings of the branch or executive committee, the following shall be the order of business when not changed by the chairman or deputy-chairman:—

Call to order.

Reading minutes of previous meeting (which may be dispensed with by resolution).

Reports of secretary and treasurer.

Unfinished business.

General business.

VI.—Every member of the executive who may have occasion to speak, shall rise and address the chair. All motions shall be made in writing. No person shall interrupt another while speaking, and all persons who may have once spoken to any motion shall, prior to speaking again, obtain permission from the presiding officer. It shall be lawful, however, for the presiding officer at any period of the meeting to announce that the subject is open for conversational discussion, and in such case this rule shall not apply.

VII.—The presiding officer shall be judge of all questions of order and procedure, and when the rules of the branch, or of propriety, are infringed upon, he may call to order the transgressing member, who shall thereupon take his seat; but any member may appeal to the branch, and if seconded in such an appeal, the majority of the members present shall decide.

VIII.—All rules of order or proceedings provided for by this constitution and by-laws shall be held to by the branch and the executive committee, as far as they may be applicable.

IX.—All coal shall be sold direct by dealers themselves or their regular salaried employees, and all such salaried salesmen shall be duly reported to the executive committee for their approval. No commissions or rebates shall be allowed directly, or indirectly, to middle men or others.

SPECIAL RULES.

I.—Any member of the branch who shall sell, vend, barter or exchange, or offer to sell, vend, barter or exchange, or suffer or permit a member or members of any firm, company or association of which he is a member, or any workman, employee, or agent employed by him or any such firm, company or association to sell, vend, barter or exchange, or offer to sell, vend, barter or exchange, anthracite coal, or bituminous coal, or wood in connection with anthracite coal, to or with any person,

firm, corporation, society, institution or other body whatsoever, within the limits of the city of Toronto, or within a radius of five miles thereof, at a lesser price or sum or rate than the price, sum, or rate from time to time fixed by the executive committee, or otherwise in violation of the rules and regulations made by said committee in reference to the sale of anthracite coal, or bituminous coal or wood in connection with anthracite coal, shall, for the first breach or offence, forfeit and pay a fine of not less than \$100, which shall be payable forthwith to the treasurer, and shall form part of the general funds of the branch; and in case of a second breach or offence, or in case of the non-payment of the said fine for a first offence, shall forthwith be expelled by said committee from the branch.

The investigation into any charges against a member for violation of this by-law shall be subject to the provisions of Articles XIII and XIV of the constitution, save as herein otherwise provided.

II.—Each member shall forthwith, and any proposed member shall, prior to his admission into the branch, make a solemn statutory affirmation or declaration before a commissioner for taking affidavits, &c., to the effect, or in the words hereunder written; and such affirmations or declarations, when so made or affirmed, shall be delivered to, and kept by the secretary, subject to the order of the executive committee.

Any member refusing to make such affirmation or declaration shall be liable to expulsion by a vote of the executive committee.

Statutory Declaration.

"I have carefully read the constitution and by-laws and special rules of the association known as the Coal Trade Branch of the Toronto Board of Trade, and that I will, so long as I continue a member of said association, truly, faithfully and honestly observe, perform and keep the provisions and terms thereof, and shall not commit or attempt to commit or allow others on my behalf to commit or attempt to commit any secret or other evasion or violation thereof."

III.—Clubs for delivery at different places got up by churches, societies, factories, institutions, employees or others shall not be taken except at regular card rates, and no concessions given any officer, school teacher or others.

IV.—Delivery to be considered finished when coal is dumped down, or where cart can get easily alongside and carter shovel off; extra work beyond this charged at 25 cents per ton, and no employee to do extra work for a fee.

V.—Bagging or basketing coal charged for at the rate of 40 cents per ton.

VI.—No order shall be entered for an indefinite quantity for future delivery, but shall be for a fixed quantity.

VII.—Selling price as fixed from time to time shall be made public by card of prices hung up in each office.

VIII.—Coal taken from yards by farmers or others outside of regular dealers shall be sold at rate of not more than 40 cents per ton under current card prices.

JUNE, 1886.

OTTAWA, 23rd March, 1888.

DEAR SIR,—It has occurred to me since giving my evidence this morning that you asked me the question if the moneys received from the premiums on contracts for last year were divided amongst all the importers (less $\frac{1}{3}$), and I, without thinking, answered in the affirmative. I should have named that Mr. Rogers, on account of being in the council, refused to take his share of the premium on the city contract (\$600).

Yours truly,

G. W. WOOD.

N. CLARKE WALLACE, Esq., M.P.

TORONTO COAL BRANCH.

EXHIBIT 35a.

COPY OF ARTICLES OF AGREEMENT BETWEEN CHISHOLM, PARRISH & CO., BUFFALO, N. Y., OF THE ONE PART, AND T. McCONNELL & CO., TORONTO, OF THE OTHER PART.

TORONTO, 21st July, 1887.

Messrs. T. McCONNELL & Co., Toronto.

DEAR SIR,—We will furnish you fifteen thousand tons of coal of fully as good a quality as last year, only it to be well screened and cleaner than last year, delivered in your sheds on your dock west of Yonge Street, Toronto, at four dollars and sixteen cents per net ton (*via* Lake Ontario); the charges from Charlotte, Fair Haven, Oswego or Sodus are to be as follows: Freight 25 cents per ton, harbor dues 5 cents per ton and discharging 25 cents per ton; all other charges or advances on above charges you are to pay.

We agree to deliver fifteen thousand tons during the months of July and August, 1887. It is understood we are not to be charged back, or any claim made on us for any deduction without we are notified on arrival of vessel.

We will guarantee weights on condition that the weigh master be a disinterested party.

The terms of payment are to be as follows: Three dollars per ton cash after the unloading of each vessel separately. Balance to be paid by notes on every three or four cargoes or at the end of the month. Notes to be drawn at three months without interest, cash and notes to be deposited to Chisholm & Parrish's credit here at the Quebec Bank, Toronto.

You to give us a second warehouse receipt on the coal as soon as the contract is completed, the full fifteen thousand tons delivered.

We allowing you to take from the pile as high as one thousand tons of coal but not allowing you to take more without payment of the one thousand tons already taken, that is at one dollar and sixteen cents per ton.

The disinterested party who weighed the coal in, or some one satisfactory to both of us, to weigh the same going out and to send us statement of weights daily or weekly.

B.

TORONTO, 8th July, 1886.

Messrs. CHISHOLM & PARRISH, Buffalo, N. Y.

GENTLEMEN,—We received your telegram asking depth of water at our dock, we answered from ten to eleven feet, also that you might ship three vessels per week until our supply is in. We have secured a gang of men who can unload that quantity easily. Now, so that we may understand each other fully in the bargain that we made about coal, I understand that we are to have ten thousand tons half stove and half nut coal at four dollars and twenty-five cents per net ton on our carts here figured in this way: Freight 20 cents, harbor dues 5 cents, hoisting 20 cents, dockage 7 cents, and duty 50 cents. In case of freight going up we have agreed to bear the extra raise of same, except there come a raise of freight before we get our quantity in at four dollars and twenty-five cents net cost in our store delivered, excepting the carting which we do with our own horses. Grate and egg coal twenty-five cents less than above prices. Terms of payment one-half cash, the other half as coal is sold. Chisholm & Parrish to have a warehouse receipt for the quantity stored on dock but not for quantity stored in new building, but with an understanding I am to take from quantity on dock what I need to fill my orders and at the 15th of each month all that is taken from the pile is to be paid for in full, and I am not to pay any interest on first three months. We will take one thousand tons grate and egg, making eleven thousand tons in all. Please ship one vessel of grate and one of egg as

soon as convenient. Please confirm this letter by writing us an answer by return of mail.

Yours respectfully,

T. McCONNELL & CO.

EXHIBIT 36a.

ROCHESTER, N. Y., 1st July, 1887.

For the present the following prices are fixed for Wilkesbarre and Pittston anthracite coals, subject to conditions named in this circular, delivered.

| | Gross Ton, 2,240 lbs. | Net Ton, 2,000. |
|-----------------------------------|--------------------------|--------------------|
| Charlotte, F. O. B. { Broken..... | \$4 00 | \$3 57 |
| { Egg..... | 4 00 | 3 57 |
| { Stove..... | 4 25 | 3 79 |
| { Nut..... | 4 25 | 3 79 |

Shipments made from all the mines owned and controlled by the Lehigh Valley Coal Company, including the Henry, Prospect, Exeter, Midvale, Ontario, Alden, Dorrance and the celebrated Wyoming Colliery, also from the mines of the Franklin Coal Company.

Conditions of the sale and shipment of coal.

Terms cash. Settlement to be made within thirty days of the date of shipment.

The coal is designated by the names within stated, which names are referred to and used in selling or stating price.

Price of coal will be fixed by circulars from time to time and all coal will be charged at the circular prices at the time of shipment, regardless of date of order.

Coal delivered in and from cars, boats, or lake vessels, will be sold at the invoice weights, as way-billed at the place of shipment.

Yours truly,

A. G. YATES.

B.

THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY,
COAL DEPARTMENT, AGENCY AT OSWEGO, N. Y., 1st November, 1887.

Messrs. HARGRAFT & Co., Cobourg.

GENTLEMEN,—Our prices to-day are \$4.75 per gross ton (f.o.b.) for grate and egg, and \$5 for stove and chesnut, with 25 cents per ton off to regular customers.

These prices are subject to change at any time without notice.

A. G. COOK, Agent.

C.

AGENCY, OSWEGO, N. Y., 29th April, 1887.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment during the month of May will be as below on board vessels at Oswego, N. Y.:—Lump, \$3.80 per gross ton; Grate, \$3.80 per gross ton; Egg, \$3.90 per gross ton; Stove, \$4.25 per gross ton; Chestnut, \$4.25

COAL—PRICES.

per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

Lump, f.o b., \$3.80. Add for freight, duty, unloading, &c., \$1.75. Total cost at Cobourg, \$5.55.

D.

AGENCY, OSWEGO, N. Y., 31st May, 1887.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment during the month of June will be as below on board vessels at Oswego, N. Y.:—Lump, \$00 per gross ton; grate, \$3.90 per gross ton; egg, \$3.90 per gross ton; stove, 4.25 per gross ton; chestnut, \$4.25 per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

E.

AGENCY, OSWEGO, N. Y., 1st July, 1886.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment during the month of July will be as below on board vessels at Oswego, N. Y.:—Lump, \$00 per gross ton; grate, \$3.60 per gross ton; egg, \$3.60 per gross ton; stove, \$3.85 per gross ton; chestnut, \$3.85 per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

F.

AGENCY, OSWEGO, N. Y., 29th July, 1886.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment from date and during the month of August will be as below on board vessels at Oswego, N. Y.:—Lump, \$00 per gross ton; grate, \$3.75 per gross ton; egg, \$3.75 per gross ton; stove, \$4.00 per gross ton; chestnut, \$4.00 per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

G.

AGENCY, OSWEGO, N. Y., 1st September, 1886.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment during the month of September will be as below on board vessels at Oswego, N. Y.:—Lump, \$00 per gross ton; Grate, \$4 per gross ton; egg, \$4 per gross ton; stove, \$4.25 per gross ton; chestnut \$4.25 per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

H

AGENCY, OSWEGO, N. Y., 1st October, 1886.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment during the month of October will be as below on board vessels at Oswego, N. Y.:—Lump, \$4.02 per gross ton; grate, \$4.25 per gross ton; egg, \$4.25 per gross ton; stove, \$4.50 per gross ton; chestnut, \$4.50 per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

As above:—Lump f. o. b., \$4.02. Add, for freight, duty, wharfage, labor, screening, rent, interest, cartage, &c., \$1.90. Gross cost of delivery to consumer at Cobourg, \$5.92.

I

Corrected Circular.

AGENCY, OSWEGO, N. Y., 1st August, 1887.

Messrs. HARGRAFT & Co., Cobourg.

The prices of Scranton coal for shipment during the month of August will be as below on board vessels at Oswego, N. Y.:—Grate, \$4.25 per gross ton; egg, \$4.25 per gross ton; stove, \$4.50 per gross ton; chestnut, \$4.50 per gross ton. Your order is solicited subject to the terms and conditions printed on the opposite page.

A. G. COOK, *Agent*.

EXHIBIT 37a.

BY-LAWS AND RULES GOVERNING THE LONDON COAL EXCHANGE,
OF LONDON, ONT.

Organized 1884.

EXECUTIVE:—President, George Rendell; Vice-President, Wm. Bowman; Secretary-Treasurer, A. D. Cameron; D. McDonald, J. P. O'Byrne, James Sloan, Chas. B. Hunt.

. PREAMBLE.

Whereas, that at a meeting of a deputation from the Western Anthracite joint committee, from Buffalo, composed of Messrs. J. J. McWilliams, T. G. Smith, C. M. Underhill and J. H. Horton, held at the Tecumseh House, city of London, on Tuesday, 12th August, 1884, to confer with the local dealers in regard to the coal interest generally, and London in particular, it was agreed that an exchange should be formed by the London coal importers, and to be known as the "London Coal Exchange," whose object shall be to regulate prices from time to time, and otherwise protect the trade; also, by its executive, to hear and determine upon all complaints or irregularities by any member or members of the exchange, when such complaints or irregularities have been properly made in writing, to investigate same, and if sustained by evidence adduced, shall report the same to the committee at Buffalo, who have undertaken and pledged themselves to carry out their part of the arrangement; which is, that supplies to the dealer or dealers found so violating the rules, shall be immediately stopped. Party charged with so violating, and refusing to give the executive the information they demand, shall be considered conclusive evidence that the charge is well founded, and shall be dealt with accordingly.

In accordance, therefore, with the foregoing, an exchange has been formed, and the by-laws and rules of said exchange are hereunto annexed and signed by its members.

BY-LAWS.

Name.—The name of this association shall be the "London Coal Exchange."

Management.—To consist of an executive committee of seven of its members, who shall be importers, and shall be elected annually by the exchange; said executive committee to have the power to fill any vacancy that may occur during the year.

Election.—The executive shall elect from their number a president, vice-president and secretary, and four shall form a quorum at its meetings.

Duties.—The executive committee to have a general oversight of the business, make any changes in prices, and deal with all the matters affecting the business of the exchange. A majority of its members voting yea or nay, shall decide any question; and the secretary shall promptly notify in writing every member of the exchange of any alteration in prices.

The president shall have power to call a meeting of the executive, when deemed necessary by him, or when requested by any two members of the executive.

Voting.—All voting at meetings of either the executive committee or the exchange, shall be by ballot.

When a member has partners in business, it is understood and agreed that in case of absence, he may be represented by one of his partners at meetings of either executive or exchange; but in any case the firm shall have but one vote. A majority vote of the members present to be final.

Members' Fees.—All members of the association or exchange, shall pay an annual fee of \$5 to the secretary, who shall deposit the amount so paid him, in some chartered bank or loan society, to the credit of the exchange, and shall only be drawn therefrom by cheque, signed by the president and countersigned by the secretary.

New Members.—Any dealer desirous of joining the "exchange," must submit his application in writing, endorsed by a member of said exchange, and accompanied by the membership fee. He must be approved of by four members of the executive to render him eligible for membership, and upon being duly elected, shall sign by-laws and rules.

Meetings.—All meetings of the exchange shall be held at the place named in the notice calling such. Special meetings shall be called only upon the written request of three of its members, stating its object; and the secretary in giving notice thereof, shall state therein for what purpose said meeting is called. Annual meetings of the exchange shall be held on the first Tuesday in the month of April in each year, and every member shall be notified by the secretary, per circular, at least five days prior thereto.

A book shall be provided, in which a true and faithful record of the minutes and proceedings at meetings of the exchange and executive shall be entered, including—first, the by-laws, rules, &c., together with the signatures of all the members of the Exchange.

Remuneration.—The secretary shall be paid out of the funds of the exchange, such sum or sums as the exchange may vote for his services.

RULES.

Contracts.—All members of the exchange shall be entitled to bid for contracts at uniform prices, as arranged by the executive.

Prices.—The prices at the opening of the season shall be determined by the exchange at its first annual meeting, and any change thereafter by the executive. Half tons to be the same in proportion as tons, and quarter tons 10 cents additional.

No change in prices shall be made from the figures decided upon at any previous meeting upon any pretext whatever, without first calling the executive together.

All quotations or offers outstanding at the time the executive have determined upon a change in prices, shall be immediately cancelled, that is, no quotation or offer made shall be left open for acceptance beyond the period of meeting, of which dealers have received notice.

No order shall be accepted and entered for an indefinite quantity for future delivery, but shall be for a fixed quantity; and prices for the season shall not be given guaranteeing coal at one price, unless paid for in advance, except to the colleges, public schools or city corporation.

Parties teaming coal from yards, to be allowed 30 cents per ton off current rates for so doing.

Prices to manufacturers for anthracite coal, shall be current rates, or as regulated from time to time by the executive.

Ordinary retail sales shall be for cash; and interest on all other sales shall be charged after 30 days, at the rate of seven per cent. per annum.

B.

STATEMENTS of cost of coal at London, for four months of 1887 and two months of 1888, by Hunt Brothers, Coal and Commission Agents, per W. Bowman.

LONDON, ONT., 2nd April, 1888.

Coal in June and July, 1887, cost as follows:—

| Grate and Egg. | Stove, No. 4 and Chestnut. |
|---|----------------------------|
| \$3 53 net. (Per gross ton, \$3.95).....(gross ton, \$4.30) | \$3 84 net. |
| 0 90.....Freight..... | 0 90 |
| 0 15.....Unloading..... | 0 15 |
| 0 25.....Slack and screening..... | 0 25 |
| 0 30.....Teaming..... | 0 30 |
| <hr/> | <hr/> |
| \$5 13.....Cost delivered..... | \$5 44 |
| <hr/> | <hr/> |
| \$6 30.....Selling price in retail lots..... | \$6 50 |
| <hr/> | <hr/> |
| \$5 80.....Manufacturer's price..... | \$6 00 |
| <hr/> | <hr/> |

This does not allow anything for bad debts, which are sure to occur to a greater or less degree, nor office expense, rent of yard, insurance and interest on capital invested, nor advertising.

C.

LONDON, Ont., 2nd April, 1888.

Coal for November and December, 1887, cost as follows:—

| Grate and Egg. | Stove, No. 4 and Chestnut. |
|---|----------------------------|
| Per gross ton, \$5.50; per net ton, \$4 91.....Gross ton, \$5.50; per net ton, \$4 91 | |
| 1 03.....Freight..... | 1 03 |
| 0 15.....Unloading..... | 0 15 |
| 0 25.....Slack and screening..... | 0 25 |
| 0 30.....Teaming..... | 0 30 |
| <hr/> | <hr/> |
| \$6 64.....Cost delivered..... | \$6 64 |
| <hr/> | <hr/> |
| \$6 80.....Retail selling price..... | \$7 00 |
| <hr/> | <hr/> |
| \$6 30.....Manufacturer's price..... | \$6 50 |
| <hr/> | <hr/> |

This does not allow anything for bad debts, which are sure to occur to a greater or less degree, nor office expense, rent of yard, insurance and interest on capital invested, nor advertising.

D.

LONDON, ONT., 2nd April, 1888.

Coal for January and February, 1888, cost as follows :—

| Grate and Egg. | Stove, No. 4 and Chestnut. |
|--|-------------------------------------|
| Gross ton, \$4.75 ; net ton, \$4 24..... | Gross ton, \$5 ; net ton.....\$4 46 |
| 1 03 | Freight |
| 0 15 | Unloading |
| 0 25..... | Slack and screening..... |
| 0 30..... | Teaming..... |
| \$5 97..... | Cost delivered |
| \$6 80..... | Retail selling price |
| \$6 30..... | Manufacturer's price |

This does not allow anything for bad debts, which are sure to occur to a greater or less degree, nor office expense, rent of yard, insurance and interest on capital invested, advertising, &c.

EXHIBIT 38a.

CONSTITUTION, RULES AND BY-LAWS OF THE OATMEAL MILLERS' ASSOCIATION OF CANADA.

CONSTITUTION.

1. This association shall be called the Oatmeal Millers' Association of Canada.
2. This association shall consist of all oatmeal millers or manufacturers of other products of oats in the Dominion of Canada who shall subscribe to the constitution and by-laws of this association.
3. The objects of this association shall be to foster all matters for the benefit of the members of the association and to protect them from all unjust and unlawful exactions, to reform abuses in the trade, to produce uniformity and certainty in customs and usages of the trade, to promote a more enlarged and friendly intercourse among the members of the association and to acquire the stock of the Canada Oatmeal Milling Company, Limited, or such portion thereof as to the executive committee may seem fit.
4. The affairs of the association shall be managed by an executive committee consisting of a president, vice-president and five directors to be elected by a general vote of the members of the association, a secretary who need not be a member of the association shall also be elected by a general vote of the members of the association, and a treasurer who shall be a member of the association.
5. The annual meeting of the association shall be held at such time and place as the general annual meeting of the Oatmeal Milling Company, Limited, is held. At such meeting the officers of the association shall be elected by vote by ballot of the members present in person or by proxy; ten days' previous notice of the meeting shall be given by notice mailed to the respective add resses of the members as entered in the books of the association.

6. If from any cause the annual meeting shall not be held on the above day, the association shall not be thereby dissolved, but the annual election of the officers and committees may be held at a special general meeting to be called for that purpose.

7. At all meetings of the association each person, firm or corporation shall be entitled to one representative and one vote.

8. This constitution may be altered or amended at any annual meeting or any special general meeting called for that purpose by a vote of two-thirds of the members present in person or by proxy. Thirty days' notice of all amendments shall be given by the secretary to the members.

9. Special meetings of the association may be called at any time by the executive committee, giving not less than 10 days' notice of the same, and on the application in writing of any members of the association to the executive committee, such special meeting shall be called.

BY-LAWS.

1. Any person, firm or corporation in the Dominion of Canada in good standing, doing business as oatmeal millers or manufacturers of other products of oats, shall be eligible for membership.

Applications for membership shall be in writing, signed by the applicant and upon the receipt of the same by the secretary, endorsed by two members of the association as nominator and seconder, and upon the applicant signing the constitution and by-laws, he shall be entitled to receive a transfer of one share in the capital stock of the Canada Oatmeal Milling Company, Limited, upon paying into the association the par value of the amount paid up upon such share.

DUTIES OF OFFICERS.

2. *President*—The president shall preside at all meetings of the association and of the executive committee, appoint all committees not otherwise provided for, and shall be *ex officio* a member of all committees. He shall, with the treasurer, sign all cheques and all official documents of the association. He shall also have a general oversight of the interests and welfare of the association.

He shall have power to suspend all salaried officers and to temporarily employ others in their stead, but in every such case, he shall at once call a special meeting of the executive committee and submit the matter to them for final decision.

He shall have power to call meetings of the executive committee at any time, and shall call special meetings upon the written request of two members of the executive committee.

At all meetings of the association or of the executive committee, he shall, in addition to his vote, as a member, have, in case of a tie, a casting vote.

3. *Vice-President*—In case of the absence of the president the vice-president shall fulfil his duties, and in case of the death of the president during his term of office, the vice-president shall be president until the next annual election of officers.

4. *Secretary*—The secretary shall conduct all correspondence of the association, and notify all officers and members of committees of the meetings of their respective committees. Give due notice of all the meetings of the association. Keep true records and minutes of all the meetings of the association, and of the respective committees. Have custody of the seal of the association and affix the same to all official documents of the association.

He shall have the custody of all papers, books and documents of the association. He shall collect all dues and assessments and all other moneys of the association, and hand the same over to the treasurer at least once in each week. He shall countersign all cheques of the association and perform such other duties as shall be directed by the executive committee.

5. *Treasurer*—The treasurer shall receive from the secretary all moneys of the association. He shall disburse all moneys upon the order of the executive committee. All payments above the sum of \$5 each shall be made by cheque, signed by the president and treasurer and countersigned by the secretary, and so soon as the

moneys in his hands amount to the sum of \$1,000 he shall deposit the same in a chartered bank (to be named by the executive committee) to the credit of the association. He shall keep regular and permanent accounts of all moneys received and disbursed. He shall render an account to the executive committee whenever required so to do, and at the expiration of his term of office shall give an accurate statement and deliver to his successor all funds, books, papers and other property of the association in his possession.

MEETINGS.

6. At a meeting of the association 10 members shall constitute a quorum. At a meeting of the executive committee four members shall constitute a quorum. No business shall be transacted unless a quorum be present. The order of business at all meetings shall be as follows:—(1) Calling of the roll. (2) Reading and confirming minutes of previous meetings. (3) Report on credentials. (4) Report of officers. (5) Report of standing committees. (6) Report of special committees. (7) Elections. (8) Unfinished business. (9) New business.

7. The executive committee shall have power to assess for all such sums as may be actually required for the general purpose of the association, each member shall pay such percentage of the total assessment as the quantity of meal allotted to the said member for sale and delivery bears to the total quantity of meal allotted to all the members for sale and delivery.

8. The association shall have power to expel any member for breach of any of the by-laws of the association upon a resolution to that effect being passed by a two-third majority of the members present in person or by proxy, at any general meeting of the association or at any special meeting called for that purpose. Provided that at least ten days prior to the meeting a notice signed by the president or secretary stating that a motion for the expulsion will be moved and specifying the day and hour and place of the meeting shall have been mailed prepaid and registered to the address of the member, as given in the books of the association, in respect of whose expulsion the motion will be made.

SEAL.

9. The seal, the imprint of which is stamped upon the margin of this by-law shall be the seal of the association.

AUDITORS.

10. Two auditors shall be appointed, one by a vote of the members of the association and the other may be appointed by the president, and it shall be their duty to audit the books of the association in January and July of each year and at any other times considered necessary.

PROXY.

11. Any member of this association may appoint another member to act as his proxy for all meetings or any special meeting of the association.

AMENDMENT AND SUSPENSION OF BY-LAWS.

12. The by-laws of the association may be amended at any regular or special meeting called for that purpose of the association by a vote of two-thirds of the members present, in person or by proxy.

Amendments must be sent in writing to the executive committee, and by them reported to the association and notices that they will be acted on must be included in the notice of the said meeting.

Any by-law may be suspended for one meeting by the votes of two-thirds of the members present in person or by proxy.

13. The executive committee shall have power from time to time to revise and change the established price of oatmeal, and it shall be the duty of the secretary to give immediate notice of such action by telegram to all the members of the associa-

tion, such telegram to be sent to the addresses of the members as given in the books of the association.

To establish such a change the sanction of a majority of the executive is required, and such decision shall be binding upon all members of the association.

14. The relative prices of oatmeal as fixed by a general meeting of this association are not to be changed, nor is any change to be made in the apportioned amount of oatmeal to be manufactured by each mill except by vote of four-fifths of all the members of the association, then present in person or by proxy, at a regular meeting of the association, or a special meeting called for such purpose.

15. Members of this association shall sell meal for home consumption as follows:—

(a.) For quantities from a full car load down to 25 barrels to be delivered at one time at an advance of 15 cents per barrel upon schedule car load prices.

(b.) In quantities from 25 barrels down to five barrels to be delivered at one time at an advance of 30 cents per barrel upon schedule car load prices.

(c.) In quantities less than five barrels to be delivered at one time at an advance of 65 cents per barrel upon schedule car load prices.

(d.) Any member of the association shall be at liberty to allow a deduction of 20 cents per barrel on goods sold in sacks, sacks included, and when the buyer supplies the sacks, a deduction of 30 cents per barrel may be made from schedule barrel prices.

(e.) No F. O. B. price can be quoted except at points where a mill is located and then for home trade only and at prices on schedule.

(e) Each member shall be allowed to employ agents to sell his meal; provided however that no agent shall sell at a less price than the price fixed by this association; and provided further that no member shall allow any agent a commission to exceed 5 cents per barrel on sales of a car load or upwards, and 10 cents per barrel on sales of a less quantity than a car load.

(f.) In shipping mixed car loads schedule prices must be charged on oatmeal, 120 barrels being considered a car load.

(g) No oatmeal shall be shipped from any station or wharf until sold.

(h.) All shipments of car loads to be made with bill of lading attached to sight draft which will be held for payment.

(i.) On sales of quantities less than a car load credit may be given not to exceed 30 days.

(16) Members of this association shall sell oatmeal in car loads for the different divisions at prices not less than the following schedule of prices:—

(a) For standard oatmeal in,

Division No. 1—Consisting of that part of the Province of Ontario between Port Arthur and Kingston, Kingston and all stations on the K. & P. Ry., being included, Port Arthur not being included, at \$4.25 per barrel.

Division No. 2—Consisting of that part of the Province of Ontario and Quebec between Kingston and Montreal, Montreal included, at \$4.35 per barrel.

Division No. 3—Consisting of that part of the Province of Quebec between Montreal and Quebec, Quebec included, at \$4.50 per barrel.

Division No. 4—Consisting of the Dominion of Canada east of the city of Quebec, except the cities of Halifax and St. John, N.B., at \$4.75 per barrel.

Division No. 5—Consisting of the cities of Halifax and St. John, N.S., at \$4.70 per barrel.

Division No. 6—Consisting of the part of East Boston for export to the Provinces, at \$4.5 per barrel.

Sales at all other points not to be affected by the by-laws of this association.

(b) The other grades of meals to be sold at an established difference in price, namely:—

Granulated at an advance of 25 cents per barrel above the standard meal, rolled meal in barrels of 180 pounds each at an advance above standard meal of 50 cents—

OATMEAL.

per barrel; rolled oats in barrels of 180 pounds each at an advance above standard meal of 75 cents.

In case of any new member joining this association the executive committee shall allot to such new member his proper percentage of the total quantity to be sold and delivered, which allotment shall be deducted from the quantity to be sold and delivered by the then members of the association in proportion to said several allotments.

17. No member to make known to parties outside the association the several divisions into which Canada has been divided.

18. The total quantity of oatmeal or products of oats to be sold and delivered by members of the Association for home consumption shall be allotted among the members of the association for sale and delivery in the following percentages, namely:—

19. That each of the members of this association shall pay into the hands of the treasurer of the association on the 5th day of each and every month, such a sum of money as shall be equal to 30 cents per barrel upon each and every barrel of oatmeal or other product of oats sold and delivered by the said member during the then preceding month in excess of the number of barrels he is to sell and deliver as his proportion of the said total quantity in accordance with the allotment set out in by-law No. 18.

20. That in case any of the members of the association shall during any month sell and deliver a less number of barrels of oatmeal or other product of oats than the number he is entitled to sell and deliver as his percentage of the said total manufacture, he shall receive from the said treasurer a sum of money equal to 30 cents on each and every barrel of oatmeal or other product of oats by which the said member shall fall short of the quantity allotted to him for sale and delivery, as his percentage of the total quantity manufactured.

21. That each member of this association, on the 5th day of each and every month, shall render to the secretary of the said association a true and correct account of all the oatmeal and other product of oats sold and delivered by the said member during the month next preceding such statement, and he shall at the same time make a full settlement of all moneys (if any) due by him to the said association, the said statement to be verified by the statutory declaration of the member.

22. That each and every member of this association shall and will at all times and from time to time allow the executive committee or such person as may be from time to time appointed by them, to examine the books and other accounts of the said member, to check over or verify from time to time the said statement rendered by the said member to the said association.

We whose names are hereinto subscribed do agree, each one for himself and for themselves, that we will faithfully observe all rules and by-laws which have been, or may be enacted for the benefit and guidance of the Oatmeal Millers' Association of Canada, and we further agree to pay into the treasury of said Oatmeal Millers' Association of Canada, a sum of money equal to not less than _____ cents per barrel for each and every barrel of oatmeal or rolled oats manufactured at _____ mill and sold by _____ or _____ agent, at a less price than the price fixed by said Oatmeal Millers' Association of Canada.

B.

The following form of monthly return of production and statutory declaration thereto is required of each active member of the Oatmeal Millers' Association:—

Monthly Statement.

1st December, 1887.

Statement of oatmeal and rolled oats, manufactured at _____ by _____ during
 month of _____ barrels _____ bushel. Stock on hand, Oatmeal
 barrels. Oats _____ bushel.

Signature _____

CONSTITUTION.

Statutory Declaration.

Dominion of Canada, }
 County of, }
 To Wit : }

I, _____ of the _____ of _____ in the County of _____ miller, do solemnly declare that the statement within written is a true and correct statement of all the oatmeal and other products of oats sold and delivered by me during the month of _____ 18____, and that all of the said meal was sold at prices not less than the full schedule prices fixed by the Oatmeal Millers' Association of Canada.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Act passed in the thirty-seventh year of Her Majesty's Reign, intituled: "An Act for the suppression of voluntary and extra-judicial oaths."

Declared before me at _____ in the _____ County of _____ this _____ day of _____ A. D. 1888

Signed _____

C

MINUTES OF MEETINGS OF THE OATMEAL MILLERS' ASSOCIATION OF CANADA.

From 4th November, 1887, to 16th March, 1888, both dates inclusive.

Woodstock, 4th November, 1887.

At a meeting of the Oatmeal Millers' Association, held at the Commercial Hotel on the above date, the following members were present: Messrs. Martin, Muirhead, Tillson, Ross, King, Sutherland, Edmonds, Murton, Russell, Andrews, Leith, Wilson, Archibald, J. D. Moore, H. S. Moore, W. Thompson and R. Thompson.

Mr. T. Martin occupied the chair.

On the bringing in of the report on the case of Clark, of Bothwell, it was moved by D. R. Ross, and seconded by E. D. Tillson,

That it be left in the hands of the executive committee.—Carried.

On the motion of J. D. Moore, seconded by W. Thompson,

The agreement was read and adopted, clause by clause, with the following exceptions:—

Moved by W. Thompson, seconded by J. D. Moore, and

Resolved, That clause No. 4 be amended, making the number of directors five in place of four.—Carried.

Moved by A. Leith and seconded by D. R. Ross,

That a quorum of the association consist of at least ten members.—Carried.

Moved by D. R. Ross, seconded by J. Muirhead, and

Resolved, That clause No. 10 of the by-laws be amended so that one auditor shall be chosen by the president and one by the members of the association.

On motion of H. S. Moore, seconded by C. Russell, it was resolved,

That a majority only of the whole board of directors be required to change the price of meal.

Moved by W. Thompson, seconded by Jas. Wilson,

That D. R. Ross be appointed secretary for one month at a salary of \$200 with expenses.—Carried.

Mr. W. Thompson moved, seconded by Jas. Wilson,

That the officers of the association consist of the following:—President, W. Scott; vice-president, T. Martin; directors, W. Thompson, H. S. Moore, D. Spiers, J. Muirhead, D. R. Ross.—Carried.

Moved by W. Thompson and seconded by J. Muirhead,
That the secretary be instructed to notify Mr. Pringle to cease buying oats at Holstein and also that a copy of this resolution be forwarded to Mr. Pringle.—
Carried.

Read and approved 2nd December, 1887.

WM. SCOTT, *President*.

Special Meeting.

WALKER HOUSE, TORONTO, 2nd December, 1887.

Members present: W. Scott, president; Thos. Martin, vice-president; D. R. Ross, secretary; and Messrs. Andrews, Archibald, Ireland, Leith, H. S. Moore, J. D. Moore, Martin, Muirhead, McIntosh, Russell, Sutherland, Grant, Tillson, W. Thomson and J. Wilson, jun.

Minutes of last meeting read and approved.

The following resolutions were carried:—

Moved by W. Thompson, seconded by H. S. Moore and resolved,
That the secretary notify Mr. Pringle that his services as oat-buyer for the association is no longer required.

Moved by D. R. Ross, seconded by T. Martin, and resolved,

That Mr. H. M. Sutherland be allowed an allotment of 2,500 barrels.

Moved by Mr. Muirhead, seconded by Mr. Thompson and resolved,

That oatmeal be advanced 35 cents per barrel.

Moved by W. Thompson, seconded by H. S. Moore, and resolved,

That each miller is required to have a number to mark all packages of oatmeal sold by him, such number to be registered in association book. And each miller is required to use those numbers whether package is branded with maker's name or not.

Moved by D. R. Ross, seconded by Mr. Muirhead, and resolved,

That each miller shall advise the secretary of every person or firm whom he may appoint as agent for the sale of his oatmeal, and the secretary shall keep a record of all the agents so appointed, and it is understood that any person or persons who is allowed or paid the commission by this association, shall be constituted an agent.

Moved by W. Thompson, seconded by T. Martin, and resolved,

That Mr. John Payne, of Stratford, be appointed oat-buyer for the members of the association, and that each miller buying car loads of oats shall pay Mr. Payne the sum of \$1.50 per car for each car bought and that the oat buying be under the supervision of the secretary.

Moved by Mr. Muirhead, seconded by Mr. Thomson, and resolved,

That all millers buying car loads of oats at not over the price which may be fixed by the association, which, until further advised, shall be 33 cents or less for oats weighing not less than 34 pounds per standard bushel, shall pay Mr. Payne the sum of \$1.50 per car, the same as if the car had been bought by Mr. Payne, and that Messrs. McIntosh and Barclay be exempted from the resolution, and also Messrs. McKay and Russell be exempted, bought by themselves east of the North and North-Western Railway.

Moved by Mr. Andrews, seconded by Mr. Muirhead, and resolved,

That all declarations made by millers be made in barrels as sold, and not by the cental or 196 pounds.

CANADA OATMEAL MILLING COMPANY (Limited), 2nd December, 1887.

Members present (same as at last association meeting).

The following resolutions were passed:—

Moved by Mr. Martin, seconded by Mr. H. S. Moore, and resolved,

That the report of the secretary be received, and that the following mills be leased and the secretary be instructed to have the leases completed at once at the rents agreed upon per annum:—John Knott, Palmerston, \$700; W. Boswell, Wyoming, \$800; McInnes & Co., Ingersoll, \$800; D. & J. Clark, Ayr, \$720; Elder & Clegg, Wingham, \$600; J. Harman, Mount Albert, \$400; J. Hartop, Eden Mills, \$300; W. Farish, Rockwood, \$700; Lepsic & Stickney, Elora, \$60.

Moved by Mr. Martin, seconded by Mr. Muirhead, and resolved,

That Mr. Jas. Wilson, jun., be auditor, and the president appoint Mr. Archibald.

Moved by Mr. Thomson, seconded by Mr. Martin, and resolved,

That D. R. Ross be appointed secretary at a salary of \$50 per month, payable monthly, and be allowed to run his mill as usual; his office to be in Embro; travelling and all necessary expenses to be allowed.

STRATFORD, 15th December, 1887.

Directors' Meeting

Present:—T. Martin, vice-president; Muirhead; Ross, secretary; Thomson, also J. D. Moore, treasurer.

On motion the secretary was instructed to rent Mr. Barclay's mill of Springfield at a rental of \$700 per annum; rent payable monthly.

Mr. Payne agreed with the directors to buy oats at \$1.50 per car; this matter not having been definitely settled at the general meeting of 2nd December.

Mr. Muirhead was to arrange, if possible, to have Mr. Payne buy all the car loads of oats required by the Shedden Company and also by the Messrs. Hendries.

Directors' Meeting.

STRATFORD, 5th January, 1888.

Present:—T. Martin, vice-president; Thomson, Muirhead, H. S. Moore and Ross; also J. D. Moore and E. D. Tillson.

The secretary was requested to write Mr. C. Russell conveying the sympathy of the board with Mr. Russell in the affliction with which he has been visited by the death of three of his children.

A letter from Messrs. Stark Bros. was read and tabled.

Oats.

Mr. Payne was instructed to buy carloads of oats for each miller at lowest possible price,

Oatmeal.

It was decided to advance oatmeal 50 cents per barrel, and the secretary to wire all members not present. Members are requested to send to the secretary their sales of oatmeal during December, 1886, and January, 1887, so as to compare sales with this year.

Agents.

The appointing of agents was discussed at great length, and the secretary was instructed to notify members by circular of rules which it is necessary to follow with agents.

Special General Meeting.

WALKER HOUSE, TORONTO, 15th January, 1888.

Members present: H. S. Moore, chairman, D. R. Ross, secretary, Muirhead, J. D. Moore, McIntosh, Grant, Murton, Edmonds, W. Thomson, R. Thomson and J. Wilson, jun.

As per notice meeting was called for the purpose of discussing the relative value of different quantities of oatmeal, as some members feel that the difference is too great between the car load and less quantities. As some of the members most anxious for the change were not present it was decided to leave the matter over. The resolution was carried.

Moved by Mr. Edmonds, seconded by Mr. Muirhead, and

Resolved, That the secretary be instructed to communicate with President Ince, of the Wholesale Grocers' Guild, regarding the supplying of the wholesale trade with oatmeal, with the request that our schedule of price be adhered to by them, and that we are furnished with a list of the names of the members of their guild.—Carried.

Moved by Mr. Muirhead, seconded by R. Thomson, and

Resolved, That any dealers buying car lots of oatmeal, that when sufficient proof to any of our members is given that they or he have sold below our schedule price, that their name be recorded, and it is fully understood that no member of our company supply him further.—Carried.

Minutes confirmed.

W. SCOTT, *Chairman.*

Meeting of executive at Toronto, 24th January, 1888.

All present; and decided to have resolutions passed at last meeting printed.—Carried.

Meeting of executive at Stratford, 3rd February, 1888.

Members present: Messrs. Martin, H. S. Moore, W. Thomson, Muirhead, Ross and J. D. Moore, treasurer.

On motion the price of oatmeal was advanced 25 cents per barrel.

A communication from Mr. Russell in regard to his refusal to pay an assessment was reported and the secretary was requested to reply to the same advising him that he must pay the same as other members.

WALKER HOUSE, TORONTO, 14th February, 1888.

Special meeting of Oatmeal Millers' Association was called for to-day.

Members present: W. Scott, president, T. Martin, W. Thomson, H. S. Moore, J. D. Moore, treasurer, D. R. Ross, secretary, Archibald, Edmonds, Ireland, King, Leith, Murton, Gartly of Muirhead & Gartly, R. Thomson, McIntosh, Grant of P. Stuart & Co., Tillson and J. Wilson, jun.

The president briefly stated the object of calling the members together which was for the purpose of considering, if advisable, to change the relative value of car loads and less quantities, and also for the purpose of reconsidering two resolutions passed at a former meeting.

The meeting was the largest attended of any held, and the changes were fully discussed.

The following resolutions were carried:—

Moved by Mr. McIntosh, seconded by Mr. Martin, and

Resolved, That the relative prices of carloads and less quantities of oatmeal be changed, and that the following price list come in force on 18th February: 25 barrels and less than a carload to be 10 cents above car load prices; 5 barrels and up to 25 barrels to be 20 cents above car load prices; under 5 barrels to be 30 cents above car load prices. See revised price list No. 6.

The next resolution carried was as follows:—

Moved by D. R. Ross, seconded by T. Martin, and

Resolved, That the two resolutions passed at meeting 13th January, referring to arrangement with wholesale grocers and obliging all dealers to observe our schedule of prices, be rescinded.

The two resolutions are as follows:

That the secretary be instructed to communicate with President Ince, of the Wholesale Grocers' Guild, regarding the supplying of the wholesale trade with oatmeal, with the request that our schedule prices be adhered to by them, and that we be furnished with a list of the names of the members of their guild.

That any dealer buying ear lots oatmeal, that when sufficient proof to any of our members is given that they or him have sold below our schedule prices, that their names be recorded and it be fully understood that no member of our company supply him further.

A long discussion followed regarding the value of oats, and also in reference to a scheme proposed for enabling millers who were willing to retire permanently without sacrificing their property, but nothing definite was done, and no doubt the matter will be brought up again as it is quite useless for so many mills to continue fighting for such a small amount of business.

D. R. ROSS, *Secretary*.

WALKER HOUSE, TORONTO, 14th, 15th, 16th March.

Executive Meeting.

Present:—Messrs. Scott, Martin, Ross, Thomson, Moore, Speirs, also Gartly, representing Mr. Muirhead, J. D. Moore, treasurer, Wilson jun., Tillson, Edmonds and McIntosh.

D. R. Ross, secretary, was appointed to go to Ottawa, to Combines, if wanted. Also was instructed to call on Russell.

Notice of meeting of exporters was requested to be postponed until **May or June**.

EXHIBIT 39.

THE J. A. CONVERSE CORDAGE AND PLASTER WORKS, A. W. MORRIS
AND BRO. PROPRIETORS.

MONTREAL, 24th March, 1888.

Messrs. A. WORKMAN & Co., Ottawa, Ont.

DEAR SIR,—We take great pleasure in notifying you that after mature deliberation we have decided to withdraw from the Cordage and Binder Twine Association or combination, and will for the future carry on the various departments of our business independently of any other manufacturing concern.

In coming to this conclusion we have not been guided or influenced to the slightest degree by the prospect of any legislation at Ottawa regarding combines, but have taken the step simply believing that it is the proper course to pursue under the circumstances, and must result eventually to our mutual benefit.

The cordage and binder twine combinations were organized on a pooling basis, and it has therefore necessitated us (as the largest manufacturers) paying a very large sum into the pool or trust, which has been devoted to the worthy object of supporting and strengthening our small competitors. Now experience teaches us that these moneys have been wrongfully applied and greater satisfaction would naturally ensue if the buyer received the benefit in reduced values. We therefore ask for your sympathy and support, and will reciprocate by promptly and carefully attending to

any of your esteemed orders that you feel disposed to favor us with. We have lost all faith in combinations and are convinced that sooner or later such organizations will not be allowed to exist.

Yours respectfully,
A. W. MORRIS & BRO.

EXHIBIT 40.

THIS AGREEMENT made this twenty-second day of June, in the year of our Lord one thousand eight hundred and eighty-seven, between John Charles Browne, of the city of Ottawa, in the County of Carleton, of the first part, and the Coal Cartage Company of Ottawa (Limited) of the second part:

Witnesseth that the said party of the first part, in consideration of the covenant on the part of the said parties of the second part, covenants, promises and agrees to purchase from the said parties of the second part and from no other person or corporation, all the coal sold by him the said party of the first part during the remainder of the year ending on the thirtieth day of April, eighteen hundred and eighty-eight; and the said parties of the second part covenant to sell to the said parties of the first part and deliver for him all the coal he may require at prices per ton not greater than the current rates the said parties of the second part are selling to and delivering for other parties, provided they the said parties of the second part have said coal from time to time in stock.

The said parties of the second part covenant with the said party of the first part to pay to him forthwith after a dividend of the said parties of the second part is declared from time to time for the profits of the said parties of the second part during the year commencing on the first day of May, eighteen hundred and eighty-seven, a sum equal to one-sixteenth of the said dividends from time to time as the said dividends are declared.

The said party of the first part covenants to pay for the said coal purchased and delivered as aforesaid every month, on the fifth day of the same, for all coal sold and delivered prior thereto.

The said party of the first part covenants to deduct from the said sum of money payable by the said parties of the second part as aforesaid to the said party of the first part and to give credit to the said parties of the second part for all the net clear profits made by him the said party of the first part in the sale and delivery of coal from the first day of May to the date hereof.

In witness whereof the said party of the first part hath hereunto set his hand and seal and the said parties of the second part have hereunto caused their corporate seal to be affixed under the hand of their president and secretary-treasurer.

J. C. BROWNE,
J. G. BUTTERWORTH, *President.*

EXHIBIT 41.

See Exhibit 47, Verbatim Copy of this.

EXHIBIT 42.

CIRCULAR TO AGENTS.

MONTREAL, 11th November, 1885.

DEAR SIR,—Enclosed herewith I send you a copy of instructions and rules ^{now} binding on agents of tariff companies, and a form of agreement requiring your sig-
630 COAL—INSURANCE.

nature in triplicate. I would call your special attention to No. 16 of instructions to agents, which is as follows:—

“No office or person holding official connection with a non-tariff office shall be eligible to represent or act for a tariff office, whether as general agent, sub-agent, or in any other capacity whatever.”

You will please sign the agreement referred to in triplicate, returning the original and duplicate to this office not later than the 25th instant, and retaining the triplicate for filing in your own office.

AGREEMENT.

To the

Insurance Company.

No. 3.—Triplicate to be retained by local agent.

I hereby acknowledge having received copies of tariff and instructions to agents and undertake to adhere to the rates and rules of the Canadian Fire Underwriters' Association, as therein set forth, and as may be hereafter communicated to me from time to time. And I further agree not to represent any non-tariff office nor to place a risk in any company not a member of said association, either with or without consideration, directly or indirectly, except in instances when all companies shall be full, or shall not be open for the insurance, and then only in strict conformity with the tariff rules and regulations.

Agent.

EXHIBIT 43.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

CONSTITUTION.

Title.

Article 1.—This association shall be known as “The Canadian Fire Underwriters' Association.”

Objects.

Article 2.—The objects of the association are the establishment and maintenance of fire insurance rates, and the promotion of the interests of fire insurance business in Canada.

Members.

Article 3.—This association shall consist of the following companies, viz:—

1. *Æna Insurance Company, of Hartford, Conn.*
2. *British America Fire Assurance Company, Toronto, Canada.*
3. *Caledonian Fire Insurance Company, of Edinburgh, Scotland.*
4. *Citizens Insurance Company, of Montreal, Canada.*
5. *City of London Fire Insurance Company, of London, England.*
6. *Commercial Union Assurance Company, of London, England.*
7. *Connecticut Fire Insurance Company, of Hartford, Conn.*
8. *Fire Insurance Association, of London, England.*
9. *Glasgow and London Insurance Company.*
10. *Guardian Fire and Life Assurance Company, of London, England.*
11. *Hartford Fire Insurance Company, of Hartford, Conn.*
12. *Hand in Hand Fire Insurance Company, Toronto, Canada.*
13. *Imperial Insurance Company, of London, England.*
14. *Lancashire Insurance Company, of Manchester, England.*
15. *Liverpool and London and Globe Insurance Company, of Liverpool, Eng.*
16. *London and Lancashire Fire Insurance Company, of Liverpool, England.*
17. *London Assurance Corporation, of London, England.*
18. *Mercantile Fire Insurance Company, Waterloo, Ontario.*

19. North British and Mercantile Insurance Co. of Edinburgh and London.
20. Northern Assurance Company, of Aberdeen and London.
21. Norwich Union Fire Insurance Society, of Norwich, England.
22. National Assurance Company, of Ireland.
23. Phenix Insurance Company, of Brooklyn, U. S.
24. Phœnix Fire Assurance Company, of London, England.
25. Quebec Fire Assurance Company, of Quebec, Canada.
26. Queen Insurance Company, of Liverpool, England.
27. Queen City Fire Insurance Company, Toronto, Canada.
28. Royal Canadian Insurance Company, of Montreal, Canada.
29. Royal Insurance Company, of Liverpool, England.
30. Scottish Union and National Insurance Company, of Edinburgh, Scotland.
31. Waterloo Mutual Fire Insurance Company, of Waterloo, Ontario.
32. Western Assurance Company, of Toronto, Canada.
33. Atlas.

With such other companies as may from time to time become members.

Membership.

Article 4.—All existing members, or companies becoming members, shall be required to sign a copy of the constitution and by-laws of the association in a book kept by the secretary for the purpose, and such signature shall be considered as binding such company not to violate the said constitution or by-laws.

Representation and Voting.

Article 5.—Representatives of companies whose head or chief offices are in the Province of Ontario, shall be known as the Toronto branch; and representatives of companies whose head offices are in the Province of Quebec, as the Montreal branch. These branches shall have concurrent jurisdiction. Each branch may pass an order, but such order must be submitted to the other branch, and approved by it, before it comes into force. The promulgation of an order so approved shall be made by the secretary of the association.

In the event of an order passed by one branch not being approved by the other, the said order shall be re-considered and a vote taken thereon. The yeas and nays shall be taken in both branches and recorded, and the majority of the aggregate shall prevail. In such a division each company shall have but one vote.

On any question, which, because of its general interest to the association, falls to be voted upon by both branches, companies having dual representation shall record their votes but in one branch only; on matters not of general interest, such companies shall record their votes through their representative for the district to which the question belongs.

Officers.

Article 6.—The officers of this association shall be a president and two vice presidents, a secretary-treasurer and assistant secretary, whose remuneration shall be fixed by the association.

Election of Office Bearers.

Article 7.—The office bearers of this association shall be elected by ballot (unless otherwise agreed to) at the annual meeting of the association; and the persons so chosen shall hold office for one year, or until their successors are elected. Any officer is eligible for re-election; and should any vacancy occur during the year from any cause, the members present at any meeting of the association may elect a person to fill the vacant position for the unexpired term of his predecessor.

Duties of President.

Article 8.—It shall be the duty of the president to call and preside at all meetings of the association, as well as at all meetings of either branch at which he may be present. In the absence of the president, his duties shall devolve on one of the vice-

presidents; and in the absence of all of them, the members present at the meeting may appoint a chairman.

Duties of Secretaries.

Article 9.—It shall be the duty of the secretary to take minutes of all meetings of the association, and also of the meetings of the Toronto branch, to have them printed and copies thereof distributed to every member of the association. He shall conduct all correspondence of the Toronto branch, and also between the association and local boards in the Province of Ontario, and he shall discharge such other duties in connection with the association as may reasonably be required of him. The assistant secretary shall assist the secretary in taking the minutes of all meetings of the association, and shall take the minutes of the meetings of the Montreal branch, and shall have them printed and copies thereof distributed to every member of the association. He shall conduct all correspondence of the Montreal branch, and discharge such other duties in connection with the association or the Montreal branch as may reasonably be required of him. Each secretary shall keep a complete file of the minutes of meetings of the association, and of each branch.

General Meeting.

Article 10.—(a) An annual meeting of the association shall be convened in the month of March (on such a day as the association may determine upon), alternately in the cities of Montreal and Toronto.

(b) A semi-annual meeting shall be convened in the month of September in each year, to alternate between the cities of Montreal and Toronto.

(c) Special general meetings may be convened when necessary; and when called shall convene in one of the cities above named or elsewhere, as may be decided upon.

(d) Special general meetings shall be called, either at the written request of not less than one third of the members or upon the resolution of the two branches.

(e) Notice of all general meetings shall be sent by the secretary to each member of the association, stating the time and place of meeting, which must not be less than ten days after such notice.

(f) The secretary's notice must be accompanied by a statement or agenda of the business to be transacted; and in the case of special meetings, no business shall be taken up except such as is specified on such notice, which notice shall be accompanied by a copy of the requisition to the president, or of the resolution requiring him to call such special meetings.

(g) All questions for the agenda for either annual, semi-annual or special meetings shall be sent to the secretary not less than fifteen clear days before the date fixed for said meeting, and a copy of the agenda shall be sent by him to each member of the association ten days before said meeting.

Withdrawal from Membership.

Article 11.—Any company may withdraw from the association—all dues to the end of the current year having first been paid—by a written notice to the secretary; but such withdrawal shall not take effect, or release the company so withdrawing, from the agreement entered into under Art. 4 of this constitution, for the period of three months from the date of such notice. On receiving such a notice from any company the secretary shall immediately notify all the members of the association, and it shall be optional with the other companies, or any one of them, to withdraw at the same time, by giving notice to the secretary to that effect, unless such withdrawing company is retiring from business, it being understood that all dues to the end of the current year must first be paid.

Quorum.

Article 12.—Ten members of the association shall constitute a quorum for the transaction of business; and five members shall constitute a quorum of either branch.

Amendments to Constitution and By-Laws.

Article 13.—The constitution and by-laws of the association may be altered or amended by a two-thirds vote at an annual or semi-annual meeting or at a special meeting called for the purpose—provided that not less than ten days' notice of such alteration or amendment be sent or given to each member of the association.

Expenses.

Article 14.—The current expenses of each branch of the association shall be met by an annual assessment on each of the companies belonging thereto *pro rata* to annual premium income of each company for the period assessed upon within each province; but an interim assessment may be made *pro rata* on the income of the previous year, and new companies, having no income for said previous year, shall be assessed not less than \$25 each, and as soon as the income of the current year is ascertained, a *pro rata* adjustment shall then be made of the amount payable by each company, based on said income.

BY-LAWS.

Tariff.

Section 1.—The tariff of rates adopted by the association are for the various risks described therein, and are applicable to renewals as well as to new business. Except where otherwise specially allowed such risks shall not be written for a longer period than one year (unless three annual premiums at full tariff rates are paid in advance)—for periods of less than one year, short rates must be charged as per short term rate table in the tariff books.

Non-Tariff Risks.

Section 2.—The following risks are not subject to the operation of the tariffs, namely: Dwellings and their outbuildings and contents (except situate in classes A, B, C, or D, which are rated in tariffs), farm property and property written under railroad schedules, but individual railroad risks are subject to tariff rates and rules.

Classification of Places.

Section 3.—All cities, towns, and villages shall be classified according to their fire preventive appliances, construction, situation, &c., in accordance with "standard" adopted therefor, and each branch shall have full power to deal with the classification of all places within its jurisdiction. When the classification of any place is changed the branch in whose province the place is situate shall name the date from which the new rates shall apply, but a few days should elapse between the promulgation of the change and its coming into effect, and no change shall be made by any company until the same shall have been promulgated by the secretary of the branch within whose jurisdiction the place may be. Officers shall instruct their special agents and inspectors, when in towns classified by the association, when practicable, to make enquiry as to the efficiency of the fire appliances, brigade and apparatus, and to report any deficiencies to the secretaries of the association.

Violation of Tariff.

Section 4.—No member of this association shall accept a risk at less than tariff rate; and if an agent of any company take a risk under the tariff rate he shall be required by his head office to collect the additional premium immediately or cancel the risk, reporting his action in the matter to his head office without delay; but if a company or the agent of a company take a risk which was held or is expiring in another company—a member of this association at less than tariff rate—the company shall be obliged to cancel the insurance, and shall not be permitted to accept a risk on the same property nor shall the agent be permitted to place a risk thereon in any company, for one month from the date of such cancelment. If a company

holds a tariff risk accepted or renewed at less than tariff rate at the date of last renewal (or if the risk has been rated specifically in the interim), and fails to collect the proper tariff rate when said risk next matures, it shall not thereafter have the privilege of collecting the extra premium, but must cancel and is prohibited from accepting or its agent from placing in any company a risk on the same property within one month from date of cancellation.

Dividing Commission.

Section 5.—No member of this association shall directly or indirectly, or through their agent, allow any rebate or discount from tariff rates, or divide commission with the assured or any of his employees. This being done, either by a company or by its agent shall be considered an infraction of the tariff, and shall necessitate the immediate cancellation of the risk by the offending company and agent, and the company shall not be permitted to accept a risk on the same property, nor the agent to place a risk thereon in any company for three months from date of cancellation.

Complaints.

Section 6.—When an agent of any company shall report to his head office an alleged violation of the tariff by an agent, or agents of other companies, such head office shall immediately report the same to the secretary within whose jurisdiction the risk may be with all the facts respecting the same in their possession. The secretary shall investigate the matter, and if need be, have the right of access to any books, papers, &c. When a complaint thus made to the secretary of either branch is against a company whose head office belongs to the other branch, the secretary to whom the complaint is made shall if necessary communicate the same to the secretary within whose jurisdiction the head office of the company complained of is situate; which latter official shall have full powers to carry out the rules of the association with regard to such charges of infringement of the tariff and by-laws. If a company refuses to carry out such tariff rate or by-laws after its attention has been drawn to the matter, the secretaries shall bring the complaint before a meeting of the branch in whose district the offence has been committed. Should the company then fail in having the matter rectified to the satisfaction of the branch, all the facts shall be communicated to the association, whose decision in the matter shall be final. Should the defaulting company neglect to comply with the decision of the association, a special meeting of the association shall be called, as provided for in article 10 of the constitution, to determine what action shall be taken. Furthermore should it be proven, to the satisfaction of the association, that any company is persistently violating any of the by-laws or tariffs, or permitting any of its agents so to do, a special meeting of the association shall be called, as hereinbefore provided, to deal with the matter.

Infringements of tariff to be printed in minutes.

Section 7.—The secretaries shall furnish monthly to their respective branches, reports of all infractions of the tariff coming before them, which have been substantiated by them, giving the name of the company, agency at which the risk has been taken, and particulars of infraction substantiated, without, however, mentioning name of owner or occupant of premises, or immediate location of same. This list shall be published in the first official minutes of the following month.

Agents to sign agreement to observe tariff.

Section 8.—Companies, members of the association, shall require all their agents to sign an agreement of the following form, and shall file the same with secretaries:

To the.....

Insurance Company

.....

I hereby acknowledge having received copies of tariff and instructions to agents, and I pledge myself to adhere to the rates and by-laws of the Canadian Fire Underwriters' Association as therein set forth, and as may be hereafter communicated to me from time to time.

I further pledge myself to charge tariff rates for all business placed by me in any company, purely mutual offices alone accepted.

Joint Branches' Power.

Section 9.—The alteration of a present or the addition of a new tariff, by-law or rate can be made at the request of three or more members, by the unanimous vote of each of the two branches present at a meeting called for such purpose, without needing to wait for the annual, semi-annual or special meeting, provided due notice in writing be given of the said proposed by-law or rate and printed in the previous minutes.

Rating of Risks peculiarly Constructed.

Section 10.—It shall be competent for the association acting by the branches at Montreal and Toronto jointly, to specially rate any risk that may possess peculiarities of construction, appliances for extinguishing fires, or other features that were not taken into account when the minimum rate for that class of risk was fixed. If such features be considered sufficient to entitle the risk to a reduction of rate, then the rate on said risk shall be reduced, but only in the manner following, to wit: the nature of such feature of the risk shall be distinctly set forth, and a specific sum shall be stated as the deduction or deductions to be made for the same. Such deductions shall then be embodied in the general tariff in the form of schedule, and the same may be applied to all risks whatsoever of a similar class that may possess the same feature or features.

Specially Rating "Standard" Manufacturing Risks.

Section 11.—That where a manufacturing risk has been so constructed or improved as to be rendered eligible for acceptance by the New England Mutual Insurance Companies, such risk may, upon application, be exempted from the operation of any tariff, and shall then be specially rated by the respective branch of the association within whose jurisdiction it may be, according to the circumstances of each case, but such specially rated risk shall be inspected at least twice a year as a guarantee that the standard for which the special rating was granted is being maintained; the expenses of such inspection to be borne by the companies interested in the risk.

Powers of Secretaries as to Rating.

Section 12.—(a.) Concerning risks rated in the "Minimum Tariff"—The secretaries shall, when requested, determine questions of application of same but they shall rate no risk below such tariff; they may, however, rate risks, so far as "specials" are concerned, above the tariff, under such circumstances as may appear to them requisite; and such special ratings shall be absolutely binding upon companies when promulgated by them. Any rating, however, shall be subject to appeal to the association, but the full rate must, in the meantime, be collected.

(b.) Concerning risks of a class for which any schedule for rating has been adopted by the association.—They shall rate such risks in accordance with schedule, but where, by reason of the construction, or by some special feature of a risk, the strict application of the schedule extras would inflict a manifest injustice, the secretary and inspector of each branch shall have power to modify the extras in the schedule for such risk. And further, that whereas, by the strict application of the extra required by the schedule ratings for boiler, causes in many instances an injustice to the assured, where the boiler is used for heating only, and similarly as regards iron smoke stacks in buildings which do not endanger the factory proper, it shall be a

the discretion of the secretary and inspector of the respective branches to modify or abolish altogether the extras in question, if circumstances warrant such action.

(c.) Concerning silent manufacturing risks.—The secretaries may specially rate silent manufacturing risks, except any so provided for in the tariffs, where the circumstances of the case appear to call for any departure from the usual rule of changing working rate.

Municipal Taxation.

Section 13.—In cities and towns where taxation is imposed on insurance companies, such places shall have their rates increased by reducing their classification one letter, or by imposing a percentage upon the rates, as may be determined by the branch within whose jurisdiction the place may be. Provided, that when the municipal taxation is based on the net income only, and is a general municipal tax and not a specific tax upon insurance companies or mercantile corporations, no increase of rates shall be charged.

Limit of Expense of Local Board.

Section 14.—The expenses to the companies of any local board, working under tariffs A, B, or C, shall be limited to \$200 a year, and no local board shall have any claim upon any company until its organization shall have been sanctioned by this association.

Companies Names to be Given in Certain Cases.

Section 15.—The names of companies that have taken risks from other companies under tariff rates and fail to rectify the same within 15 days, and the names of companies not answering the queries in bulletin within one week, shall be published in the minutes.

We, the undersigned representatives, on behalf of our respective companies, do hereby pledge and bind ourselves faithfully to observe the foregoing constitution and rules.

EXHIBIT 44a.

EXPENSES OF THE MONTREAL BRANCH OF THE CANADIAN FIRE UNDERWRITERS' ASSOCIATION, FOR THE YEARS 1884-85-86-87.

Memo. of Expenses, 1887.

| | |
|--|------------|
| Rent, taxes, telephone, janitor, &c..... | \$ 438 83 |
| Salaries—secretary, inspector, &c..... | 3,072 63 |
| Travelling expenses of inspector | 400 20 |
| Printing, stationery, office supplies. | 735 39 |
| Stamps, telegrams..... | 55 55 |
| Expenses attending investigation Montreal Fire Brigade | 264 26 |
| Photo. picture of members..... | 215 50 |
| Secretary's expenses to Toronto..... | 30 60 |
| Flowers, lunch, sundries..... | 138 21 |
| Expenses attending local committee in Quebec..... | 72 84 |
| Interest on overdraft..... | 54 88 |
| | \$5,478 99 |

which is about 36 cents per \$100 of premium income in Province of Quebec (\$1,534,340) for year 1887.

B.

MONTREAL, 15th June, 1887.

The Insurance Company in account with Treasurer Montreal Branch—Canadian Fire Underwriters' Association.

Dr.—

December, 1884.—To proportion of expenses of Montreal Branch for 8 months to date, \$1.87½ per \$1,000 on \$, your premium income in Province of Quebec, 1884. Total expenses, \$2,846.98, is \$1.87½ per \$1,000 on total premium income, \$1,521,325.

December, 1885.—To proportion of expenses of Montreal Branch for 12 months to date, \$2.21 per \$1,000 on \$, your premium income in Province of Quebec, 1885. Total expenses, \$3,042.67, is \$2.21 per \$1,000 on total premium income, \$1,376,930.

December, 1886.—To proportion of expenses of Montreal Branch for 12 months to date, \$3.14½ per \$1,000 on \$, your premium income in Province of Quebec, 1886. Total expenses, \$4,450.20, is \$3.14½ per \$1,000 on total premium income of \$1,414,630.

March, 1887.—To proportion of expenses of specifically rating the city of Quebec, \$50 per company, and \$12.98 per \$1,000 on \$, your premium income in that city for 1886. Total expense, \$3,439.25, 23 subscribing companies at \$50 = \$11.50, balance \$2,289.25, is \$12.98 per \$1,000 on total premium income in city, \$176,338.

June, 1887.—To assessment to meet current year's expenses of the Montreal Branch, \$4.00 per \$1000 on \$, your premium income for 1886 in Province of Quebec, to be hereafter adjusted on current year's income.

Cr.—

By cash paid assessment, July, 1884.

do do do January, 1885.
do do do September, 1885.
do do do April, 1886.
do do do December, 1886.

Balance due Treasurer.

Payment of balance at an early date will oblige.

C.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

STATEMENT of Receipts and Expenditure, Montreal Branch, Years 1884, 1885, 1886.

| Date. | RECEIPTS. | \$ cts. | Date. | EXPENDITURE. | \$ cts. |
|-----------|--|-----------------|---------|--|-----------------|
| 1884. | | | 1884. | | |
| May 1 | Balance from "Insurance Exchange"..... | 320 76 | May 1 | Secretary's salary | 666 65 |
| July..... | Cash from assessment on Companies..... | 2,018 55 | to | Office rent, taxes..... | 197 25 |
| Dec..... | do do | 1,503 99 | Dec. 31 | Printing tariffs, minutes, &c..... | 1,287 05 |
| | | | | Legal and other expenses re underground insurance and municipal taxation | 432 55 |
| | | | | Expenses rating Chaudière (O-tawa) Lumber District..... | 147 12 |
| | | | | Postage, telegrams, telephone, office supplies, &c..... | 116 36 |
| | | | | Total expenses for 1884..... | 2,846 98 |
| | | | | Balance to 1885 | 996 32 |
| | | 3,843 30 | | | 3,843 30 |

Statement of Receipts and Expenditure, &c.—*Concluded*

| Date. | RECEIPTS. | \$ cts. | Date. | EXPENDITURE. | \$ cts. |
|-----------|--|----------|---------|--|----------|
| 1885. | | | 1885. | | |
| Jan. 1 | Balance from 1884..... | 996 32 | Jan. 1 | Secretary's salary | 1,333 32 |
| Sept..... | Cash from assessment on Companies | 2,367 11 | to | Office rent, taxes, &c | 322 85 |
| | | | Dec. 31 | Printing account | 535 40 |
| | | | | Furniture and office fixtures | 273 45 |
| | | | | Legal and other expenses <i>re</i> under- ground insurance | 156 26 |
| | | | | Travelling expenses of secretary, attending meetings in Toronto and Ottawa, and of special deputation to Toronto <i>re</i> "Mem- bership of Mutuals" | 200 70 |
| | | | | Postage, telegrams, telephone, office supplies, &c..... | 220 69 |
| | | | | Total expenses for 1885..... | 3,042 67 |
| | | | | Balance to 1886 | 320 76 |
| | | 3,363 43 | | | 3,363 43 |
| 1886. | | | 1886. | | |
| Jan. 1 | Balance from 1885..... | 320 76 | Jan. 1 | Salary of secretary..... | 1,500 00 |
| April ... | Cash from assessment on Companies..... | 4,130 80 | to | do inspector, 10½ mos. | 1,050 00 |
| Dec..... | do do ... | 2,003 23 | Dec. 31 | do office lad, 8 mos. | 66 00 |
| | | | | Office rent, taxes, \$336.95—less \$50 received from life co.'s | 286 95 |
| | | | | Printing account | 439 42 |
| | | | | Travelling expenses, deputations to Toronto <i>re</i> "Insurance Act" "Three Years Tariff," and of secretary attending annual meeting | 248 48 |
| | | | | Inspector's travelling expenses... | 205 05 |
| | | | | Postage, telegrams, telephone, office supplies, &c. | 154 30 |
| | | | | Testimonial to Mr. Fred. Cole on his resignation of the treasurer- ship, in recognition of services in capacity for several years past | 500 00 |
| | | | | Total expenses for 1886..... | 4,450 20 |
| | | | | *Balance to 1887..... | 2,004 59 |
| | | 6,454 79 | | | 6,454 79 |

* Including \$1,021.82 expended on account of specific rating of Quebec City, cost of which will be specially assessed on companies interested.

Audited.

G. H. McHENRY, Auditor.

MONTREAL, 21st March, 1887.

ALF. W. HADRILL, *Sec.-Treasurer.*

EXHIBIT 45a½.

EXTRACTS from a letter written to Harold Engelbach, Esq., Manager of the "National Association Company of Ireland," 3 College Green, Dublin, dated Toronto, 23rd February, 1886.

"Notwithstanding what I stated to you in my last hurried scrawl from Kingston, I must afflict you with the history of the origin of the 'Millers and Manufacturers' so that you may clearly understand the position of affairs.

"We (the association) framed a tariff in October, 1883, in which, on flour mills that had been written at one and one half per cent. we advanced to two per cent, and on those which had been written at two per cent. and two and one quarter per cent. we advanced to two and three quarter per cent. At a meeting of the association held in Montreal in September, 1884, which virtually closed on Friday evening, after which most of the western members left for home, presuming that at the Saturday meeting the unfinished business only would be dealt with. This, however, did not prove to be the case, as at the Saturday meeting flour mill rating was again taken up and in the face of remonstrances from Mr. Wood of the 'Etna' and Mr. Wickins of the 'Commercial Union' the only western representatives present, another increase of three quarter per cent. was added to all mills and their storehouse rates, thus making two jumps within one year without any regard whatever to the moral hazard or the internal or external equipments for preventing fires. Old "fire traps" and slovenly managed mills as well as those most carefully conducted were all placed on the same basis and forced to pay the same rates. It was but natural that such action should create considerable feeling when the policies on the better class of mills became renewable, and I am sorry to say the friction caused thereby, is not confined to mill owners, but has extended to the other manufacturers in this province. Mr. Howland's repeated assurance of the organizations determined on, in consequence of what was considered unjust action, I doubted until I could no longer do so, and, therefore, felt I was best serving all interests by taking a position through which I might bring about a better feeling and the relation that should exist between supply and demand. You know as I do that it is the insured who should and do pay the losses and expenses, and also in addition thereto, a fair compensation for the hazard assumed in a well managed company. To my mind it was, therefore, folly to irritate and create such bad feeling with the source from which we derive our very existence. It is however, the chronic characteristic of many of our eastern members to do so whenever they mount a hobby. We have also created a serious competition on the part of American companies. When in New York last summer I saw a whole page covered with the names of applicants for insurance in sums ranging from \$27,000 to \$40,000 each, to the 'Mutual Fire Insurance Company,' 155 Broadway, New York, from Hamilton, Toronto, Kingston and Montreal. I enclose one of Secretary Armstrong's letters, and send you by this mail a copy of their last annual report. See also enclosed letter from Montreal correspondent of the *Mail*. Harbor commissioners there have placed the whole of their property with American companies. Last week the "Merriton Cotton Mills Company" placed \$100,000 of their risk in American companies, \$10,000 of which was covered last year under your "National" policy 201,842, as a great personal favor we were able to retain \$5,000 covered now by your policy. All our policies on the Riordan Paper Mills (202,411, \$5,000) were cancelled last month and the whole placed with our Yankee cousins. I could fill a letter citing similar cases that have been, or are about being, taken to the other side. I had, and still have, strong hopes that the 'Millers and Manufacturers' would in a measure arrest this exodus of business from our midst. What exercises me most over this matter is the fact, that it is the very best class of risks of their kind that we are losing in this way. Those of a 'Singe Cat' character will not be taken by them and are, therefore, left for us to squabble over, and such will continue to be the case while we are sleeping over a promise made last March that equitable schedule rating would at once be adopted.

"My next will have less of shop in it; meantime, kindly excuse this, written in the midst of business, interruptions and considerable worry.

"Faithfully,

"HUGH SCOTT."

A.

MUTUAL FIRE INSURANCE COMPANY.

The committee appointed to carry out the following resolution, adopted at the meeting of millers held in the Board of Trade Rooms, Toronto, on Friday, 20th March, 1885, viz:—

Moved by Mr. D. Plewes, Brantford, seconded by Mr. A. Watts, Brantford,—

“Resolved, That it is expedient to establish a Millers’ and Manufacturers’ Insurance Company, under the Acts of the Province of Ontario regarding mutual insurance companies, which provide for a stock capital; and that Messrs. Whitelaw, Paris; H. N. Baird, Toronto; D. Plewes, Brantford; M. McLaughlan, Toronto; J. D. Saunby, London; W. H. Howland, Toronto; S. Neelon, St. Catharines; James Goldie, Guelph; E. W. B. Snider, Waterloo, and A. Watts, Brantford, be a committee to carry the above resolution into effect.”—Carried.

Have concluded to do so on the following basis:—

To raise a subscribed capital of at least \$250,000, on which ten per cent. will be called up (\$25,000). On this paid up capital, it is proposed to pay an annual dividend of ten per cent. As the earning powers of this sum will not be less than six per cent. it will at once be seen the additional four per cent. will be a very small tax on the revenue of the company, compared to the security it will give and the confidence it will inspire.

The rates of premium it is proposed to charge will be a cash payment one-quarter (25 per cent) less than the now exacted rates, and an undertaking to be given for a similar sum. It is expected this cash premium will be largely in excess of the losses, and the surplus, after providing a reserve fund, will be apportioned among the insurers, and allowed as a rebate or dividend off the cash premium payable at the end of each year on the renewal of the policy, thus giving insurance at cost.

A local company having a limited number of risks is obliged to write small lines, and hence affords only partial protection to its members, while one with a capital and an ample cash reserve fund, covering a large extent of territory, will be able to give, conjointly with existing mutual companies, by way of reinsurance or otherwise, all the protection required at much less cost than the rates now exacted.

It is not the intention to employ local agents, but have all risks examined by competent inspectors, who will have no interest in recommending undesirable hazards.

The first required step towards organizing is to secure the promise of a given amount of insurance, and you are therefore requested to fill up the enclosed form, stating what sum you will insure with the company.

If it is your desire to become a stockholder, we have to ask you to also fill up in the enclosed form the sum you are willing to subscribe for of the contemplated capital.

As it is desirable the company should be established as soon as possible, an early reply is requested, addressed to W. H. Howland, Toronto.

JAMES GOLDIE, *Chairman.*

TORONTO, 27th March, 1885.

P. S.—Should you desire any further details of the scheme, kindly communicate with W. H. Howland, Toronto, who will be happy to furnish you with the fullest particulars.

N. B.—The payment of the ten per cent. to be called up on the subscribed capital can be arranged to suit your convenience.

From “The Popular Science Monthly.”

“The textile manufacturers of New England have shown how best the risks, losses and expenses of fire can be reduced to a minimum. In 1835, when Hon. Zachariah Allen, of Providence, established mutual insurance among the mills of Rhode Island, the rates charged by stock companies varied from one and one-half to two and one-half per cent. Even at these high figures the business was unprofitable,

and the placing of risks often a matter of difficulty. Within the fifty years since 1835, the cost of insuring factories of New England has been reduced to two-sevenths of one per cent.

"On 1st January, 1885, the nineteen associated Factory Mutual Insurance Companies had at risk no less a sum than \$375,000,000, an amount nearly twice as large as that at risk seven years before. During these seven years the cost to the insurers in the leading company—The Boston Manufacturers'—had declined twenty-three per cent. as compared with the cost during the years from 1850 to 1878. In the early part of this latter period the volume of business was small, and the losses proportionately greater than they afterwards became. During 1884 the net premiums paid by insurers in the mutual companies averaged 28-28 cents per \$100 insured.

"Although the cost is currently but 28 cents per \$100 per annum, the companies charge rates averaging 80 cents, the difference being returned as dividend. In addition to the payment of premium each insurer becomes liable for an assessment five times as great as the premium. No such assessment has ever been called for in the history of the Factory Mutual Companies.

"When an ordinary mill or factory adopts the means of safety laid down by the mutual underwriters it is computed that the outlay is saved in premiums in two years."

B.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

Extracts from minutes of Special General Meeting.

OTTAWA, 13th October, 1885.

Met this day at 10 a.m., in the city of Ottawa, in accordance with a requisition to the president, signed by eighteen companies. The meeting was called to take place in the Russell House, but the place was subsequently changed to the City Hall, kindly placed at the disposal of the association by the city authorities.

Companies represented:—Mr. G. F. C. Smith (Liverpool and London and Globe) president, in the chair; Ætna, British America, Caledonia, Citizens, City of London, Commercial Union, Fire Insurance Association, Glasgow and London, Guardian, Hartford, Imperial, Lancashire, London and Lancashire, London Assurance, Mercantile, National of Ireland, North British and Mercantile, Northern, Phoenix of London, Quebec, Royal, Royal Canadian, Scottish Union and National, Waterloo Mutual, Western.

The "item number" is the number of the subject on the agenda.

1. *President's Opening Remarks.*—After calling the meeting to order, the president explained that he had summoned this special general meeting in consequence of a requisition having been presented to him in accordance with article 6 of the constitution. As provided by the rules, the proceedings would be confined to the business named in the agenda which accompanied the requisition referred to. The agenda would be found so comprehensive that in all probability the holding of the semi-annual meeting, which was adjourned to November next, would be a matter of form. After a few further remarks as to the object of this meeting, the president desired, with a view of facilitating the business, that the following should be the rules of order:—

That no member shall address the board for more than ten minutes on any one subject, nor more than once without permission of the meeting, but that the mover and seconder shall have the right of reply, which shall close the debate.

That members addressing the meeting shall stand.

That all motions shall be in writing.

These rules were adopted accordingly.

2. *Fire Preventive Appliances.*—(Item No. 1.) The president called on the committee on fire preventive appliances for their report. Mr. J. J. Kenny, the

Toronto chairman of that committee, read the report and moved, seconded by Mr. L. H. Boulton, the Montreal chairman of the same committee,

That the report be received.—Carried.

Mr. Kenny then read the report, clause by clause, which was amended to read as follows:—

STANDARD OF APPLIANCES.

3. *Waterworks*—Must be efficient and sufficient at all seasons of the year (provision being made to provide against frost) for the size and requirements of the place, with proper mains and necessary hydrants. Pressure in mains must be sufficient to throw three streams through 300 feet of leading $2\frac{1}{2}$ inch hose, with a one inch nozzle, to a height of 75 feet. (Failing the necessary pressure, steamers must be provided to supply that want.) Where the water pressure is not by gravity, and pumping power is employed, said power must be in an independent and separate first-class building, and under the control of the municipality.

4. *Water Supply other than Waterworks*.—Water tanks of the capacity of at least 5,000 gallons each must be provided at a distance of not more than 500 feet from each other, and must cover the business portion of the place at least, and always kept full, unless there is a running stream, or other natural source, which provides an ample supply. If water supply is obtained from a running stream or other natural source, convenient platforms upon which to place and work engines must be provided and maintained, and be so situated as to enable the fire department to reach the business portion of the place. The water tanks, running stream, or other natural source, must be available at all seasons of the year.

5. *Steam Fire Engines*—Must be capable of throwing not less than 300 gallons a minute, and of throwing a stream 150 feet horizontally through a nozzle not less than $1\frac{1}{2}$ of an inch in diameter, through 500 feet of leading hose, or two streams through two lines of hose with one inch nozzle. Not less than 20 feet of suction hose nor less than 1,000 feet of $2\frac{1}{2}$ inch leading hose must be supplied. Steam engines must have a permanent paid engineer, and an assistant engineer, and be fully equipped with all tools necessary for the effective working of same. Except in cases where the water pressure is direct and up to the standard, all steamers must have steam heater and steam kept up to 15 pounds constantly, and one man (or more, if deemed necessary by the fire appliance committee) shall sleep in engine house at night who must be capable of operating the engine. Some adequate provision should be made to have horses available for hauling engines to fires. In places of less than 10,000 inhabitants, one steamer shall be provided; in places of less than 20,000 but over 10,000, two steamers must be procured; over 20,000 up to 30,000 three steamers.

6. *Chemical Fire Engine*—Must be self-acting, with a cylinder of copper not less than 80 gallons capacity, or two cylinders of not less than 50 gallons each, with a recharging tank capable of refilling cylinder with water in not more than one minute, or other chemical engine of equal capacity and efficiency.

N.B.—In waterworks cities, recharging tank will not be insisted upon.

The engine must be supplied with not less than 150 feet of suitable hose, at least one inch internal diameter, with an automatic reel or some other arrangement equally effective. All other necessary appliances, including three acid bottles, must be provided and maintained for the efficient working of the engine.

Fire companies of not less than 15 men must be organized and maintained for the effectual working of the engine. A competent man must be paid for taking charge of the engine, who shall be held responsible for keeping it in thoroughly effective working order.

N.B.—Where a chemical engine is added to other appliances, a separate fire company of not less than ten men will be necessary, except when horses are provided for hauling same, when three men shall be deemed sufficient.

7. *Hand Engines*.—With cylinder of not less than seven inches in diameter, if of the button or similar make of engine, or five inches if of the Perry or Hunneman

make. The engine must be fully equipped with a sufficient quantity of suction hose to meet the requirements of the place (not less than 16 feet in any case of suitable suction hose) and all other necessary appliances for the efficient working of the engine. The engine must be capable of throwing a $\frac{3}{4}$ inch stream not less than 100 feet horizontally through 500 feet of leading hose of not less than $2\frac{1}{2}$ inches internal diameter.

Not less than 500 feet of rubber or cotton rubber lined hose not less than $2\frac{1}{2}$ inches diameter must be provided. Also hose reel or reels capable of carrying 500 feet of such hose. Hose must be capable of resisting 150 lbs. by hydraulic test.

A fire company must be organized and maintained, consisting of not less than 24 men, with a sufficient supply of ladders.

8. *Hose (Steamer and Waterworks.)*—Hose must be of rubber, or cotton rubber lined, not less than $2\frac{1}{2}$ inches diameter, and capable of resisting an hydraulic pressure of at least 200 lbs.

9. *Hose Reels.*—At least two reels must be provided, capable of carrying at least 500 feet of standard hose for each steamer.

10. *Engine House.*—Engines of every kind, hand power, steam or chemical, must be kept in a brick or stone building, having a fire constantly kept up in a self-feeding stove or other approved heater, to a temperature not less than 40° from 1st November to 1st May in each year.

11. *Fire Company (Steamer and Waterworks.)*—Engine companies (if volunteers) of not less than 20 men and hose company of same number must be maintained; if engine and hose companies combined, or where direct pressure is employed not less than 30 men.

12. *In General.*—It must be understood that in all cases the fire apparatus, hydrants, hose and equipments shall be kept in thoroughly efficient condition at all times, in order to be considered as affecting the classification of the place, and a certificate, to be provided by the association, must be sent to the secretary of the association, signed by an official of the place on the 31st March, 30th June, 30th September and 31st December of each year, stating when the last test of the appliances was made and its results.

CLASSIFICATION REQUIREMENTS.

Class A.

13. Waterworks, paid fire department, electric fire alarm, horses in readiness to haul apparatus to fires and kept exclusively for that purpose, hook and ladder truck, hose reels and all other appliances sufficient for the requirements and effective protection of the place.

Class B.

14. Waterworks, partly paid fire brigade, an effective fire alarm, horses in readiness to haul apparatus to fires and kept exclusively for the purpose, also paid engineer with an assistant for steamers when such are required, hook and ladder truck, hose reels and all other appliances sufficient for the requirements and effective protection of the place.

N. B.—Places in this class may be raised to "A" by adding a chemical engine of standard capacity and a salvage corps; or by complying with "A" requirements above.

Class C.

15. Waterworks, an efficient fire company or companies, for the proper handling of the fire appliances, hook and ladder truck, hose reels, also a paid engineer with an assistant for steamers when such are required, alarm bell, night watchmen or policemen in sufficient number to patrol the place and give alarms, and other appliances sufficient for the requirements and effective protection of the place.

N. B.—Places in this class may be raised to "B" by adding a chemical engine of standard capacity, or by complying with requirements of Class B above.

Class D.

16. Water supply and steam fire engine or engines as per standard ; (or in lieu of steam fire engine, a hand engine and a chemical engine as per standard,) hook and ladder truck, hose reels alarm bell, night watchmen or police in sufficient number to patrol the place and give alarms, and other appliances sufficient for the requirements and effective protection of the place.

N.B.—Places in this class may be raised to “C” by adding a chemical engine of standard capacity, or by complying with “C” requirements given above.

Class E.

17. Water supply and hand fire engine, as per standard ; hose reels, alarm bell and other appliances sufficient for the requirements and effective protection of the place, or a chemical engine (two cylinders) of standard capacity, with all the necessary requirements.

N.B.—A hand engine and a chemical fire engine of standard capacity to be considered equal to a steam fire engine, and places having these with the other necessary appliances and efficient means for working them will be entitled to be placed in class “D,” or may be so classed by complying with “D” requirements given above.

Class F.

18. This class comprises all places having appliances less than above set forth.

NOTE.—A place having fire appliances inferior to a certain standard, but considered better than the standard of the next lower classification although not strictly complying with the particular requirements of either classification, may be placed in said lower classification at the discretion of the fire appliance committees.

That a town of inferior construction, or not having a fire by-law prohibiting the erection of wooden buildings within certain fire limits, may be lowered as to its classification, notwithstanding that its fire appliances come up to the required standard.

Moved by Mr. J. J. Kenny, seconded by Mr. L. H. Boulton,

19. *Fire Appliances and Classification.*—That the report of the fire appliance committee, as amended, be adopted, and that the standard of fire appliances and classification therein provided shall be the basis for all changes in the classification of places in the Provinces of Ontario and Quebec.—Carried.

Moved by Mr. G. E. Hart, seconded by Mr. F. Cole,

20. *Committees on Fire Appliances.*—That the committees appointed at the last annual meeting to provide a standard of fire preventive appliances required for each classification, be and are hereby named as permanent committees of this association for each province, to deal with all matters appertaining to the classification of place.—Carried.

The meeting adjourned at 12.30 p. m., to meet at 2 p. m.

AFTERNOON SESSION, TUESDAY, 13th October, 1885.

Met at 2 p. m., pursuant to adjournment, Mr. G. F. C. Smith, president, in the chair.

21. *Schedule Rating.* (Item No. 2.) Mr. F. W. Evans, the Montreal chairman of the schedule rating committee, read the following report :—

Your committee have formulated schedule ratings for the following classes of special hazards :—

Cabinet, furniture, coffin and box factories, planing mills, spool and bobbin factories, sash, door, window, blind and pail factories, flour and oatmeal mills, iron foundries, paper mills, sewing machine factories, cutlery and tool works, saw, file and tin stamping works, tobacco, cigar and cigarette factories and silk factories.

The general principle adopted has been to formulate a uniform standard for all classes as far as the building and the fire appliances are concerned. This stands at the head of each standard, and after that the special requirements for each class. In this way agents and inspectors will easily familiarize themselves with what a standard building is, as regards its general construction and means for extinguishing fire.

The whole of the schedules are based on the principle of a minimum rate for standard risks, with extras for deficiencies, the only deductions made being for sprinklers and height.

As regards the position of the boiler house, the requirement with which we are familiar in our present minimum tariff has been adopted as the standard, viz. :— With entire fire wall cutting it off from the factory, with no communication therewith except by closely fitting shaft, belt or pipe.

It will be noticed that while in wood-working establishments generally a large number of extras have been provided for different positions of the boiler house, in other risks these have been much reduced; and in tobacco and silk factories one extra alone is given.

In the application of the schedule ratings the committee consider that it would be necessary that new forms of surveys for all classes of specials shall be printed and adopted by all companies. The questions in these surveys will be drawn up in such a way that an examination of the answers will enable each company to fix the rate on each factory or mill. Your committee recommend that on the adoption of a schedule rating for any class of risks, that class shall be eliminated from the minimum tariff.

On motion the report was received and the printed schedule ratings prepared by the committee were taken as read, and discussed separately as follows:—

22. *Wood Working Risks.*—The schedule rating on wood working risks was considered in detail, and with some verbal amendments was adopted. After some discussion as to the propriety of adding for deficiencies instead of deducting as formerly for improvements in a risk, it was

Moved by Mr. J. J. Kenny, seconded by Mr. F. W. Evans,

That the principle of a minimum rate for a standard factory or mill, with additions for deficiencies, is approved and adopted by this association; but that the mode of the application of schedule rating be referred back to the standing joint committee on schedule rating to report at the evening session.—Carried.

23. *Flouring Mills.*—The basis rate in the printed form was changed in this class of risk, and several other amendments were made in the schedule as printed; and with these changes and amendments the schedule rating was adopted.

24. *Paper Mills.*—The schedule rating on paper mills, after making provision for the making of wood pulp in the mill, and making some other minor changes was adopted.

The meeting then adjourned till 8 p.m.

EVENING SESSION, TUESDAY, 13th October, 1885.

Met pursuant to adjournment at 8 p.m., Mr. G. F. C. Smith, President in the chair.

25. *Schedule Rating.*—Continued. (See No. 3.)

Mr. F. W. Evans, Montreal, chairman of the schedule rating committee, read, and then moved, seconded by Mr. J. J. Kenny, Toronto, chairman of the same committee, the adoption of the following supplementary report on the question referred to this committee in the afternoon session.

That the Montreal and Toronto committees each appoint a rating committee whose duty it shall be to appoint inspectors, to be provided, if possible, from the staffs of the respective companies, but with power to employ others, if necessary, for the purpose of inspecting and furnishing the required information for rating all risks

in Ontario and Quebec, for which schedule rates may be adopted. The cities of Montreal, Toronto and Quebec, and places classed A to be dealt with first, and places in B, C, D, E, and F subsequently. On completion of the ratings of all risks in each class of towns, the rates shall be promulgated for the same by the secretaries of the association, to come into force from a fixed date. In the meantime present rates shall be adhered to. The Montreal committee shall have power to deal with Kingston and all places east thereof, and the Toronto committee with all places west of Kingston.

—Carried.

26. *New Business.*—(Items Nos. 9, 10, 11, 12, 16 and 17.)

At this stage of the proceedings it was decided to take up new business, commencing with No. 9 in the agenda and dispose of such questions as could be dealt with in open meeting; and also to allow of the appointment of such committees as may be deemed necessary to deal with other subjects named in the agenda.

27. *Classification of Places.*—(Item No. 9.) It was held that this question had already been dealt with in the report of the fire appliance committee.

28. *Local Board for Montreal.*—(Item No. 10.) Moved by Mr. O. C. Foster, seconded by Mr. S. C. Duncan-Clark,

That a local board may be formed for Montreal and adjoining municipalities, if the Montreal committee deem such a step desirable.—Carried.

29. *Quebec City and the General Tariff.*—(Item No. 11.) The question of putting the city of Quebec under the general tariff of the association was referred to the Montreal Fire Appliance and Classification Committee, with power to deal with it.

30. *Compact System in Toronto.*—(Item No. 12.) After this question was discussed at some length, further discussion was deferred till to-morrow. Items 13, 14 and 15 were also deferred.

31. *Rules as to Payment of Commission to Brokers in Montreal.*—(Item No. 16.) This question was referred back to the Montreal committee, or to the local board there, if one be formed.

32. *Commission to Agents.*—(Item No. 17.) Moved by Mr. E. D. Lacy, seconded by Mr. Thomas Davidson,

That a committee of two be appointed to interview the members on the question of the companies agreeing upon a maximum commission to be paid to agents, and report to this meeting before its adjournment.—Carried.

The President named Messrs. Lacy and Hart as said committee.

33. *Deputation from Kingston.*—The president intimated that the mayor of Kingston and the president of the Board of Trade were expected to be present at the morning session to-morrow, in reference to the classification of their city and their fire insurance rates, after which the meeting adjourned till 10 a.m. to-morrow.

MORNING SESSION, WEDNESDAY, 14th October, 1885.

Met at 10 a.m., pursuant to adjournment, Mr. G. F. C. Smith, president, in the chair.

34. *Deputation from Kingston.*—(See No. 12.) Mr. E. H. Smythe, mayor of Kingston, and Mr. J. S. Mucklestone, president of the Board of Trade, were introduced and ably addressed the meeting on the question of insurance rates in that city, and as to the position assumed by the association in advancing rates in consequence of Kingston imposing a tax on the companies. After the president and several members had spoken on the subject, defending the action of the association and pointing out the improvements necessary in the water supply and fire appliances requisite to improve the classification of their city, the deputation withdrew.

35. *Compact System in Toronto.*—(See No. 9.) The discussion on this question was resumed. Several members of the Toronto Board being present were asked by the president to express their opinions on the subject, which they did, as did several other members, after which it was moved by Mr. L. H. Boulton, seconded by Mr. W. B. Evans,

That the question of the introduction of the compact system in Toronto be referred to the Toronto Board.—Carried.

36. *Agents Representing Mutual or other non tariff Companies.*—(Item No. 13.) Before this subject was discussed, Mr. L. H. Boulton withdrew. After several members had expressed their views on this question, it was moved by Mr. Thomas Davidson, seconded by Mr. A. T. Paterson,

That inasmuch as difference of opinion exists as to the sufficiency of the existing rule to deal with the question which has arisen in Toronto, in regard to the representation of a non-tariff company by a member of the association, it is expedient to refer the whole question to a committee to be now appointed with instructions to frame a rule which will deal with the difficulty in Toronto, and legislate for all such similar cases in future.—Carried.

COMMITTEE B.

The president named the following committee to deal with the foregoing question, and items Nos. 13 *a*, *b* and *c*, and No. 14, to report to-morrow morning. North British and Mercantile (Convener), Aetna (Wood), City of London (Magurn), Imperial, London Assurance, Mercantile, Northern, Phoenix of London, Royal, Waterloo and Western.

The meeting then adjourned until 2.15 p. m.

AFTERNOON SESSION, WEDNESDAY, 14th October, 1885.

Met at 2.15, p. m., pursuant to adjournment, Mr. G. F. C. Smith, president, in the chair.

37. *Schedule Ratings*—(See No. 3).—The consideration of this subject was resumed as follows:—

Machine shops, iron foundries, silk factories, tobacco, cigar, cigarette and snuff factories were severally considered in detail, and after some slight changes were made in the printed schedules they were all adopted.

38. *Expenses of Schedule Rating.*—On motion it was decided that the expense of schedule rating be kept separate from all other expenses.

39. *Schedule Rating Committee.*—Moved by Mr. Wm. Tatley, seconded by Mr. F. W. Evans,

That the Toronto representatives of the Schedule Rating Committee be requested to prepare schedules for rating the remaining special hazards required to be dealt with.—Carried.

Moved by Mr. F. W. Evans, seconded by Mr. J. J. Kenny,

That the standing schedule rating committees in Montreal and Toronto shall have the power to alter the basis rate of any class of risk for which schedule ratings have been or may hereafter be adopted, if they find on practical application of the schedules that such basis rate has been fixed either too high or too low; such changes to be made subject to the confirmation of a majority vote of the Montreal and Toronto committees of the association.—Carried.

40. *Sprinklers and Co-insurance.*—Moved by Mr. H. L. Boulton, seconded by Mr. S. C. Duncan Clark,

That when a risk is fully equipped with automatic sprinklers the allowance for such shall only be made when the insurance on such risk is kept up to 75 per cent. of the value thereof.

Moved in amendment by Mr. Thos. Davidson, seconded by Mr. S. F. Magurn,

That the matter be referred to the schedule rating committee with instructions to report before the close of the present meeting.

The amendment was carried.

NOTE.—This question being subsequently dealt with by the report of the co-insurance committee, action under this motion became unnecessary.

MORNING SESSION, THURSDAY, 15th October, 1885.

Met at 10 a.m., pursuant to adjournment. G. F. C. Smith, president, in the chair.

REPORT OF COMMITTEE B.

The president called on Committee B for their report on items Nos. 13 *a*, *b* and *c*, and No. 14. The chairman, Mr. Thos. Davidson, presented the following report, and on motion it was received:—

41. *Agents Representing Mutual or other Non-Tariff Companies.*—The committee beg to report, that after full consideration of the existing rules bearing on joint agencies, it is the opinion of this committee that they are sufficiently clear to enable the association to deal with the case at Toronto, which has been brought under its notice, but that in order to avoid similar questions in future, it be resolved that hereafter no office or person holding official connection with a non-tariff office or acting as agent or sub-agent for a non-tariff office shall be eligible to represent or act for a tariff office whether as general agent, sub-agent, or in any other capacity whatever.

After the subject was fully discussed, on motion of Mr. Thos. Davidson, seconded by Mr. J. B. Hughes, the report was unanimously adopted. The committee not having dealt with item No. 14, was asked to present a supplementary report thereon.

Moved by Mr. A. T. Paterson, seconded by Mr. Thos. Davidson,

That the secretary be instructed to communicate at once to all offices, members of this association, the rules now bearing on agents representing both tariff and non-tariff offices, and to inform them that these must positively be carried into effect before 1st December next, requesting them to advise him not later than that date that they have conformed thereto.—Carried.

42. *Admission of Mutual Companies to Membership.*—Moved by Mr. E. D. Lacy, seconded by Mr. J. B. Hughes,

That the question of admission of mutual companies to membership in this association be referred to Committee B on item 13 of the agenda, with instructions to formulate conditions for such companies' admission.—Carried.

43. *Local Boards.*—(Item No. 15.)—After a full discussion of the subject of local boards it was

Moved by Mr. James W. Taylor, seconded by Mr. S. Brown,

That this association fails to see that any expense should be incurred by companies in connection with local boards, in places under tariffs A, B or C, and that notice be given to the secretary of any existing board to that effect.

Moved in amendment by Mr. G. E. Hart, seconded by Mr. Wm. Henderson,

That the expenses to the companies of any local board, working under tariffs A, B or C, shall be limited to \$200 a year; and further, that no local board shall have any claim upon any company until its organization shall have been sanctioned by this association.

The amendment was carried.

44. *Commission to Agents (see No. 9).*—(Item No. 17.)—Mr. E. D. Lacy, chairman of this committee, read the following report, and moved that it be received.—Carried.

The committee on commissions beg leave to report that they find such a variety of opinions and practice in regard to commissions paid agents, that they deem it inexpedient to recommend any action to be taken at this meeting, but that the whole subject be referred to the next meeting of the association.

On motion of Mr. E. D. Lacy, seconded by Mr. G. E. Hart, the report was adopted.

REPORT OF COMMITTEE D.

Mr. W. A. Sims, chairman of the committee, read the report, and on his motion it was received.

It was then read clause by clause and amended to read as follows:—

45. *Local Agents.*—(Item No. 18.)—That a circular be printed containing all instructions and rules binding on agents in force at the conclusion of the present general special meeting, and that to this circular be appended the following agree-

ment which companies shall require to be signed by each agent in triplicate—one copy to be retained by said head office, another to be forwarded to the secretary of the association, and by him placed on file, the triplicate to be retained by the agent :

AGREEMENT.

To the.....Insurance Company. The original and duplicate.

I hereby acknowledge having received copies of tariff and instructions to agents, and undertake to adhere to the rates and rules of the Canadian Fire Underwriters' Association, as therein set forth, and as may be hereafter communicated to me from time to time. And I further agree not to represent any non-tariff office nor to place a risk in any company not member of the said association, either with or without consideration, directly or indirectly, except in instances when all companies shall be full, or shall not be open for the insurance, and then only in strict conformity with tariff rules and regulations.

46. *Secretaries to Communicate Specific Ratings to Local Agents.*—(Item No 19.) After full consideration, and while admitting the many advantages of the scheme proposed, viz., that the secretaries should communicate specific ratings direct to local agents, your committee foresee so many difficulties in the way of its practical working, that they confirm the decision of last annual meeting, that it is inexpedient to deal with the matter.

47. *Obtaining Risks Under False Pretences* —(Item No. 20.) It is the opinion of the committee that it would be undesirable to pass any regulation which would at all restrict the right of free appeal to the association.

48. *Embezzlement by Agents.*—(Item No. 21.) That a petition be drawn up under proper advice, and signed by all companies, members of this association, together with such of the life offices whose co-operation can be secured, and presented to the Minister of Justice, suggesting that sections 81 and 82 of the Criminal Code of the Dominion should be so amended as to include insurance agents guilty of embezzlement of the company's funds. (Your committee would suggest the name of Mr. Dalton McCarthy, Q.C., to draw up the petition referred to.)

Upon suggestion, Mr. J. J. Kenny and Mr. W. A. Sims were appointed a committee to carry out this resolution.

49. *Compliance with Rules* —(Item No. 22.) The system adopted by the Montreal committee having been explained your committee, the adoption thereof for the whole association is recommended.

Your committee would further re-affirm the resolution on this subject passed at the last annual meeting and recommend its strict enforcement.

On motion of Mr. W. A. Sims, chairman of the committee, the report as above amended was adopted.

50. *Appeals from Secretary.*—(Item No. 23.) This subject was referred to Committee L. (Committee on Rates.)

REPORT OF COMMITTEE E. Items No. 24, 25, 26 and 81.

The chairman, Mr. G. E. Hart, read the report, and on his motion it was received.

Your committee beg to report upon the items submitted to them as follows :

51. *Mortgage Clause.*—(Item No. 24.) That the rule regarding its use be left as at present.

52. *Covering Risks of Arson.*—(Item No. 25.) That the granting to individuals, banks or corporations of the mortgage clause, or such conditions as would protect mortgagees, assignees or payees under a policy against the actions or omissions of owners of grain, merchandise or other movable property, whilst not contrary to the rules of this association is considered a bad practice, and this committee recommends that a rule should be adopted by the association forbidding it.—Carried.

Thereupon it was moved by Mr. Thos. Davidson, seconded by Mr. A. T. Pater-

Be it resolved: That no mortgage clause or agreement embodying similar terms, or terms guaranteeing payment of loss notwithstanding any act or omission of the owner or the assured, shall be granted to the assured, whether individuals, banks or corporations, whether as mortgagees, assignees or payees, under a policy, save upon real and fixed property only; and that no insurance contracts or agreements now in operation in contravention of this rule be continued.—Carried.

The meeting adjourned till 2.30 p.m.

—
EVENING SESSION, THURSDAY, 15th October, 1885.

Met at 7.30 p.m., pursuant to adjournment. Mr. G. F. C. Smith, president, in the chair.

54. *Warehouse Receipts*—(Item No. 26.) That the danger of granting insurance to parties upon goods in their own custody when loss is made payable to banks, or other third parties, has been strongly evinced in a recent case, therefore it is recommended by this committee that some precautionary measure should be taken by the company insuring under such circumstances to see that the goods are vouched for by disinterested parties as actually remaining in the warehouse during the currency of the insurance.

55. *Further Insurance*.—(Item No. 81.) That the rule demanding a list of further insurance on lumber or other property having the average clause attached is unnecessary and should be rescinded.

On motion of Mr. G. E. Hart the report as amended was adopted.

56. *Rates at Distant Points*.—(Item No. 5.) The report of the committee on rates at distant points was read and on motion received. After considerable discussion on this report it was, on motion of Mr. Thomas R. Wood, seconded by Mr. S. Browne, referred back to the committee owing to an informality.

57. *Co-Insurance*.—(Item No. 8.) Mr. Jas. W. Taylor, chairman of the co-insurance committee, read the report, and then moved the reception and adoption of the same, which was carried as follows:—

Your committee beg to report,

1st. That no active work has been done by the committee as such, since the general meeting of the association held on the 20th March last, the matter having been left in a position not calling for committee meetings. The committee would, however, point with satisfaction to the hearty support which the movement has received from all insurance newspapers in Canada, to the steady growth of opinion in the United States in favor of it, and to actual, if limited, adoption of the principle in Great Britain in relation to cotton and other special hazards.

2nd. Your committee beg to report the following resolution:—

That this committee deem it inexpedient that the co-insurance clause should be generally adopted in Canadian practice, but consider that the adoption of schedule rating for special hazards, affords an opportunity for introducing the 75 per cent. co-insurance clause into a class of risk which experience shows to be generally largely under-insured, and they therefore recommend that a reduction of 15 per cent. be allowed from the total rate when the 75 per cent. co-insurance clause is inserted in policies insuring schedule rated special hazards, it being understood that where the risk is also entitled to a reduction in rate for fully equipped automatic sprinklers, that the reduction for automatic sprinklers and the 75 per cent. co-insurance clause combined shall be 30 per cent.

58. *Schedule Rating Committee*.—(Item No. 2.) Moved by Mr. J. J. Kenny, seconded by Mr. S. F. Magurn,

That the report of the schedule rating committee be re-considered.—Carried.

Moved by Mr. J. J. Kenny, seconded by Mr. L. H. Boulton,

That the report of the schedule rating committee be re-confirmed, expunging the allowance for sprinklers and substituting therefor the clause in the report of the co-insurance committee, providing for a deduction of 15 per cent. for fully equipped

automatic sprinklers and 15 per cent. for 75 per cent. co-insurance clause, or 30 per cent. for both.—Carried.

59. *Underground Insurance*—(Item No. 3.) Mr. Taylor, convener of this committee, made a verbal report of what had been done, and what was being done in this matter, which was accepted as satisfactory. The old committee was continued and requested to report in due course.

60. *Postal Rates Committee*—(Item No. 4.) Mr. Taylor, chairman of this committee, made a verbal statement of the position of matters and recommended that further representations by deputation be made to the Postmaster General. The report was adopted and the present committee was continued, and the matter was left in their hands.

61. *Uniform Policy Conditions*—(Item No. 6.) The committee reported that nothing had been done in this matter, and that they were of opinion nothing could be done unless the Ontario Government moved to amend the statutory conditions, that therefore the matter be referred to the following committee which shall be known as the uniform policy conditions and insurance legislation committee. Committee in Toronto: Western, London and Lancashire, Norwich Union, National of Ireland, Lancashire, Ætna, and Waterloo. In Montreal: Northern, Liverpool and London and Globe, Citizens, Queen, North British and Mercantile and Hartford.—Carried.

62. *Insurance Legislation in Ontario*.—(Item No. 7.) Mr. S. C. Duncan-Clark reported that steps were taken which resulted in the withdrawal of the obnoxious Bill amending sec. 16, statutory conditions.—Adopted.

63. *Mutual Companies*.—(Item No. 14.) Mr. Davidson, chairman of committee B, read the following supplementary report, and then moved that it be received and adopted.—Carried.

The committee are of opinion that none but tariff companies should be supplied with copies of tariffs and rates.

64. *Admission of Mutual Insurance Companies to the Association*.—The committee report that in their opinion it is impossible to adopt any fixed rule for the admission of these companies to the association, and would recommend that the terms and basis of entrance be considered upon receipt of each application and be decided upon by joint committees.

REPORT OF COMMITTEE F AND G.

65. *Municipal Taxation of Insurance Companies*.—(Item No. 27.) Mr. J. J. Kenny, chairman of this committee, read the following report, which, on his motion, was received:—

That the present rule for dealing with cities and towns imposing municipal taxation upon companies be rescinded. That from and after the first day of November next (1st Nov., 18-5) in cities and towns where taxes are imposed and assessed upon the net income an increase of five cents on each \$100 insured shall be charged; and in those places where the gross income is assessed an increase of ten cents per \$100 insured shall be charged, and these additions to the rates shall be on all risks rated in the tariff.

1. Moved in amendment by Mr. L. H. Boulton, seconded by Mr. Wm. Tatley,

That when the municipal taxation on the companies be made upon net income only that no increase of rates be charged; but that when such taxation is assessed on gross income, the present rule shall apply.

2. Moved in amendment to the amendment by Mr. Stewart Browne, seconded by Mr. W. A. Sims,

That the present system of dealing with taxation be continued.

The second amendment was put and lost, when it was further moved in amendment by Mr. S. C. Duncan-Clark, seconded by Mr. C. C. Foster,

3. That the present rule with regard to municipal taxation be rescinded, and that each case be treated, as it arises, on its merits.

This last amendment was put and lost also, whereupon the first amendment (No. 1) was put and carried, and becoming the main motion was carried on the same division.

66. *Relations between the Manitoba Board and the Association.*—(Item No. 29.) On motion, the clause on this subject in the committee's report was withdrawn, and the following substituted therefor:—

That inasmuch as the members of this association form a majority of the Manitoba board, it is desirable that the other members of that board become members of this association, and that they be invited so to do by the secretary.

67. *Calling of General Meetings.*—(Item No. 30.) That the proposed amendment be added to article 6 of the constitution after the word "meeting" in the fifth line of said Article, namely: Special general meetings may also be called by the joint resolution of the two committees.

68. *Change of Nomenclature of Committees.*—(Item No. 31.)

The committee recommend that the proposed change from "Montreal Committee" and "Toronto Committee" to Montreal Branch and Toronto Branch respectively be adopted.

On motion the report as amended was adopted.

NOTE.—Mr. Magurn desires to have it noted that he disclaims any authority to vote in this association in relation to Manitoba matters.

REPORT OF COMMITTEE H.

Mr. Boulton, convener of this committee, presented and read the following report, which on his motion, was received:—

Your committee beg to report as follows:—

69. *Insurance Block Plans.*—(Item No. 32.) That in view of the absence of Mr. Goad for probably some months this subject be deferred.

70.—*Electric Lighting, Inspection of.*—(Item No. 33.) That this is already provided for, but the companies are reminded that in granting permits for electric lighting they are required to demand the necessary certificate, and that a circular to agents be sent pointing out the necessity of complying with this requirement.

71. *Overtime Extra.*—(Item No. 36.) That the committee recommend that extra for overtime as named in the agenda be adopted as follows: Cotton and woollen mills, for all-night permits, 75 per cent. of the regular rates; for permits to run not later than midnight, 30 per cent. of the regular rates. Short rates to be charged in all cases where such permits are granted for periods less than a year. The term for which such permits are granted to be fixed, and premium therefor paid in advance.

On motion the report was adopted.

REPORT OF COMMITTEE I.

Mr. S. C. Duncan-Clark (convener) presented and read the following report, which, on his motion, was received:—

72. *Lumber Losses.*—(Item No. 34) Question submitted: What should be the basis for value in adjusting losses on lumber? Reply: The committee recommend as follows: That inasmuch as the conditions in connection with the production of lumber and with transactions in same are of so diverse a character it is therefore undesirable to do more than simply recommend that the broad principle of indemnity for loss based upon the market value on the spot, immediately preceding the occurrence of the fire be applied as the basis for value in adjusting losses on lumber and made applicable as called for by the different circumstances of cases as they arise.

73. *Lumber Tariff.*—(Item No. 35.) To amend rates on lumber for winter months, &c., recommended that short period risks on lumber adjacent to steam mills silent for the time being may be taken between the 1st November and 1st May at the rate fixed by the tariff for lumber contiguous to water mills or silent steam mills provided that no such policy shall run beyond the 1st May.

Recommended, that the following clause be inserted in the lumber tariff:—

74. *Division of Amounts.*—When lumber is separated by alleys, streets, or other clear spaces of 50 feet and upward into two or more different bodies, division of amounts or the full average clause must be required.

Recommended that the clause in the lumber tariff under head of "further insurance" be cancelled and expunged.

That the figures in the rate columns of table B, lumber tariff, being the same as those upon table A with other fractional figures added, and with the additional figures as found in the former be now the recognized tariff of lumber rates (as per printed amended tariff submitted).

On motion the report was adopted.

REPORT OF COMMITTEE L.

Mr. F. W. Evans, convener, presented the following report which was taken as read, and on his motion received, and then considered in detail (Items No. 41 to 78 and 82 to 93 inclusive):—

41. *Agricultural Society Buildings.*—Not expedient to rate.
42. *Marble Stocks*, in yard. Rate to be same as shop in connection with same.
43. *Plate Glass and Mirror Works.*—Rate to be the same as picture frames, No. 152.
44. *Furniture Sale Shop*, with oiling and varnishing only. Not expedient to rate.
45. *Dry Goods Stores*, employing more than workpeople. Dealt with under No. 38.
46. *Weaving Sheds*, with and without dyeing. Rated under No. 129A.
do do do storage. do do
do do do shoddy or cotton. do
47. *Druggists' Retail.*—Where manufacturing is done. Rate same as wholesale manufacturing, No. 66.
48. *Eggs.* Dealt with under No. 164 "Refrigerator Storehouses," sec. 28, Supplement 3.
49. *General Stores.*—To assimilate the ratings in the Quebec and Ontario tariffs. Rates to be stated as in Quebec tariffs A, B, C, D, No. 101a.
50. *Hardware*, with and without oils. To assimilate the ratings in the Quebec and Ontario tariffs and to define hardware with oils in counter-distinction to oil and color stores Hardware without oils to be struck out of Ontario tariff.
51. *Workmen's Permit.*—Minimum charge to be \$1.00. Not expedient.
52. *Vessels.*—To require separate amounts for hull, engine, boiler, furniture tackle and apparel. Not expedient. That a reduction of 25 cents be allowed on vessels, when the 75 per cent. average clause is introduced.
53. *Leather Stores*, where dyes are kept. Rate same as 132 and 133, Quebec tariff.
54. *Brick Makers and Machines.*—Not expedient to rate.
55. *Tanneries.*—To re-consider rate. Will be considered under schedule rating.
56. *Butter and Cheese Factories.*—(Steam power), to increase rates. Rates sufficiently high at present.
57. *Boiler Houses.*—To define rate more clearly than by present rule of "same as greatest hazard adjoining." Will be dealt with under schedule rating.
58. *General Store.*—To discriminate in rate between stores where non-hazardous articles are stored and those where hazardous articles, oils, rags, jute, fibre, &c., are stored. No change necessary.
59. *Club Houses.*—To expunge from tariff. Expunge from tariff.
60. *Saw Mills.*—Allowances for force pumps or hydrants or sprinklers. Allowance of 50 cents when veneered with brick or metal clad. Schedule ratings will deal with this.
61. *Sheet Iron Workers.*—To rate. Rate same as tinsmiths.
62. *Steamfitters.*—To rate. Rate same as plumbers (with work done), No 157.

63. *Wine and Liquor Stores* where bottling is done. To rate. Rate same as bottling cellars, No. 22.

64. *Wire Workers* (with steam). Amend rate to same as barbed wire works. Rate same as barbed wire works. No. 4 specials.

65. *Leather Belting Factories*.—To increase present rate if any tanning or currying process is done. Rate same as tanneries, No. 96.

66. *Glove Making*.—To increase present rate if any tanning or currying process is done. Rate same as tanneries, No. 96.

67. *Pulp Mills*—To give a lower rating where no chemicals or heat is used. Schedule rating will deal with this.

68. *Coach and Carriage Builders*, without steam. To assimilate to carpenters' shops. Not expedient to change.

69. *Coffee Roasters and Grinders*.—To rate separately from spice mills. No.

70. *Sausage Makers*, without steam. Rate same as No. 161, Quebec Prov. tariffs. Yes.

71. *Sausage Makers*, with steam. Same as pork packing and curing. Yes.

72. *Cigar Makers*, employing less than hands. Cigar makers, not over 15 hands. Rate on basis of 1 per cent. on building and 1½ per cent. on contents.

73. *Cigar Makers*, employing more than that number. Over 15 hands, see specials as already provided for in Mon. Tariff.

74. *Rubber Factories*.—To make adequate allowance for the introduction of sprinklers. Schedule rating will deal with this.

75. *Oil Cloth Factories*.—To reconsider rate. Power is given to the Montreal committee to fix rates if necessary independent of tariff.

76. *Telephone Offices*.—To rate. Rate same as telegraph offices.

77. *Dwelling Houses*.—To rate annually and tri-annually. Not expedient.

78. *School Houses* do do do

82. *Re Rates*.—Builders' risks to apply to all risks, tariff or non-tariff. Not expedient.

83. *Tugs and Ferry Boats*.—To increase rate over steamboat rates. Not correct.

84. *Drying*.—Charge extra when not specially mentioned and provided for in rating. (1) By steam heat. (2) By fire heat. Must be considered with hazard to which it belongs.

85. *Printing Offices*.—With five horse power engine, to be same as hand power. Inexpedient.

86. *Storehouses* used in connection with manufacturing risks.—To amend so as to define distance at which risk is unendangered. Not possible.

87. *Bark*.—One-half per cent. to be added to present rates when within fifty feet of railroad track. Add fifty cents.

88. *Planing Mills*.—To amend so as to allow deduction for entire brick chimney. Dealt with in schedule rating.

89. *Wadding and Batting Factories*.—To rate. To be specially rated.

90. *Lamp Dealers*.—Add extra for manufacturing. Rate same as tinsmiths.

91. *Second-Hand Stores*.—To rate. Rate same as rag and junk stores.

92. *Feather Stores*—To rate. No work done. Rate same as toy shops, retail; with work done, same as dyers.

93. *Dwellings*.—To extend rating to 2nd, 3rd and 4th class. (Montreal tariff.) Not expedient.

94. *Hatters and Furriers*, retail—No manufacturing (Quebec tariffs).—To assimilate with Ontario tariff. Not necessary.

95. *Tinsmiths*.—To amend (1) sales shop only. (9) When work is done. Unnecessary.

96. *Wheelwrights* (hand power)—To rate. Water power rate applies.

97. *Plaster Mills*.—To reconsider rates. Steam or water. \$2, \$2 50, \$3,

98. *Vessels*.—75 per cent. Average clause. That a reduction of 25 cents be allowed on vessels, when the 75 per cent. average clause is introduced. Recommended.

74a. Rating by Joint Committees—That this committee (in view of the large number of applications for ratings, which are referred to each annual or general or special meeting of the association, requiring much time for their consideration), recommend that power be given to the joint committees at Montreal and Toronto to fix rates on classes of risks not already provided for. Such rates to come into force only after they have been approved by the majority of both committee and promulgated by the secretary.

The last two clauses of the report were considered first, and upon their adoption it was moved and carried—

“That power being given by the last clause of the foregoing report to the joint committees of Montreal and Toronto to deal with ratings, the whole of the ratings in the foregoing report be referred to the joint committees for their action.”

75. Almonte Knitting Co.—The secretary having stated that his rating on the Almonte Knitting Co.'s mills had been questioned,

It was resolved that the secretary's action in rating the Almonte Knitting Co.'s Mills be sustained.

On motion the report as amended was adopted.

The meeting then adjourned till 9.30 a.m. next day.

MORNING SESSION, Friday, 16th October, 1885.

Met pursuant to adjournment at 9.30 a.m.

Present.—Mr. G. F. C. SMITH, president, in the chair; Messrs Geo. Denoon, Jas. W. Taylor, S. F. Magurn, F. Cole, E. A. Lilly, Wm. Henderson, E. D. Lacy, S. C. Duncan-Clark, W. A. Sims, C. C. Foster, James Lockie, L. H. Boulton, Geo. J. Pyke, Wm. Tatley and J. B. Hughes.

The minutes of yesterday's proceedings were read and confirmed.

76. Lumber in the Chaudière District.—On motion the secretary was ordered to add a note to the new lumber tariff to be printed, stating that the special ratings in Chaudière District are not affected by the said new lumber tariff.

77. Municipal Taxation of Companies.—That inasmuch as the committee appointed to consider and report on the subject of municipal taxation of companies have reported on the manner of such taxation as applicable to the Province of Ontario only, to which also the accepted amendment solely applies:

Be it resolved, that as regards the taxation of companies in the Province of Quebec, the subject be left to be dealt with by the Montreal branch of the association, as the circumstances of each case may be considered advisable.—Carried.

78. Electric Lighting.—(Item No. 33.) A question was asked as to the arrangement made in reference to the inspection of electric light plant. The secretary briefly stated that Mr. A. B. Smith, electrician, had been appointed to inspect the electric lighting in Toronto, and all places west of it, and Mr. O. Higman for Ottawa.

A letter from Mr. A. B. Smith was read as to the way in which the fees should be collected. The question was referred to the Toronto branch for action subject to confirmation by the Montreal branch.

79. Inspection of Specials for Schedule Rating.—A letter was read from Mr. Alfred Perry, of Montreal, offering his services as inspector *re* special rating, and was referred to the Montreal branch of the schedule rating committee.

REPORT OF COMMITTEE K.

Mr. W. A. Simms, convener of this committee, presented the following report which on his motion was received and read clause by clause:

80. Constructions not Provided for by Tariff.—(Item No. 37.) Concrete build, ings—class same as brick. Brick nogged, and wood, brick lined—class same as brick encased.

81. Large Risks.—(Item No. 38.) That extras be named and charged when the area of a building, or of building communicating without fire-proof doors or not

having walls through roof, shall exceed square feet, or when the height of a building shall exceed feet.

The committee affirms the desirability of charging an extra for risks defined in this item. The application of the extra to be discretionary with the rating committee.

82. *Cumulative Ratings for Frame Block and Additional Occupancies.*—(Item No. 39.) (a). Is it not desirable that some means be provided for rating frame buildings in blocks, and brick buildings in which there are several occupancies in one block, without dividing party walls?

(b). To rate country stores of two or more in a block in places not provided with means for extinguishing fires.

(a). It is desirable to provide some means for rating frame buildings in blocks in all classifications; but it is not expedient to take proposed action in regard to brick buildings save in places classed E and F.

For frame ranges, of two or more, in all classes, add 10 cents per cent. for each occupancy (overhead dwellings and offices excepted) to the rate of the greatest occupancy hazard of the range.

(b). For brick stores in classes E and F add 5 cents per cent. additional for each occupancy over one in the building or block (overhead dwellings and offices excepted) to the rate of the greatest occupancy hazard of the building or block.

On motion, items 37 and 38 of the report were adopted, and item No. 39 was referred to the two branches with power to take joint action thereon.

83. *Rates at Distant Points.*—(See No. —.) On motion it was ordered,

That committees on rates at distant points, whose report was referred back for consideration, be asked to report to the Montreal and Toronto branches respectively, not later than 1st December next, and that upon the adoption of such report in the respective branches the rates so adopted shall come into force upon a date fixed by said branches, but not later than 1st January, 1886.

84. *Hamilton, London and Kingston*—Ordered,

That the secretary inform the municipal corporations imposing a tax upon companies of the action of this association with regard to such municipal taxation, and ask them to officially notify him whether the tax is levied on the gross or the net income. That the secretary immediately inform companies of the result of his inquiry.

85. *Further Insurance.*—(See No. —.) Moved by Mr. Wm. Tatley, seconded by Mr. E. A. Lilly,

That the rule of the association making it obligatory to require particulars of further insurance when less than \$50,000, be repealed, and that it be left as formerly to the discretion of offices as to when they will require such particulars.—Carried.

86. *Special Rating of Peculiar Risks.*—Moved by Mr. Wm. Tatley, seconded by Mr. E. D. Lacy,

That when a risk from peculiarity of construction of the building is better than what was contemplated when the minimum tariff was established, or when a risk of any occupation not provided for in schedule rating is provided with fully equipped automatic sprinklers or automatic fire alarm, it shall be competent for either branch of the rating committee, when required by either branch of the association, to specially rate such risk—anything in the association rules or ratings to the contrary notwithstanding.—Carried.

87. *Amalgamation of Ontario and Quebec Tariffs.*—(Item No. 80.) Moved by Mr. S. F. Magurn, seconded by Mr. J. W. Taylor,

That the questions of amalgamating the Ontario and Quebec tariffs, and the advisability of reprinting the tariff, be referred to the respective branches to consider and to report at the next annual meeting.—Carried.

88. *Vote of Thanks.* Moved by Mr. Wm. Tatley, seconded by Mr. S. F. Magurn, and unanimously resolved:—

That a hearty vote of thanks be given to the mayor and corporation of Ottawa, for kindly granting the use of the City Hall, so admirably adapted for the purpose, for

the holding of the meetings of this association; and that the president and vice-president be a committee to communicate this resolution to the mayor.

The president left the chair and Mr. S. C. Duncan-Clark, vice-president, was called upon to preside, and on motion a hearty and unanimous vote of thanks was given to the president for his very able and efficient conduct in the chair.

The president, in reply to the vote of thanks so heartily given, expressed his acknowledgment in fitting terms, and thanked the members for the orderly manner in which they had carried on the proceedings now brought to a close. He had especially to thank them for the manner in which they had accepted and acquiesced in the various rulings he was called upon to make.

The meeting was then adjourned.

G. F. C. SMITH,
President.
ROBERT McLEAN,
Secretary.

C.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION

Extracts from Minutes of Toronto Branch.

TORONTO, 1st December, 1885.

REGULAR MONTHLY MEETING.

Met this day at 11 a.m.

Present :—Thos. R. Wood, Ætna; Geo. Denoon, British America; S. F. Magurn, City of London; R. Wickens, Commercial Union; J. T. Vincent, Glasgow and London; Wm. Henderson, Hartford; Wm. Blight, Lancashire; W. A. Sims, London and Lancashire; L. C. Camp, Phoenix of Brooklyn; Geo. J. Pyke, Quebec; Hugh Scott, Queen City; J. J. Kenny, Western.

In the absence of Mr. S. C. Duncan-Clark (Lancashire), Mr. Wm. Henderson was called to the chair.

The minutes of the meetings of the 17th and 18th ult., were read and approved.

Admission of Mutual Insurance Companies to Membership.—A letter from Mr. Hadrill, of 28th ult. was read, and a resolution passed by the Montreal Branch re admission of mutuals that day was also read. After the matter had been fully discussed the following resolution was unanimously adopted :

1st. That any business done on risks accepted on the premium note system for three years, the premium note or undertaking shall be at or on a basis of not less than four times the annual tariff rate, upon which not less than 20 per cent. in cash shall be collected. (This means 80 per cent. of our annual tariff rate.)

2nd. That on all business written on the premium note system for one year or less, not less than 75 per cent. of the tariff rate shall be collected in advance in cash.

Note.—These two are substituted for 1st and 2nd paragraphs in minutes of 18th November. No. 3 and 4 to stand re Wellington Mutual and Hand-in-Hand.

The following letter from the Agricultural Insurance Company, of Watertown, New York, was read as follows:—

ROBERT McLEAN, Esq.,

Secretary Canadian Board of Fire Underwriters' Association, Toronto, Ont.

DEAR SIR,—In accordance with your request in our recent conversation, the Agricultural Insurance Company, of Watertown, N. Y., hereby makes application to become a member of your association on the following conditions:

1st. That our annual assessments shall not exceed the sum of twenty-five dollars.

2nd. That the association adopt a specific form of application and policy for

farm property, substantially like those used by said company or by the Royal Insurance Company (in Canada), and including the two-thirds clause on farm buildings.

I remain very respectfully yours, &c.,

H. M. STEVENS, *Secretary.*

The Hand-in-Hand having applied for admission to membership in the association, it was resolved that the company be admitted on the terms contained in the resolution passed this day in reference to the admission of the Wellington Mutual.

It was moved by Mr. J. J. Kenny, seconded by Mr. W. A. Sims,

That on Saturday the 5th inst., each tariff company shall wire all agents who have not returned the agreement regarding the representation of non-tariff companies duly signed, advising them that from that date their authority to act for such tariff company is suspended until the said agreement is executed and returned.

This action is subject to the concurrence of the Montreal Branch, which the secretary is to request by wire to-morrow.—Carried unanimously.

The following question was asked: A policy is taken out on lumber 100 feet space clause, full average $2\frac{1}{2}$ per cent. annually, from 2nd November, 1885. On 18th November, 1885, mill ceases to run, can we cancel policy in order that the rate may be made $1\frac{1}{2}$ per cent. until mill runs again when extra will be paid? Reply: Short date rates must be collected when policy is cancelled, and all insurances taken on lumber between the 1st November and the 1st May must be taken at short date rates as per No. 73, page 8, minutes of Ottawa general meeting.

TORONTO, 3rd December, 1886.

Met this day at 11 a.m., pursuant to yesterday's adjournment.

Wm. Henderson (Hartford) in the chair.

A certain company is said to have taken a risk of \$16,000 on a private dwelling, the property of Mr. George Robinson, of London, with a clause in the policy that in case of loss the assured will not be called upon or required to make a detailed statement of his loss. His own affidavit made to the best of his knowledge and belief as to the extent of the loss will be deemed sufficient proof.

In reply to this statement it was held that no board company should accept a risk with such conditions as stated, and this branch desires to express its strong disapproval of such a practice.

The classification of Aylmer, Orillia and Brockville was referred to the fire appliance and classification committee to report.

On motion Mr. J. J. Kenny was authorized to sign cheques in the absence of Mr. Duncan-Clark from Toronto.

A letter of 2nd inst. was read from the Montreal branch in reference to the admission of mutuals to the association, and suggesting that a meeting of the Toronto branch be held on Saturday, the 5th inst., at which a deputation from Montreal would be present. The following resolution of the Montreal branch passed, was read:

That in view of the diversity of opinion existing between the two branches as to the terms upon which mutual companies should be admitted to the association, it be hereby

Resolved, That a deputation from this branch should proceed to Toronto to confer with the branch there as to the advisability, in the interest of stock companies, of the admission of mutual companies on any terms; and in the event of the opinion of the joint committee being in the affirmative to recommend the terms for their admission. That the said deputation consist of the president and Messrs. A. T. Patterson, Wm. Tatley, G. E. Hart and Thos. Davidson.

That the proposal of the Agricultural of Watertown for admission to the association be also referred to the committee who are going to Toronto, with instructions to report on same to the Montreal branch.

The proposition of the Montreal branch was agreed to, and the secretary was instructed to wire to Mr. Hadrill to that effect; and also to notify the Waterloo Mutual, the Perth Mutual and the Mercantile of the meeting, with the view of their being represented thereat.

The Toronto committee on rates at distant points presented their report, which on motion of the chairman was adopted as follows:

That rates at points north of the Georgian Bay and west of Parry Sound (but exclusive of that town) shall not be less than 50 per cent. above the Ontario minimum tariff rates. No allowance shall be made for the 40 feet space clause; the question of additional charges for exposures being left to the discretion of the respective offices. The foregoing not to apply to special hazards.

That on all special risks the minimum basis rates be 25 per cent. advance on the minimum basis rates quoted in the Ontario tariff, but on schedule rated risks the advance to be on the basis and not on the total rate, excepting elevators and saw mills, the rate for which shall be the same as in Ontario tariff. On saw mills—planing mills and lumber—when risks are situate north and west of Port Arthur and Fort William, the rates of the Winnipeg Board will be adopted by this association, unless when they are lower than the tariff rates recommended in this report.

NOTE—The committee desire to express their opinion that the Winnipeg Board be confined to the Province of Manitoba on question of rates.

TORONTO, 7th December, 1885.

Toronto branch met this day at 11 a.m., pursuant to Saturday's adjournment, Wm. Henderson (Hartford) in the chair.

Also a deputation from the Montreal branch of the association, appointed at their meeting of the 28th ult., and consisting of Messrs. G. F. C. Smith, G. E. Hart, Thos. Davidson and Wm. Tatley.

Minutes of 1st and 3rd inst. read and Montreal minutes of the 28th ult. were also read.

A telegram was read from Messrs. Lockie, of the Mercantile, and Hughes of the Waterloo mutual, stating that in consequence of the cancelment of the early train on the Grand Trunk Railway, they could not arrive in Toronto in time for the morning session.

Mr. W. H. Howland addressed the meeting at some length in explanation of the origin and mode of insurance adopted by the Millers' and Manufacturers' Mutual with which he and Mr. Hugh Scott were connected. Messrs. Smith, Tatley and Magurn spoke in reply, after which Messrs. Howland and Scott withdrew.

By request the secretary read the correspondence that led to the Waterloo Mutual becoming a member of the association.

It was then moved by Mr. Smith, seconded by Mr. Magurn,

That the question of the admission of Mutual companies be referred to a committee to be named by the chairman, to meet the deputation from Montreal, said joint committee to report to a meeting of the branch at 3 o'clock this afternoon.—Carried.

The chairman then named all the members of the Toronto branch present as members of the said committee to confer with the deputation from Montreal.

The meeting of the branch adjourned to meet at 3 p.m.

WM. HENDERSON, *Chairman.*

ROBERT McLEAN, *Secretary.*

The meeting then went into committee of the whole, Mr. Henderson in the chair.

After considerable discussion it was moved by Mr. Tatley, seconded by Mr. Wickens,

That except in cases when a company offers any special features, not now contemplated, under which circumstances their case shall be specially considered,

Be it Resolved, That mutual companies may be admitted as members of this association, provided they bind themselves to collect full tariff rate, whether the insurance be effected upon the mutual or the cash plan, or whether it be effected for a long or short term; but it shall be competent for a mutual company doing a mixed business to join the association for its cash business only—without reference to its mutual business if it so elects; and nothing in this resolution shall prevent a mutual company from paying a dividend or bonus, provided such a dividend or bonus is paid only at the end of the term for which the policy was issued.

The committee adjourned to meet at 3 p.m.

MONDAY, 7th December, 1885.

The Toronto branch met at 3 p. m., and as the committee were not ready to report, they adjourned to 10.30 to-morrow morning.

The committee then resumed at 3 p. m.

Present :—Mr. Henderson in the chair; Messrs. Wood, Denoon, Hart, Magurn, Wickens, Vincent, Blight, Smith, Sims, Lockie, Davidson, Taylor, Pyke, Tatley, Banks, Hughes and Kenny.

Moved in amendment (to Mr. Tatley's motion) by Mr. Hart, seconded by Mr. Denoon:

That except in cases when a company offers any special features, not now contemplated, under which circumstances their case shall be specially considered, *Be it Resolved*,

1st. That purely mutual companies may be admitted to membership in this association on the condition that on any business done by them the premium note or undertaking shall be at not less than four times the annual tariff rates of this association; and that an assessment in advance shall be made of not less than 20 per cent. thereon annually in cash.—Carried.

2nd. That mixed mutual insurance companies, that is, companies doing business both on the cash system and mutual plan, may be admitted to membership in this association on the following conditions:—

(a.) That any business taken or accepted on the cash system shall be at not less than the tariff rates of this association.

(b.) That all risks taken on the mutual plan, the premium note or undertaking shall be at not less than four times the annual rates of this association, and that an assessment in advance shall be made of not less than 20 per cent. thereon annually in cash.—Carried.

3rd. That mutual companies having a subscribed capital stock or guarantee capital may be admitted to membership in the association, provided that they charge full tariff rates in cash in advance, which does not preclude such companies from declaring a profit or bonus at the end of the time for which such cash premium was paid.—Carried.

The original resolution on being put was negatived on the same division—except the preamble, which is retained as part of the amendment.

Mr. Tatley wished it recorded that he voted against Nos. 1 and 2 of the amendment to his resolution.

On motion the committee rose.

TORONTO BRANCH.

MORNING SESSION, TUESDAY, 8th Dec., 1885.

Met pursuant to adjournment; Mr. G. F. C. Smith (Liverpool and London and Globe) president, in the chair.

Mr. Henderson presented the report of the committee, consisting of the resolution as passed at the afternoon session of the meeting held on the 7th inst., and moved that it be received.

On motion of Mr. Magurn, it was decided to consider the report clause by clause, whereupon Mr. Henderson moved the adoption of the first clause, namely:—

That except in case when a company offers any special advantages not now contemplated, under which circumstances their case shall be specially considered, *Be it Resolved,*

1st. That purely mutual insurance companies may be admitted to membership in this association on the condition that on any business done by them, the premium note or undertaking shall be at not less than four times the annual tariff rates of this association; and that an assessment in advance shall be made of not less than 20 per cent. thereon annually in cash.

Mr. Hughes moved in amendment, seconded by Mr. Kenny,

That all the words after the words, "tariff rates of this association," be struck out. After a long discussion the amendment on being put was carried

Mr. Henderson moved the adoption of the 2nd clause of the report, namely:—

2nd. That mixed mutual insurance companies, that is, companies doing business both on the cash system and mutual plan, may be admitted to membership in this association on the following conditions:—

(a.) That any business taken or accepted on the cash system shall be at not less than the tariff rates of this association.

(b.) That all risks taken on the mutual plan, the premium note or undertaking, shall be at not less than four times the annual tariff rates of this association; and that an assessment in advance shall be made of not less than 20 per cent. thereon annually in cash.

Mr. Hughes moved in amendment, seconded by Mr. Kenny.

That all the words in paragraph (b) after the words, "tariff rates of this association," be struck out.

The amendment was carried, and the second clause as amended was carried on the same division.

Mr. Henderson then moved the adoption of the third clause referring to mutual companies with a stock capital, as follows:—

3rd. That mutual companies having a subscribed capital stock or guarantee capital may be admitted to membership in this association, provided that they charge full tariff rates in cash in advance, which does not preclude such companies from declaring a profit or bonus at the end of the time for which such cash premium was paid.

Mr. Hughes moved, seconded by Mr. Kenny, that all the words after the words "provided that they" be struck out and the following words be substituted therefor, "charge not less than 80 per cent. of tariff rates of cash in advance, and a premium note or undertaking of at least an equal amount."

The amendment on being put was lost, and the original resolution was carried on the same division.

Mr. Henderson then moved the adoption of the report of the committee as amended, which was carried.

On motion the meeting adjourned to meet at 2 p. m.

AFTERNOON SESSION, TUESDAY, 8th December, 1885.

Met pursuant to adjournment at 2 p. m.; Mr. G. F. C. Smith, president, in the chair.

At the request of the president, the secretary read the minutes of the morning session, referring to the terms of admission upon which the various classes of mutual insurance companies may become members of this association, as Messrs. Howland and Scott had not been present in the forenoon.

Mr. Howland addressed the meeting for some time, defending the position taken by him in the formation of the Millers' and Manufacturers' Mutual; that he, and not Mr. Scott, was responsible for the organization of that company. The president,

Messrs. Tatley, Magurn and Kenny replied, whereupon the regular business of the meeting was proceeded with, namely, the

Admission of the Agricultural of Watertown, N. Y.—The letter of the secretary of that company (already printed in the minutes) was read, and the form of farm applications used by that company and the Royal were submitted; and after the matter had been fully discussed,

It was moved by Mr. Magurn, seconded by Mr. Blight,

That the former resolution passed by the Toronto branch on the 1st December be rescinded and not printed in the minutes, and that it be resolved,

That the Agricultural Insurance Company of Watertown, N. Y., be admitted a member of this association upon signing the constitution and rules, including the basis upon which all companies are assessed for expenses.

That the secretary be instructed to communicate this resolution to the officers of that company; and to state that if they join, a committee will be appointed of which that company shall be one, to consider their proposition as to a uniform application and policy, and adopt them if found practicable.

Agencies of Non-Tariff Companies.

Moved by Mr. Kenny, seconded by Mr. Henderson,

That inasmuch as the terms upon which certain companies may be admitted to the association are still under consideration, the term for complying with the rule adopted at Ottawa in regard to agencies of non-tariff companies be extended to the 2nd January next; and any agent of a tariff company who shall have failed to comply with the said rule by that date shall have the agency of such tariff company revoked from that date.

Moved by Mr. Kenny, seconded by Mr. Hughes,

That all companies becoming members of the association shall pay their proportion of the expenses, the assessment for the same being based on their cash income of the previous year; but in no case to be less than \$25.

At this point the president left the chair, and Mr. Magurn was requested to preside.

It was then moved by Mr. Kenny, seconded by Mr. Henderson,

That a hearty vote of thanks be tendered to the president and the other members of the Montreal deputation for the valuable assistance given to this branch in dealing with the subjects under discussion. This motion was carried unanimously, to which the president for himself, and the deputation from Montreal, made a happy and suitable reply. The meeting then adjourned.

G. F. C. SMITH, *President.*

ROBERT McLEAN, *Secretary.*

Schedule Ratings.—In an informal manner the schedule ratings on specials not yet dealt with were divided between the two committees, and an expression of opinion was asked from the two branches at their next meeting as to whether saw mills, cotton mills other than standard mills should be dealt with or not.

D.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

Extracts from Minutes of Annual Meeting.

TORONTO, Tuesday, 30th March, 1886.

Met this day at 10 a.m.

Companies represented:—Mr. G. F. C. Smith (Liverpool and London and Globe), president, in the chair:—Ætna, Agricultural, British America, Caledonia, Citizens, City of London, Commercial Union, Fire Insurance Association, Glasgow and London, Guardian, Hand-in-Hand, Hartford, Imperial, Lancashire, London and Lancashire, London Assurance, Millers and Manufacturers, Mercantile, National of Ireland, North

INSURANCE.

663

British and Mercantile, Northern, Norwich Union, Phoenix of Brooklyn, Phoenix of London, Quebec, Queen, Queen City, Royal, Scottish Union and National, Waterloo, Western.

At the request of the president, the secretary read the notice dated 8th March, and the supplementary notice dated 18th March, 1886, calling the present meeting.

2. *Rules of Order.*—The president then read the rules of order which were observed at previous general meetings of the association, and they were adopted for the conduct of the present meeting.

3. *Minutes of Special General Meeting at Ottawa.*—The minutes of the Ottawa meeting were taken as read and confirmed.

4. *Montreal Sub-Agents of Toronto Offices*—A question being raised as to whether matters affecting the city of Montreal and suburbs solely, required the concurrence of the Toronto Branch; the president ruled that they did not, and in confirmation of that view read the following extracts from the Toronto minutes of 10th June, Montreal minutes 18th June and Toronto minutes 8th July, 1884:

Representation of Toronto Head Offices at meetings of Montreal Committee (notice of motion given 20th May):—

Moved by Mr. Sims, seconded by Mr. Scott, that local representatives in Montreal or companies having their head offices in Toronto, shall be empowered to vote on all questions affecting Montreal city (and suburbs) business and the election of brokers, there being no local board in Montreal. (Toronto minutes, 10-6-84.)

Montreal Sub-Agents of Toronto Offices.—“The resolution of the Toronto Committee of the 10th inst., was assented to with amendments in italics as follows:—

“*Resolved*, That local representatives in Montreal of companies having their head offices in Toronto shall be empowered to fully represent their head offices on the Montreal Committee, their action to bind their respective companies on all questions solely affecting Montreal city (and suburbs) business and election of brokers, there being no local board in Montreal and to obviate the necessity of having such questions referred to the Toronto Committee.” (Montreal minutes, 18-6-84.)

Montreal Sub Agents of Toronto Offices.—“The resolutions in reference to this matter as amended by the Montreal Committee was concurred in.” (Toronto minutes, 8-7-84)

A notice of motion on this matter was subsequently given.

MORNING SESSION, Wednesday, 31st March, 1886.

Met at 10 a.m., pursuant to adjournment. Mr. G. F. C. Smith (Liverpool and London and Globe), president, in the chair.

23. *Hating of risks not now subject to tariff.*—(Item No. 7.) Including farm property and dwellings, churches and schoolhouses. This question was discussed in open meeting for some time, when on motion of Mr. Magurn, the meeting adjourned till 3 p.m.

AFTERNOON SESSION, WEDNESDAY, 31st March, 1886.

Met at 3 p.m., pursuant to adjournment, Mr. G. F. C. Smith (Liverpool and London and Globe), president, in the chair.

24. *Rating of risks not now subject to tariff.*—(Item No. 7). The discussion on this item was resumed and the question was referred to Committee on Section B, with instructions to rate risks named therein. After some discussion items Nos. 8, 14 and 17 were referred to the same committee, and the part in No. 19 referring to dwellings.

On motion the rating of public boarding houses was expunged from the tariff, this class of risk being difficult of definition.

REPORT ON SECTION C.

25. Mr. Henderson, chairman of this section, read the report of this committee and moved that it be received.—Carried.

The report was then considered, clause by clause, as follows:—

The committee to whom was referred the following items on the agenda, viz.: Nos. 2, 13, 15, 32 and 36, beg most respectfully to report.

26. *Adjustment of Losses.*—(Item No. 2.) The desirability of the adoption of one uniform principle of adjustment of loss where policies are non-concurrent.

That it is desirable if practicable that a uniform principle of adjustment of losses be adopted and that a committee be appointed to consider the question in all its bearings, to report at next general meeting, and that meantime it is recommended that in cases of difficult adjustment as between companies, such be referred for the opinion of one or more disinterested offices.—Carried.

27. *Defaulting Agents and Unreasonable Claimants for Loss by Fire.*—(Item No. 13.) Is it desirable to report to the secretary the names of defaulting agents, and cases in which claimants for loss are unreasonable in their demands, so that a private record may be kept for the exclusive use of members of the association?

It is the opinion of your committee that it is inexpedient to frame any rule with regard to defaulting agents and unreasonable claimants. As to agents, companies have it in their power to protect themselves, and with regard to unreasonable claims, your committee feel that the association have no adequate means to deal with such. Moreover, whether a claim is reasonable or otherwise, is generally a debatable question, to which no fixed principle would be of easy application.—Carried.

28. *Endorsement Fees.*—(Item No. 15.) That endorsement fees be treated as premiums by agents, and not be divided as at present, by many companies allowing one-half of same to their agents.

That these fees are in no sense premiums, but are charged on account of the extra clerical work which endorsements entail. It is the opinion of your committee that the arrangements of offices with managers and agents in Canada, differ so much that a uniform rule cannot be laid down with respect to the disposition of these fees.—Carried.

29. *Contributions by Companies to Firemen's Benevolent Funds, Picnics, &c.*—(Item No. 32.) That as an association your committee cannot recognize the principle of contributing to such objects, but that each office be left to deal with the matter as it sees fit.—Carried.

30. *Scale of Charges for Adjusters and Appraisers.*—(Item No. 36.) The desirability of adopting a scale of charges for adjusters and appraisers and to fix a principle or basis upon which the offices shall contribute, whether according to amount of policies or amount of loss or otherwise.

Your committee would not recommend any change in the present practice of companies in payment of adjusters' and appraisers' fees, but they consider that offices should contribute in the ratio of the amount of the insurance on the subject involved.

Moved in amendment by the London and Lancashire, seconded by the Fire Insurance Association:

That as regards that portion of the committee's report upon the contribution by offices towards adjustment expenses, this association recognizes the principle of apportioning such expenses among the offices interested in the ratio of the amount of loss actually paid as the correct one.

The amendment on being put was lost, and the clause as in the report was adopted.

On motion of Mr. Henderson the report as above was adopted.

31. *Adjustment of Losses.*—The president appointed the following committee on item No. 2, "adjustment of losses," to report at the next general meeting as recommended by the Committee on Section C, viz.: Lancashire (Convener), Hartford, London and Lancashire, Western and Waterloo, Toronto, Imperial, Liverpool and London and Globe, National of Ireland (Convener), Northern and Royal, Montreal.

The above committee is appointed with the understanding that the Toronto and Montreal sections will correspond so as to enable them to make a joint report. The Toronto section being named to take the initiative.

The meeting then adjourned till 10 a. m. to-morrow.

MORNING SESSION, THURSDAY, 1st April, 1886.

Met at 10 a. m., pursuant to adjournment, Mr. G. F. C. Smith (Liverpool and London and Globe), president, in the chair.

The minutes of the proceedings of the afternoon session of yesterday were read and confirmed.

REPORT OF SECTION A.

33. Mr. Evans, chairman (schedule rating committee), read his report and moved its reception, which was carried. It was then read clause by clause, and on motion of the chairman it was adopted as follows:—

Report of Schedule Rating Committee—Pursuant to the resolution passed at the meeting of the association in Ottawa, in October, 1885, the schedule rating committees, appointed March, 1885, have continued their work and have completed schedules for nine other classes of hazards herewith submitted to you for approval, viz.:—Boot and shoe factories, button factories, glass works, canning works, evaporating establishments, agricultural implement factories, woollen mills, tanneries, breweries, coffee roasting (and or) spice mills, making with those previously formulated a total of 16 classes of special hazards brought under the operation of schedule rating. The remaining classes of specials, as a rule, contain very few risks in each class, and it is proposed that for special hazards not included in the ordinary minimum tariff and not scheduled under separate headings, a general standard shall be formulated with separate basis rates for different classes. In this connection it may be stated that our present list of schedule rated risks is larger than those of most if not all of the American tariff associations.

The Montreal committee immediately after the Ottawa meeting proceeded to draw up a form of survey to be used by inspectors, so framed as to show by a series of questions and answers, the rate of each risk under its own schedule. Various modifications were made in this survey form to meet the views of the Toronto committee and finally it was mutually agreed that each committee should prepare and adopt its own survey form. In the month of December it was decided to proceed with the work of inspection as directed by resolution passed at the Ottawa meeting; accordingly Mr. Alfred Perry was chosen from a number of applicants for the position of inspector and commenced work in the latter part of December. Since that time he has inspected most of the schedule rated risks in Montreal, Quebec, Ottawa, Kingston, Gananoque, Brockville, Sherbrooke and St. Hyacinthe, these being the principal points under the jurisdiction of the Montreal schedule rating committee. As a result of his work, some 175 risks have been inspected and the new rates upon these can at once be brought into force. The Toronto schedule rating committee have dealt with all the schedules referred to in this report, but have not yet adopted a survey form nor have they engaged an inspector, or inspected any schedule rated risks, and they beg to report that their operations have been somewhat delayed by the fact that Toronto city is under the jurisdiction of the Toronto board.

Power having been given the committees to alter the basis rate in cases where it might not seem to be correct, it has been deemed advisable to alter the flour mill standard from \$2.25 to \$2.50 for steam power, with similar advance on the other basis rates, at the same time reducing the extras for brick encased, from 50c. to 35c. and frame from \$1.00 to 50c., an extra has also been added for open lights.

The question of granting allowances for superior manufacturing risks at present embraced in the ordinary minimum tariff, has engaged the attention of your committee, and they have decided to recommend that for manufacturing risks embraced

in the ordinary minimum tariff, the joint schedule rating committees shall formulate a series of deductions on the percentage plan, from the present minimum rates for hoists, hatches, boiler and fire appliances.

As regards the deductions to be made for co-insurance and sprinklers, your committee recommend that those passed at the Ottawa meeting, viz.:—15 per cent. for 75 per cent. co-insurance, and 15 per cent. for automatic sprinklers or 30 per cent. for both combined, shall be the deduction for all manufacturing risks not embraced in the present ordinary minimum tariff, and for all risks in or on 1st and 2nd class buildings, manufacturing or otherwise, embraced in the ordinary minimum tariff. In towns classified "C" or above, deduction shall be as follows:—For full co-insurance, 10 per cent.; for full co-insurance and sprinklers, 20 per cent.; but no allowance for sprinklers without co-insurance.

In connection with this matter your committee wish it understood that wherever sprinklers are referred to they are to be automatic, and according to an approved standard.

In conclusion your committee think that the time has now arrived when schedule rating should be brought into active operation, and recommend that the new rates be brought into force on and after 1st May, 1886, on all risks then inspected and rated, and that as the remaining risks are inspected and rated, such rates be promulgated and brought into force.

Any limitations as to the order in which towns are to be brought under the operation of schedule rating being for this purpose waived.

In the case of co-insurance and sprinklers deductions under the ordinary minimum tariff, these deductions shall only be brought into force when they are promulgated by the branch in whose jurisdiction they may be.

F. W. EVANS, *Chairman*.

34. *Fire Proof Doors*.—Moved by Mr. Hughes, seconded by Mr. Taylor,

That the question of defining the construction of fire proof doors be referred to the committee on schedule rating and that their definition of the same be conclusive and final.—Carried.

35. *Appointment of Inspector*.—Moved by Mr. Wood, seconded by Mr. Mudge,

That the Toronto board be requested to appoint three members to act with the schedule rating committee of the Toronto branch of the Canadian Fire Underwriters' Association, for the appointment of an inspector and application of the schedules, would recommend that they secure the services of Mr. Perry as inspector.

Moved in amendment by Mr. Magurn, seconded by Mr. Duncan Clark,

That it be an instruction to the Toronto Branch of the schedule rating committee to proceed at once with the securing of an inspector and inspecting schedule rated risks in Toronto, and upon the completion of the surveys the committee are hereby authorized to transmit the same to the secretary of the Toronto board, with the request that that board apply schedule rates by 1st May.

The amendment was carried and the original resolution lost on the same division.

36. *Schedule Rated Risks*.—Ordered, that no rebate shall be allowed on existing insurances when risks are schedule rated; but if advantage is desired to be taken by assured of the new rate as per schedule, by effecting new full term insurance, such must be under a new application, and in such cases companies may allow *pro rata* rebates of the premium paid under the old rating.—Carried.

The meeting adjourned till 2.30 p.m.

AFTERNOON SESSION, Thursday, 1st April, 1886.

Met at 2.30 p.m., pursuant to adjournment.

Mr. G. F. C. Smith (*Liverpool and London and Globe*), president, in the chair.

REPORT ON SECTION E.

On motion of Mr. Taylor, chairman, the report was received.

37. *Companies in the Manitoba Board* (Item No. 16), not under the control of Montreal or Toronto companies, are desirous of knowing in what way they would have a voice in deciding matters in relation to their territory (Manitoba and the North-West).

Your committee report that should the companies and branches of companies doing business in Manitoba and the North-West Territory, decide to become members of this association, they would be gladly received, and would point out for their consideration :

(a.) They would be entitled as members to have any subject they wished to be considered duly placed upon the agendas of the association, with power to vote thereon as members, and would be entitled to representation, either personally or by duly appointed delegate (who must be a principal of his office), at said meetings.

(b.) The votes of the members of the association on matters solely relating to Manitoba and the North-West, would be confined to the representatives of companies doing business there.

(c.) This association in that case would have jurisdiction over the action of companies not represented in Manitoba and the North-West, and would be able to enforce respect by them for such general tariff and specific applications thereof, as the companies doing business in these localities may have adopted.

(d.) Also that this association could, on appeal to it by any member, act on any matter of difference between companies transacting business at these points.—Carried.

38. *Re Electric Lighting*.—(Item No. 24.) To make provision for speedy inspection of electric lighting.

Your committee recommend that this matter be relegated to the respective branches, with instructions to report their arrangements not later than the 1st May, next.

On motion of Mr. Taylor the report as above was adopted.

REPORT ON SECTION D.

Mr. S. C. Duncan—Clark, chairman.

39. *Revision of Rules and Rates*.—(Items No. 4 and 27 (d), that this constitution be altered and amended.

Your committee recommend, that it is desirable that all the rules and decisions and the tariffs be revised and re-printed; and that the constitution, as amended since 26th January, 1884, up to and inclusive of the date and proceedings of the present meeting, be printed, and that the president be requested to name a committee to compile drafts of same to be submitted to the two branches before 1st May, next.—Carried.

The president appointed the following committee on the above:—In Montreal : Liverpool and London and Globe, Citizens, Commercial Union, Fire Insurance Association, Queen, Phoenix (London). In Toronto : *Æna*, City of London, Lancashire, London and Lancashire, Waterloo and Western.

40. *Agents' Agreement re Non-Tariff Companies*.—(Items Nos. 12 and 37.) The committee have received the secretary's report as to the compliance of companies with the rule *re* agents representing non-tariff companies, and after a full discussion of the whole subject embraced in the rule adopted at the Ottawa meeting in October last, viz. : Item No. 45 in minutes of that meeting, and which provides :

That a circular be printed containing all instruction and rules binding on agents in force at the conclusion of the present general special meeting, and that to this circular be appended the following agreement which companies shall require to be signed by each agent in triplicate—one copy to be retained by said head office, another to be forwarded to the secretary of the association, and by him placed on file, the triplicate to be retained by the agent :—

AGREEMENT.

To the..... Ins. Co.

I hereby acknowledge having received copies of tariff and instructions to agents, and undertake to adhere to the rates and rules of the Canadian Fire Underwriters' Association, as therein set forth, and as may be hereinafter communicated to me from time to time. And I further agree not to represent any non-tariff office nor to place a risk in any company not a member of the said association, either with or without consideration, directly or indirectly, except in instances when all companies shall be full, or shall not be open for the insurance, and then only in strict conformity with tariff rules and regulations.

The following resolution was adopted by a vote of 6 to 4, two members of committee not voting.

That the rule requiring agents to sign agreements not to represent non-tariff offices be rescinded.

Moved by Mr. Magurn, seconded by Mr. McD. Paterson,

That the present rule, *re* non-tariff companies, be maintained; but that the actual enforcement of it in special cases be referred to a joint committee, consisting of the officers in the respective branches, with full power to vary said rule and decide upon each case, said committee being required to make a full report at the next annual meeting.

After the subject was discussed at some length, the amendment on being put was lost, whereupon a demand was made for a vote on the amendment by companies, which resulted as follows:—For the amendment: British America, Citizens, Fire Insurance Association, Glasgow and London, Guardian, London Assurance, Phoenix of London and Quebec, 8; against the amendment: Ætna, Lancashire, Liverpool and London and Globe, National, North British and Mercantile, Phenix of Brooklyn, Queen, Queen City, Royal, Scottish Union, Waterloo, Mercantile and Agricultural of Watertown, 13.

The original resolution as in the report was then put and carried.

44. *Montreal sub-agents of Toronto Offices*.—(Item No. 34.) That in revising the rules of the association, the Committee be instructed to formulate a rule to be embodied in the constitution, defining clearly the power of the Montreal branch, under existing resolutions, to deal with matters pertaining solely to the business of Montreal and suburbs.

The committee recommended that the resolution introduced in the Toronto committee, 10th June, 1884, amended by the Montreal committee, 18th June, 1884, and confirmed by the Toronto committee, 8th July, 1884, be incorporated in the constitution, substituting the word "branch," for "committee," and which resolution reads as follows: "Resolved, that local representatives in Montreal, of companies having their head offices in Toronto, shall be empowered to fully represent their head offices in the Montreal committee, their action to bind their respective companies on all questions solely affecting Montreal city (and suburbs) business, and election of brokers, there being no local board in Montreal, and to obviate the necessity of having such questions referred to the Toronto committee.—Carried.

On motion of Mr. D. Clark, the report was adopted as above.

45. *Hamilton Board*.—The secretary drew attention to the paragraph in the minutes of the Hamilton board, of 22nd March last, referring to the position of the Agricultural and Quebec Insurance Companies, whereupon the president laid down the principle, that a company having joined this association was bound by all the tariffs (local or otherwise) and rules in force in places under the jurisdiction of the Canadian Fire Underwriters' Association, and that no company had any right to act independently in the premises, at the same time no local board in such places could adopt rules without their being first approved by the association.

46. Dr. Stevens, on behalf of the Agricultural of Watertown, declared that so soon as that company understood its position it would loyally abide by the rules.

The meeting adjourned to meet at 10 a.m. to-morrow.

 MORNING SESSION, FRIDAY, 2nd April, 1886.

Met at 10 a.m., pursuant to adjournment, Mr. G. F. C. Smith (Liverpool and London and Globe), president, in the chair.

REPORT ON SECTION B.

48. Mr. Magurn, chairman, read the report and moved that it be received. The report was then considered clause by clause.

49. *Rating of all Risks not now subject to the Tariff.*—(Item No. 7.) That farm property and dwellings generally be rated. Likewise churches, schoolhouses and all other exempted property be included in the general tariff.

Your committee beg to submit the following report:—

(a.) That dwellings, barns, graperies, greenhouses, private stables and their contents:

| | 1st. | 2nd. | 3rd. | 4th. | |
|--------------|-------------------|------|------|------|------|
| 3 year rates | { In Class A..... | .65 | .75 | .90 | 1.00 |
| | { In Class B..... | .70 | .80 | .90 | 1.00 |
| | { In Class C..... | .75 | .85 | .90 | 1.00 |
| | { D, E and F..... | .75 | .85 | .90 | 1.00 |

Moved in amendment by Mr. Magurn, seconded by Mr. Lockie,

That the above clause of the committee's report be not adopted, but that the risks therein named continue as heretofore, unrated.

The vote, by request, was taken by companies, resulting as follows:—

For the amendment, 11. Against, 12. The amendment was lost.

It having been remarked during the discussion on this question that it would be arbitrary to force on objecting companies, by a bare majority, a change of so great importance as the rating of risks previously specially exempted from the operation of the tariff; the president said that it was his duty to point out that the class of risks referred to being exempted by rule 2 of the constitution, it would therefore require by article 14, a two-thirds vote to rate such risks in the tariff.

It was again moved in amendment by Mr. Tatley, seconded by Dr. Stevens,

That the proposition to rate farm property be abandoned, but that dwellings and their outbuildings be rated as in the report in places classified A, B, C and D in the Provinces of Ontario and Quebec.

It was moved in amendment to the amendment by Mr. Taylor, seconded by Mr. Magurn,

That in consideration of statements so generally made, that the rate heretofore held to be guiding rates for farm buildings and dwellings have been so satisfactorily upheld, and several members having joined the association on the understanding that these risks should not be put in the tariff, it is not expedient to do so at present, and therefore that the question be postponed until the next annual meeting.

The amendment to the amendment was put and lost.

The first amendment (Mr. Tatley's) was then voted on by companies as follows:

For the amendment, 16. Against, 6. The amendment was declared carried.

50. Moved by Mr. Hart, seconded by Mr. Magurn,

That Mr. Graham, for the Queen, and Mr. Armstrong, for the Guardian, be accepted as representatives for their respective companies at this meeting, in accordance with the request of their principals.

The meeting adjourned till 2 p.m.

 AFTERNOON SESSION, FRIDAY, 2nd April, 1886.

Met at 2 p.m., Mr. G. F. C. Smith (Liverpool and London and Globe), president, in the chair.

Messrs. Wood, Evans, Dr. Stephens, Flynn, Wickens, Hart, Magurn, Rintoul, Lacy, Heaton, Browne, Armstrong, Henderson, Duncan-Clark, Foster, Mercantile, Scott, Taylor, Camp, Pyke, Graham, Tatley, Kavanagh and Boomer.

The minutes of the morning session were read and confirmed.

51. *Rescinding of Rule re non-tariff Companies.*—Mr. Magurn at this stage of the proceedings asked whether the action rescinding this rule was in order, as it required a two-thirds vote to make any change in the constitution or rules. The vote taken by companies yesterday afternoon on his amendment to this item of the committee's report did not show the majority; and he contended that the necessary majority was not obtained on the main motion.

The chairman pointed out that there was no record of a vote by companies having been taken on the main motion, besides which the report of the committee as a whole had been passed without objection; and again, the minutes had that morning been read and confirmed, and he must therefore decide that the rule had been rescinded in accordance with the provisions of the constitution.

REPORT ON SECTION B.—*Resumed.*

52. Academies, churches, day-schools, colleges, banks, insurance offices, court houses, charitable institutions, drill sheds (not used for other purposes), hospitals, houses of refuge, nunneries and their contents:—

| | | 1st. | 2nd. | 3rd. | 4th. |
|--------------|---------------------------------|------|------|------|------|
| 3 year rates | { In Class A..... | .70 | .80 | .90 | 1.00 |
| | { In Classes B, C, D, E and F.. | .75 | .85 | 1.00 | 1.25 |

(c.) Masonic halls, Oddfellows' halls, temperance halls, town halls, when used as municipal offices only and their contents:—

| | | 1st. | 2nd. | 3rd. | 4th. |
|--------------|-------------------------------|------|------|------|------|
| 3 year rates | { In Class A..... | .75 | .85 | 1.00 | 1.25 |
| | { In Classes B, C, D, E and F | 1.00 | 1.10 | 1.25 | 1.50 |

The above on recommendation of committee were referred to the joint committees.

(d) Jails, reformatories, penitentiaries, lunatic asylums and their contents:—

| | | 1st. | 2nd. | 3rd. | 4th. |
|-----------------------------------|--|------|------|------|------|
| 3 year rates in all classes | | 1.50 | 1.75 | 2.00 | 2.50 |

Sub-section (d) carried.

All the foregoing rates of course are for detached and isolated risks, and no mercantile or manufacturing occupation shall be permitted therein.

53. *Rate on valuable Prize Cattle.*—(Item No. 8.) "To consider the rates on farms or establishments having extra valuable or prize cattle."

Your committee recommend that insurance on prize and thoroughbred cattle be not accepted at farm rates, but that they be specifically rated when further information shall have been obtained by a committee to be named by the president, to report at next semi-annual meeting to their respective branches.—Carried.

The president appointed the following committee:—Montreal: Liverpool and London and Globe, Glasgow and London, Imperial and Royal; Toronto: Agricultural, City of London, Mercantile and Waterloo.

54. *Uniform Form of Application for Farm Property.*—(Item No. 17.) To consider the proposition made by the Agricultural of Watertown, as to a uniform form of farm application.

Your committee recommends the adoption of a uniform form of farm application, including the introduction of the two-thirds value clause on buildings and the contents when belonging to tenant-farmers, and further, that the subject be referred to a joint committee of the branches, to report thereon by next semi-annual meeting the same to be named by the president.—Carried.

The following were appointed accordingly:—Montreal: Glasgow and London, Imperial, Liverpool and London and Globe, Royal; Toronto: Agricultural, City of London, Mercantile and Waterloo.

55. *Dwellings and Public Boarding Houses.*—(Item No. 19.) The advisability of including dwellings, and the deletion of public boarding houses from the tariff as misleading.

Dwellings having been previously dealt with, and boarding houses having been dealt with by the general meeting, disposes of this item.

56. *Cattle Sheds.* While not referred to the committee, they would recommend that the rating in the tariff on this risk be supplemented by rating cattle sheds when nearer than 80 feet to a distillery, the same as the distillery.

G. F. C. SMITH, *President.*
 ROBERT McLEAN, } *Secretaries.*
 ALF. W. HADRILL, }

E.

EXTRACTS FROM THE BOARD MINUTES OF THE MILLERS' AND MANUFACTURERS' INSURANCE COMPANY, OF 14TH APRIL, 1886.

"The following letter from the Canadian Fire Underwriters' Association was read.

"TORONTO, 7th April, 1886.

"DEAR SIR,—I am in receipt of your notice of withdrawal of the Millers' and Manufacturers' Insurance Company from the association. I beg to refer you to article 11 of the constitution that such withdrawal shall not take effect for a period of three months from the date of such notice. You will kindly send me the company's cheque for \$25.00, being the proportion of your company towards the expenses of the association, and which by article 10 of the constitution, "all dues to the end of the current year," must be paid.

"I am, dear sir, yours truly,

"ROBERT McLEAN, *Secretary.*

"Secretary Millers' and Manufacturers' Insurance Company, Toronto."

"The following statement from Mr. Howland regarding the above was read and approved:—

"Referring to the letter from the secretary of the Board of Underwriters, dated 7th April, I will state as a matter of record, that at the interview with the Canadian Fire Underwriters' Association in December last, it was stated that the schedule rating then in progress would materially reduce the rates on mills and other special hazards, and the safety of any company underwriting on a lower cash basis than schedule rates after they came into force, was questioned.

"It was on this understanding I urged joining the association, the schedule rating as promulgated I now find to be the reverse of what I was led to believe it would be, in place of materially reducing the then exacted rates on mills it makes a material advance on them, in some cases upwards of twenty-five per cent. I therefore in view of all the circumstances can see no reason why the withdrawal should not take effect from the date of the notice of withdrawal sent to the association, viz, 6th April.

W. H. HOWLAND, *Vice-President.'*"

F.

TORONTO BOARD OF FIRE UNDERWRITERS.

Agenda, Annual Meeting at Board Room, Toronto, at 11 a.m., 19th January, 1887.

1. *Commission to Special Agents.*—That no special agent shall be allowed to receive commission except on business placed in the company for which he is a registered special agent. (By E. P. Pearson. 7-10-86.)

2. *Schedule Rating.*—That this board adopt the rules adopted by C. F. U. A. at their semi-annual meeting, on 14th Oct., applying to special risks and numbered in minutes of each meeting as items Nos. 93 and 94. (By J. B. Reed. 28-10-86.)

3. *Workmen's Permits.*—That all applications involving any question as to the propriety of granting workmen's permit in certain cases where a doubt exists, free of any charge, be in future required to be referred to the secretary for decision, such decision to be recorded in a book to be kept for the purpose at the office of the association. (By R. N. Gooch. 4-11-86.)

4. *Carpenters' Risk on Specials.*—The question as to whether carpenters' risks should be charged on specials when shut down for repairs, when the rate paid is higher than carpenters' risk, was referred to the annual meeting. (11-11-86.)

5. *Protective Police and Fire Patrol Co.*—Toronto, Nov. 11th, 1886.—The committee to whom was referred the letter of the Protective Police Fire Patrol Co., drawing the attention of the board to the aid which the organization will afford against incipient fires, thus avoiding serious losses, beg to report that inasmuch as the company has the approval of the municipal authorities and aid of the city police force, thus ensuring their services being of great value, would recommend that the charge in special and schedule rated risks of 25c. for want of watchman and watch-clock be allowed, and that such risks so protected be registered with the secretary for reference. Respectfully submitted, W. HENDERSON, Chairman. (25-11-86.)

6. *Grain Business.*—That companies may be at liberty to give grain merchants what commission they like on grain business only. (By C. E. Maddison. (9-12-86.)

7. *Special Agents' Rules and Regulations.*—Mr. Gooch gave notice that at the approaching general meeting he would move the re-consideration of all rules and regulations affecting special agents and canvassers; also that the employment of such special agents be prohibited, and only salaried officers employed, who, however, may also receive commission.

8. *Amendment to Constitution and Rules.*—To amend the constitution and rules, with a view to prevent irregular practices in the allowing of rebates or paying commission to the assured or any of his employees, and to provide better facilities for detecting violations, by statutory declaration or otherwise, and for penalties for all infractions of tariff. (By J. B. Reed.)

9. *Endorsement Fees.*—To reconsider the charge for endorsement fee. (By J. B. Reed.)

10. *Agents representing Non-Tariff Companies.*—That hereafter no office or person holding official connection with a non-tariff office, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office, whether as general agent, sub-agent, or in any other capacity whatever. (By J. B. Reed.) See minutes of meeting, 3rd February, 1887, section 33.

11. *Election of Officers.*

12. Other business can be introduced with the consent of the meeting, provided notice be given at a previous session.

WM. HENDERSON, *President.*

ROBERT McLEAN, *Secretary.*

TORONTO BOARD OF FIRE UNDERWRITERS.

Extracts from Minutes of Annual Meeting.

Companies represented:—Wm. Henderson (Hartford) President; Ætna, British America, Caledonian, Citizens, City of London, Commercial Union, Connecticut, Fire Insurance Association, Glasgow and London, Guardian, Hartford, Imperial, Lancashire, Liverpool and London and Globe, London and Lancashire, London Assurance, Mercantile, Waterloo, National of Ireland, North British and Mercantile, Northern, Norwich Union, Phoenix of London, Queen, Royal, Royal Canadian, Scottish Union, Western. Phenix of Brooklyn, Queen City, not represented.

The minutes of last annual meeting were taken as read.

1. *Adjournment.*—In consequence of the delay in the arrival of trains from the east, on motion the meeting was adjourned till 2.30 p.m.

MORNING SESSION, TORONTO, 20th January, 1887.

Met pursuant to adjournment at 10 a. m., Wm. Henderson, (Hartford) president. The Minutes of the afternoon session of the 19th inst. were read and confirmed.

3. *Commission to Agents*—(No. 1 in Agenda)—Mr. Pearson spoke in favor of his motion, but on its being pointed out that the matter would be dealt with under Nos. 7 and 8 in the agenda, he agreed to defer his motion for the present.

A member present raised the question as to what rules, if any, were now in force in the Toronto Board in regard to special agents—and whether or not these rules had been maintained during the past year.

The president in reply said that the rules passed at the last annual meeting in regard to special agents were in force, but action was delayed at the request of a member to enable him to hear from his head office in reference to the matter.

A special general meeting in reference to this matter was held on the 13th and 14th May—which was adjourned to 27th May—and then further adjourned to meet at the call of the president.

Before that meeting was called, a deputation consisting of Messrs. Gooch, Duncan, Clark and Reed went to Montreal to consult with the head offices there in reference to the subjects dealt with at these special meetings of the board.

The president called a special meeting on the 15th June, at which a report from the committee that visited Montreal was considered.

On motion of Mr. Gooch, seconded by Mr. Magurn, the report was received; and on motion of the same gentlemen, the meeting was adjourned to meet on the 24th June for the "consideration of the report of the committee and other matters on the agenda. At the afternoon session of that day, the whole question of rules and regulations *re* agents was taken up; and the rules adopted at the annual meeting in January, 1886, were considered clause by clause, and amended as per minutes of that date. At this meeting, Messrs. Brown, of the Glasgow and London; G. F. C. Smith, of the Liverpool and London and Globe; and Thos. Davidson, of the North British and Mercantile, from Montreal, were present.

On the 26th June, at the request of Messrs. Smith and Davidson, a meeting was held of the Toronto chief representatives of companies to confer with them upon the subject of the Toronto Board. The proceedings of all these meetings will be found in the printed minutes of the dates named.

4. *Special Agents*—(Nos. 1 and 7 on agenda)—Moved by Mr. Gooch, seconded by Mr. T. R. Wood,

That in view of the injurious consequences to fire insurance interest, and the serious tax upon the commission of regular agents, resulting from the pernicious system of special agents, a vote by companies of the members of this board be taken as an expression of opinion, declaring it desirable that the employment of all special agents in the city of Toronto be discontinued.—Carried.

The vote by companies being called for, resulted as follows: *Yeas*—Aetna, British America, Caledonian, Citizens, City of London, Commercial Union, Connecticut, Fire Insurance Association, Glasgow and London, Guardian, Hartford, Imperial, Lancashire, Liverpool and London and Globe, London Assurance, Mercantile, National of Ireland, North British and Mercantile, Northern, Norwich Union, Queen, Royal Canadian, Scottish Union and National, Waterloo and Western—25. *Nays*—Royal—1, London and Lancashire, Phenix of Brooklyn and Queen City were not present and the Phenix of London declined to vote.

Moved by Mr. J. Maughan, seconded by Mr. S. F. Magurn,

That this board adopt the rules and regulations as passed by the companies in Montreal, regulating special agents in that city.—Lost.

Re schedule rating (No. 2 on Agenda), moved by Mr. Reed, seconded by Mr. Davidson,

That where, by reason of the construction, or by some special feature of the risk, a strict application of the schedule extras would inflict a manifest injustice, the secretary shall have power—subject to confirmation by the board—to modify

the extras in the schedule with regard to such special risks. And further, whereas the strict application of the extra required by the schedule rating for boiler, causes, in many instances, an injustice to the assured, where the boiler is used for heating only, and similarly as regards iron smoke stacks on buildings which do not endanger the factory proper, it shall be at the discretion of the secretary to modify or abolish altogether the extras in question, if circumstances warrant such action.—Carried.

5. *Competition with Mutuals for Standard Risks.*—(No. 2 on agenda).

That when a manufacturing risk has been so constructed or improved as to be rendered eligible for acceptance by the New England mutual insurance companies, such risks may, upon application, be exempted from the operation of any tariff, and shall then be specially rated by the board, according to the circumstances of each case, but such specially rated risks shall be inspected at least twice a year as a guarantee that the standard for which the special rating was granted is being maintained, the expenses of such inspection to be borne by the companies interested in the risk.—Carried.

6. *Special Agents and Amendments to Constitution.*—(Nos. 1, 7 and 8 on agenda).

On motion Messrs. J. J. Kenny, G. F. C. Smith, S. C. Duncan—Clarke, R. N. Gooch and J. B. Reed were appointed a committee to consider the whole question of special agents and amendments to constitution and report thereon during the afternoon session.

The meeting then adjourned until 3 p.m.

MORNING SESSION, TORONTO, 21st January, 1887.

Met at 10 a.m., pursuant to adjournment, Wm. Henderson (Hartford), president.

9. *Report of Committee re Special Agents* (Nos. 1 and 7 on Agenda)—The consideration of this report was resumed, beginning at section *g*. To this section the following amendment was made:

Moved by Mr. Kirkpatrick, seconded by Mr. Maughan,

That there be no deposit whatever from companies.

The vote on this amendment by companies was as follows:

YEAS:—British American, Commercial Union, Glasgow & London, London Assurance, National of Ireland, Northern, Queen, Royal—8.

NAYS—Caledonian, Citizens, Connecticut, Guardian, Hartford, Lancashire, Liverpool and London and Globe, North British and Mercantile, Western—9.

Amendment was lost, and section *g* as in report, was carried. The remaining sections, *h*, *i*, *j*, *k*, *l*, *m*, *n* and *o* were, with slight amendments, adopted.

10. On motion of Mr. Kenny, the report of the committee, as amended, was adopted, as follows:

1. That as the abrupt termination of the present arrangements between companies and special agents may entail inconvenience upon some members, it is desirable, until the adoption of a rule abolishing special agents, at once to define and improve the rules governing this board as regards special agents.

2. That all existing rules referring to city and special agents be repealed, and the following substituted therefor, and declared to be the rules of this board, and binding on and after 1st March, next:

(a.) A Toronto agent is defined to mean individuals or firm, not exceeding three persons in number, duly authorized by a head office located elsewhere to represent a company or companies, members of the board, in the city of Toronto, to which he or they are directly appointed, and who shall register, as hereinafter provided. It being understood that such Toronto agents are not prohibited from following other occupations in addition.

(b.) Each company having its head office located in Toronto shall have the privilege to appoint a firm or individuals as city agent or agents not exceeding three persons in number, who shall be directly attached to such company, and who shall register as hereinafter provided, it being understood that such city agents are not

prohibited from following other occupations in addition, nor from representing more than one company.

Special agents may be appointed, as hereinafter provided :

(c.) Only persons who are *bona fide* engaged in the occupation of soliciting or canvassing for fire insurance business, or fire and life insurance business, and whose chief occupation this is, shall be eligible as special agents, except that persons who are really and *bona fide* real estate or house and land agents, and have an office and definite place of business for that purpose shall be eligible as special agents.

(d.) Any person desiring to act as a special agent for any fire insurance company in Toronto or Parkdale, and to carry on such business with any company, a member of this board, shall make application in writing to the secretary to be registered for such purpose, and stating his willingness to comply with the rules and regulations as to special agents, which application shall be submitted to a regular meeting of the board, and at the next subsequent regular meeting it shall be granted, except the eligibility of the applicant is questioned by any member of the board, when the matter shall be deferred to the next regular meeting, and shall then be decided by the vote of the members present, the vote to be taken by ballot (a majority electing and a two-thirds vote rejecting), and such rejection shall be conclusive and prevent any re-nomination for six months after date of such rejection. All special agents must be re-elected annually at the last regular meeting in February, and after the regular one week's notice shall have been given.

(e.) No commission shall be paid directly or indirectly to anyone not a member of this board, unless as provided for in this section and in sections 4 and 5 of the rules. No special agent shall act for more than one company. To such special agents a commission may be paid only by the company whose special agent he is.

(f.) Upon the application being granted by the board, the applicant shall sign, in a book kept by the secretary for that purpose, an agreement to observe the following rules:—

1. That he is *bona fide* engaged, or to be engaged, in soliciting fire risks for the company he represents, or seeks to represent, and that he will not receive nor participate in commission on the business of any mercantile or manufacturing establishment in which he is or may be engaged as principal or employee.

2. That he will not directly or indirectly permit the assured or any employee thereof, or any other person, to participate in his commission.

3. That he will not directly or indirectly give nor offer business, either new or renewal, to any company except the one whose registered special agent he is.

4. That he will strictly conform to all rules, regulations and rates of the board, and in no way whatsoever seek to evade or connive at any evasion of the same.

5. That he will forthwith answer as required any and all questions which may be put to him by the secretary, with regard to the placing or renewing of risks.

6. That in event of his company cancelling a risk upon which he shall have received a commission, he will return the commission upon the unearned premium.

7. That penalties for the infringement of any of the foregoing rules, or non-payment of a premium due a company after it has been received from the assured, or other dishonorable conduct, shall be a fine, as fixed by the board, for the payment of which, or his dismissal, the company whose registered agent he is shall be responsible; and in the event of his dismissal by his company for the non-payment of such fine, he shall be ineligible for re-appointment for one year from date of disqualification.

The secretary shall then issue to the applicant, upon his payment of the fee as required by the next subsequent section, a certificate permitting him to transact business as a special agent in the city of Toronto and Parkdale for such company.

(g.) Every person taking out a certificate as a special agent shall pay to this board an annual fee, which shall be in the case of those confining their business strictly to that of fire insurance only, \$25, and to all others, \$50. The commission payable to parties coming under the 2nd class and who do not confine their business strictly to fire insurance shall in no case exceed ten per cent.

(h) Certificates shall require to be renewed and fees to be paid on the 1st of March in each year. For certificates granted to new applicants subsequent to the 1st March, the annual fee shall be chargeable *pro rata* for the unexpired portion of the year, but the amount shall be not less than one-fourth of the annual fee.

(i) That a special agent shall not be allowed to act as a broker, or to receive a commission from another agent, or from any company except the one whose special agent he is; and no special agent shall be allowed to receive commission or any other consideration on any business except that which is placed in the company for which he is registered special agent.

(j) Any charge of infraction of rules or regulations preferred against a special agent shall be dealt with in the same manner as provided for in rules Nos. 20 and 21, as amended, for Toronto or city agents, and to be subject to the same penalty.

(k) The non-payment of a premium due a company by a special agent, after he has received the same from the assured, shall be held to be a violation of the condition upon which his certificate was issued, and shall be dealt with accordingly, as recited in the next preceding section.

(l) Any company paying a commission or other consideration to any party not qualified to receive the same, shall be required to cancel the risk upon which it was paid, and such company shall not be permitted to accept a line on the risk referred to for one month from date of cancellation.

(m) Each company a member of this board shall register with the secretary of the board such Toronto agent or agents, city agent (or firm), as defined in sections a and b of these rules, and shall be subject to the regular rules of this board, and such of the foregoing rules as apply to them in transacting fire insurance in Toronto and Parkdale.

(n) A list of all agents and special agents shall be posted in the board rooms by the secretary for reference.

(o) No commission shall be paid by any company to any other person than a registered agent. Managers of banks and secretaries and managers of life assurance companies and of loan and building societies, may also be paid a commission on the business in which the institutions they represent have a direct proprietary or hypothecary interest, but on no other business.

11. Mr. Manghan on behalf of the Royal Insurance Company handed in the following memo:—

"The Royal 'dissent' from the position taken by this Board regarding the regulating of special agents as passed by the companies' representatives present."

12. *Protective Police and Fire Patrol Co. Report of Committee* (No. 5 on agenda). Mr. Kenny moved, seconded by Mr. Wood, that the report of the committee on the Protective Police and Fire Patrol Co., be amended as follows:—

That where premises are as full subscribers, under the Toronto Protective Police and Fire Patrol Company, provided the hours of watching are extended—as shall be agreed upon by the board—only one-half the charge in special and schedule rated risks for want of watchman and watch clock be exacted, and that such special and schedule rated risks so protected, be registered with the secretary for reference.—Carried.

13. *Grain Business.*—(No. 6 on agenda.) Moved by Mr. Kenny, seconded by Mr. Wickens,

That it is desirable to re-consider the rates and rules regarding grain business.—Carried 15 to 5.

Mr. Kenny then moved, seconded by Mr. Gibbs,

That companies be permitted to allow such commission or rebate on grain business as they may deem proper to grain merchants in the city of Toronto.

Moved in amendment by Mr. Sims, seconded by Mr. Vincent,

That in view of the fact that new rules of discipline have been adopted at the present meeting, it is inexpedient to come to a decision on the matter involved in the main resolution and its amendment, until it be seen whether the new rules will not remedy the abuses now complained of in connection with grain business. If, how-

ever, after reasonable trial, said rules should prove inadequate to deal with infractions of the grain tariff and regulations to the satisfaction of this board, then a special meeting shall be called as provided in article 9 of the constitution, for which the subject matter of the main motion and its amendment shall constitute the first items of agenda.—Amendment carried.

14. *Workmen's Permits.*—(No. 3 on agenda.)

On motion of Mr. Gooch, the following rule was adopted: That all applications involving any question as to the propriety of granting workmen's permits in certain cases where a doubt exists, free of any charge, be in future required to be referred to the secretary for decision, such decision to be recorded in a book to be kept for the purpose at the office of the association.

15. *Carpenters' Risks on Specials.*—(No. 4 in agenda.)

Ordered that the rule of the Canadian Fire Underwriters' Association adopted in their annual meeting in March, 1885, be adopted, namely,

"SPECIAL RISK.—Ordinary repairs and alterations permitted without extra charge."

16. *Endorsement Fee.*—(No. 9 on agenda.)

Moved by Mr. A. W. Smith, seconded by Mr. Reed,

That the endorsement fee be abolished.

Moved in amendment by Mr. Sims, seconded by Mr. Wickens,

That section 24 of the rules be amended to read as follows: A fee of fifty cents must be charged and collected for all endorsements, except notices of further insurance and concurrent wording; and any endorsement or written acknowledgment of a change of interest shall be considered as an assignment and charged for as such.—Amendment carried.

17. *Schedule Rated Risks.*—(No. 2 on agenda.)

Moved by Mr. G. F. C. Smith, seconded by Mr. Sims.

That for 12 months from the 1st February next, companies must take new applications and issue new policies for all risks that have been schedule rated—Carried.

18. *75 per cent. Co-Insurance Clause on Coal.*—This matter was referred to the first ordinary meeting of the board for consideration.

19. *Amendments to Constitution.*—(No. 8 on agenda.)

The report of this committee on No. 8 as amended.

ARTICLE 13 of the constitution, as amended, to read as follows:

Members to Sign Constitution.

ARTICLE 13.—All existing members, or companies becoming members of the board, shall sign a copy of this constitution and rules (kept by the secretary for that purpose); and they and all persons acting for them shall make a statutory declaration on signing the same that they will strictly adhere to it, and that in the event of any charge being made of its violation, either general or directly against their individual company, they will make a full and complete statement of their position or knowledge in connection with the risk or risks, or the point in question. And should the same be challenged, he or they shall, if called upon to do so, make a statutory declaration that the same is true, or submit any or all books or papers in his or their office for inspection by the secretary or both; and that he or they agree that each one of the representatives or employees of each company provided for in the constitution and rules shall, if required, make a similar statutory declaration; and the failure of any one of the persons mentioned to make a satisfactory declaration shall be accepted as evidence of a breach of these rules, and shall be dealt with as provided in section No. 20.

Section 20 of the rules amended read as follows:

20. *Deposit Guarantee.*—That a guarantee deposit shall be made by each company with the secretary of the Toronto Board of \$50, as a guarantee of, and to secure the payment of any fines that may be imposed under the rules—any fines deducted from this deposit to be immediately reinstated by the company. This deposit shall

be made on or before the 15th day of February, and the other regulations shall come into force on the first day of March, next. Should it be shown to the satisfaction of the Toronto board, by a two-thirds vote of the members present at any regular meeting—the usual notice through the board's printed minutes of the previous meeting having been given—that any of the officials or employees, or a company—a member of this board—has violated any of the rules or regulations, the board shall impose a fine on such person or persons so violating as follows, viz. : Twenty-five per cent. of the correct premium involved in the transaction, if it be a question of tariff, or commission, or consideration violation; and in other cases, a direct fine of five dollars for the first offence and ten dollars for each subsequent offence by the same party or parties (but in no case shall the fine be less than five dollars); and the report of the same with the names of the offenders and the amount of fine to be conspicuously printed in the minutes of the Toronto board of that date.

21. *To Prevent Groundless Charges.*—To provide against groundless charges being made, all enquiries or charges filed with the secretary, where an investigation of books or statutory declaration is required, a deposit of two dollars must be made with the secretary by the company or agent making such request, such money to be repaid in the event of the charge being sustained, and to be forfeited to the board if found groundless.

22. *Moneys from Licenses, &c., how disposed of.*—All moneys received from licenses or fines to be held by the secretary of the Toronto board to be disposed of as may hereafter be decided at an annual or special general meeting—notice of such action having been given one month previous.

23. *Checking Rates by Head Offices.*—Ordered—That as a stricter check by head offices of the business and rates submitted by their agents would go far to insure the faithful adherence to tariff rates, which is essential to the satisfactory working of the board, the necessity is impressed upon head offices of prompt and strict supervision and check of risks submitted to them by their agents.

24. *Unsatisfied Queries.*—That in order to simplify the records of the board, a book be kept by the secretary, which shall be accessible at all times to members, in which shall be entered in simple form the substance of all unsatisfied queries or other matters requiring the attention of companies; such entries to be supplemented by the replies received in answer to such queries or requirement in such manner as to show at once in how far queries have been fully satisfied, and other matters have received the required attention.

That Mr. Reed, Mr. Gibbs and Mr. McMurrich be a committee to confer with the secretary, and to determine as to the form of such book.

AUDITORS' REPORT.

Balance Sheet, 31st December, 1886.

| DR. | CR. |
|--|--|
| To Balance on hand, 31st Dec., 1884.... \$ 52 03 | By Secretary's salary and bonus addition |
| Cash from assessment on companies for 1886 | 125 00 |
| 1,281 49 | Printing minutes, queries, &c |
| Cash for sub-rent of office..... 15 00 | 79 50 |
| | Board's proportion of office rent..... |
| | 80 00 |
| | Schedule rating expense on one month's salary of inspector. |
| | 17 75 |
| | Board's proportion of caretaker for ten months |
| | 60 00 |
| | Sundries, as per ledger..... |
| | 209 27 |
| | Balance in Bank of Toronto |
| \$1,348 53 | \$1,348 52 |

Audited and found correct.

Toronto, 11th January, 1887.

S. BRUCE HARMAN, }
J. MAUGHAN, } Auditors.

N. B.—Balance of sub-rent of office, \$15.00, (\$30.00), being proportion Toronto board for said rent, not received in time to be included with the above statement. The meeting then adjourned.

WM. HENDERSON, *President*.
ROBERT McLEAN, *Secretary*.

TORONTO BOARD OF FIRE UNDERWRITERS.

(*Extracts from Minutes.*)

TORONTO, 3rd February, 1887.

Met this day at 3 p.m.

In the absence of both the president and the vice-president, Mr. S. C. Duncan-Clark was called to the chair.

33 *Agenda No. 10, Annual Meeting, re agents representing non-tariff companies.* Resolution on this subject adopted at the annual meeting was inadvertently omitted from the minutes and is as follows:

That hereafter no office, nor person holding official connection with a non-tariff company, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office or receive or place business or receive commission with or from a member of this board, whether as general agent, sub-agent or in any other capacity whatever.

34. *Brown Bros. Endorsement Fee*, and form of policy of John Macdonald & Co. giving permission to employ workmen for ordinary repairs without charge. The secretary to use the query sheet to ascertain names of companies that have not complied with the order of the board in these cases.

35. *Standard Woolen Company's risk.*—The consideration of the secretary's report on this matter was deferred until next meeting.

36 *John Wood & Son's planing mill.*—This matter was deferred in the absence of the British America and Phoenix of London.

37. *Co-insurance clause on coal* deferred.

38. *New Ratings.*

| | Building. | Contents. |
|---|-----------|-----------|
| Essery's Planing Mill, Tecumseth Street, Warranty No. 1..... | 4.05 | 4.05 |
| Rattan Factory, west of Essery's building..... | 1.25 | 1.50 |
| R. H. Gray & Co., Nos. 24 and 26 Wellington Street West..... | .80 | 1.05 |
| Polson's Boiler Works, Esplanade, Warranty Nos. 1, 2 and 4..... | 1.65 | 1.65 |
| Westman & Baker, 78 Wellington Street West, Warranty No. 1..... | 2.00 | 2.00 |
| Cloudsley's Machine Shop, Esplanade..... | 1.75 | 1.75 |
| Canadian Window Shade Company (risk improved)... | .... | 1.75 |
| Whatmough's Stock, 126 King Street East, in front and rear buildings..... | .... | 1.15 |
| If fire proof doors are placed between workshop and front building, the rate on the front will be. | .. . | .75 |
| Tobacco Factory (in R. Hay's old factory)..... | .... | 1.50 |

39. *Rating Deferred*—O'Keefe & Co., 125 to 131 Dalhousie Street; new warehouse on Front Street West, north of R. Hay's old buildings—deferred for three weeks. Agents requested to inspect in the meantime.

Michigan Ammonia Works, Front Street East, on Consumers' Gas premises.

40. *Borrowman's Crockery Store*, 289 Yonge Street. Companies will please note that the front part of this building is brick and the rear frame, without any dividing

wall. The rate of the frame part governs rate on building, \$1.75; contents, \$1.80 (See Tariff No. 72).

41. *Queries, 13th January.*—The Fire Insurance Association and Phoenix of London have not yet answered these queries, which they are required to do before next meeting.

42. *Queries, 27th January.*—The City of London Fire Insurance Association, Phoenix of London, Phoenix of Brooklyn, Queen City and Royal Canadian, have not replied. They will please do so before next meeting.

43. *Query No. 1, re Nos. 140, 142, 144 Queen Street East.* The secretary was instructed to repeat this query so as to include the whole block, building and contents.

44. The Glasgow and London replied "No," queries Nos. 2 and 3, and "Yes" to 4, taken as hardware without oils. As soon as notified that they kept oils collected additional rate. Have now tariff rate.

London and Lancashire: "No" to Nos. 2 and 3; and to No. 4, "We insure this as a hardware without oils."

Royal: Nos. 2 and 4 and to No. 3 (214 Queen Street East), "Furniture and stock transferred from a \$1.20 risk—will collect difference." The Royal will please report collection before next meeting.

Western: To No. 2 (dentist risk), "Yes, described as a dwelling." The secretary was asked to report on this risk at next meeting.

45. *Notice of rating.*—The Toronto Syrup Company's premises, Esplanade Street East.

46. *Nomination of agent.*—H. A. H. Moore, real estate agent, Arcade.

47. *Notices of motions.*—By Mr. Sims—That at next meeting he will move the adoption of rule 29 of supplementary instructions to agents of the Canadian Fire Underwriters' Association as a rule of this board. By Mr. Reed—Notice to rescind the rules of the Canadian Fire Underwriters' Association adopted by this board on the 3rd December, 1885. (See minutes of 28th October, 1886.)

48. Letter from Messrs. Gooderham & Worts *re* watchman, was read, and consideration deferred for one week.

49. *Perkins, Ince & Co.* want to know if they make openings on each flat can they insure under one sum in and on both buildings.

50. *Queries:*

1. Has your company at this date (3rd Feb.) a risk on Voke's hardware stock with oils, frame rough-cast building, at less than tariff rate, \$1.35?

2. Has your company at this date (3rd Feb.) a risk on Lamb's rough-cast block, 130 to 148 Queen Street East, or on or in any one of them at less than tariff rate \$1.60?

Answer separately.

130, stationery store—John Jamieson.

132, pork and produce store—Samuel McGuire.

134, grocery and butcher shop—John Wilson.

136, mattress making, &c—J. J. Heffron.

138, vacant.

140, dry goods—Mrs. Mary Short.

142, plumber's shop—T. Gordon.

144, rag carpets—J. T. Haines.

146, laundry (no steam)—Robert Longworth.

3. Has your company erased from policy form of John Macdonald & Co. the permission to have workmen without charge?

4. Has your company collected endorsement fee from Brown Bros.?

S. C. DUNCAN-CLARK, *Chairman pro tem.*

ROBERT McLEAN, *Secretary.*

G.

TORONTO BOARD OF FIRE UNDERWRITERS.

(Extracts from Minutes.)

TORONTO, 23rd July, 1885.

Met this day at 3 p. m., Thos. R. Wood (*Ætna*) vice-president, in the chair.

On motion of Mr. Scott, seconded by Mr. Evans, the board adjourned till 3 p. m. to-morrow in consequence of the arrival to-day of the volunteers from the North-West.

TORONTO, 24th July, 1885.

Met this day at 3 p. m., pursuant to yesterday's adjournment.

Present:—Thos. R. Wood (*Ætna*) vice-president, in the chair, Wm. Adamson, British America; A. M. Walton, Caledonian; S. F. Magurn, City of London; J. B. Reed, Lancashire and Liverpool and London and Globe; John Maughan, Royal; T. M. Pringle, London and Lancashire; Hugh Scott, London Assurance, National of Ireland and Queen City; R. N. Gooch, North British and Mercantile; E. P. Pearson, Northern.

Absent:—Citizens, Commercial Union, Fire Insurance Association, Glasgow and London, Guardian, Hartford, Imperial, Norwich Union, Phenix of Brooklyn, Phenix of London, Queen, Royal Canadian, Scottish Union and National, Western.

Minutes of the meetings of 16th and 23rd insts. were read and confirmed, except Staunton's Room Paper Factory, which was changed to \$2.25.

Special Agents—declared eligible or otherwise.

Fred Plumb, deferred. F. J. Smith, estate and financial agent for Royal, declared eligible.

The following letter from Messrs. Scott & Walmsley was read:

TORONTO, 20th July, 1885.

DEAR SIR,—The following is an extract from the minutes of a directors' meeting of the Queen City Fire Insurance Company held this Monday, 20th July, 1885.

"Ordered, That as this board cannot consistently sustain a principle that sanctions the insurance of sacred edifices, etc., etc., in the Province of Ontario, which are situated beyond this city's limits at a rate of only thirty-five cents (35c.) per annum, and compels them to exact fifty cents (50c.) for similar hazards within range of the fire brigade protection in this city, this company must therefore withdraw from the 'Toronto Board of Fire Underwriters' while such an anomaly continues to exist. A copy of this order as a notice of withdrawal to be sent to the said Board of Underwriters."

Yours faithfully,

SCOTT & WALMSLEY, *Managers*.

ROBERT McLEAN, Esq., Secretary Toronto Board of Fire Underwriters, Toronto.

The following letter from the Mercantile Fire Insurance Company was read:—

WATERLOO, 20th July, 1885.

DEAR SIR,—At a recent meeting of our board it was decided that this company join the Toronto Board of Fire Underwriters on the 1st day of August next. Kindly have this arranged that we become a member at that time, and supply us with the necessary tariffs and instructions.

Yours truly,

P. H. SIMS, *Secretary*.

ROBERT McLEAN, Esq., C.F.U.A., Toronto.

On motion, the Mercantile Fire Insurance Company was unanimously elected a member of the Toronto Board of Fire Underwriters.

Notice of Rating—Copp, Clark & Co., 9 Front Street West.

Tariff Committee.—On motion, a vote of thanks was given to the tariff committee; and as their work was finished the committee was therefore discharged.

Ordered, That the secretary be instructed to procure an extension to the present table in use in board room, and arrange seats for the respective members.

The Citizens reported collection of extra rate on J. W. Cowan & Co.'s risk.

The Imperial is requested to answer query of the 9th inst., *re* Carlyle's Planing Mill.

Moved by Mr. Scott, seconded by Mr. Gooch, that in view of the secretary's increased labor and responsibilities in the inspection of risks for special rating and reporting thereon, and the very satisfactory manner in which all the duties have been performed his salary be increased to six hundred dollars for this year.

Ratings.—Gooderham & Worts' distillery premises, numbers as per plan and printed form of application. Building and contents same rate unless otherwise named.

| | Building and contents. |
|--|------------------------------|
| No. 1. Five storey stone distillery, marked D, machinery floor on plan..... | \$3 00 |
| No. 3. Five storey stone mill, marked D, mill on plan..... | 3 00 |
| No. 5. Building part, one and one and one-half storey, mark d D, fermenting cellar, D on plan..... | 2 00 |
| No. 7. Engine in portion of building between machinery floor and mill, marked D on plan..... | 3 00 |
| No. 8. Cooper shop, carpenter shop and paint shop, marked EEEEEEE on plan..... | 1 75 |
| No. 9. Malt house, building and storage, marked FFFFFFFF on plan..... | 1 50 |
| No. 13. Brick boiler house, marked boiler M on plan..... | 1 25 |
| No. 15. Brick tank house, marked K tank room, No. 3 on plan..... | 0 80 |
| No. 17. Brick tank house, marked tank room No. 2, J on plan..... | 1 00 |
| No. 19. Brick tank house, marked tank room No. 1 on plan | 1 00 |
| No. 21. Four storey brick building shipping way and storage and mixing, marked H on plan..... | 1 00 |
| No. 22. Three storey brick still houses—an equal amount on and in each, marked 1 H, 2 H and 3 H on plan..... | 2 00 |
| No. 24. Three storey brick storehouse and shipping room, marked L, spirit store on plan..... | 0 90 |
| No. 25. Three storey brick storehouse and shipping room marked L.V.R., bonded warehouse on plan..... | 0 90 |
| No. 26. Brick one storey cooper shop, marked cooper shop R on plan..... | 1 50 |
| No. 27. Machine and cooper shop, marked machine shop R on plan..... | 2 50 |
| No. 30. Frame elevator and storehouses attached, marked OOO on plan. Bd'g..... | \$3 00 \$2 75 |
| No. 31. Wharf under and around the above (not including that at the foot of Parliament St.).... | 3 00 |
| No. 32. Ice house, marked ice house N in plan..... | 1 75 |
| No. 33. One storey brick building, marked shipping room on plan | 1 00 |

| | | |
|--|------|------|
| Hessin's confectionery, 7 Front Street. No box making | 2 00 | 2 00 |
| Reinhardt & Co.'s lager beer frame brewery, Duchess Street | 2 25 | 2 25 |
| Reinhardt & Co.'s brick and frame ice house adjoining..... | 1 75 | 1 80 |
| Reinhardt & Co.'s brick fermenting house and ice house..... | 1 75 | 1 80 |
| Mail Printing Co., corner King and Bay Streets, front building. | 0 70 | 0 75 |
| Mail Printing Co. corner King and Bay Streets, rear building..... | 0 85 | 1 35 |
| Toronto Knitting Machine Co., 116 Bay Street (formerly Taylor, Pink & Co.) practical form of policy..... | 1 50 | 1 50 |
| Toronto Brewing and Malting Co., separate sum being insured on different parts, on all buildings adjoining and communicating..... | 1 50 | 1 50 |
| S. H. Janes & Co., 102 King Street West, building temporarily used for manufacturing gas from petroleum..... | 2 50 | 2 50 |
| Barclay, B., oat-meal mill, &c., 192 King Street East, 4 00 | 4 00 | 4 00 |
| Heintzman Piano Manufacturing Co., 86 York Street, front building..... | 1 30 | 1 35 |
| Heintzman Piano Manufacturing Co., 86 York Street, rear building..... | 3 00 | 3 00 |
| J. Westman, 42 and 44½ Richmond Street West, front building used as a store and laundry—hand power; centre part partly brick and partly frame, bellows making. Brick printing office in rear. Average rate of..... | 2 50 | 2 50 |

Errata in Toronto Tariff.

Stables, private—No. 19, page 3, 4th class, should read 1.00 not 1.25.

Boots and shoes—No. 27, page 4, contents, 1st class, should read, .75 not .85.

Painters and paint shops—No. 156, p. 9, should read, building, 65, 85, 1.20, 1.75.

Contents. " " " " " " .90, 1.15, 1.60, 1.90.

Elevators and Storehouses.

| | | |
|--|--------|--------|
| Adamson, William—north storehouse..... | \$2 25 | \$2 00 |
| Adamson, William—south " | 3 50 | 3 25 |
| Church street wharf—storehouses..... | 1 75 | 1 50 |
| Gooderham & Worts—elevator (steam)..... | 3 00 | 2 75 |
| Grand Trunk Railroad—elevator (steam)..... | 4 00 | 3 75 |
| Mowat's Wharf—(Geddes)..... | 2 00 | 1 75 |
| Midland Railway—freight department, Berkley St. | 2 50 | 2 25 |
| Northern Railway—elevator (steam)..... | 2 70 | 2 50 |
| " flour shed..... | 1 50 | 1 50 |
| " freight depot..... | 2 50 | 2 25 |
| " Montreal sheds..... | 2 00 | 1 75 |
| " freight sheds on wharf..... | 2 00 | 1 75 |
| Queen City Malting Co.—elevator, King Street East. | 2 00 | 2 00 |
| Strange & Chapman's—city elevator..... | 3 25 | 3 00 |
| Taylor's Wharf—storehouses (George Street) | 1 75 | 1 50 |
| " elevator..... | 3 00 | 2 75 |
| Tinning's Wharf | 1 75 | 1 50 |

| | | |
|---|------|------|
| Toronto, Grey and Bruce, now C.P.R. (brick) store-house and freight shed..... | 1 00 | 1 35 |
| Toronto, Grey and Bruce, now C.P.R., elevator..... | 3 25 | 3 00 |
| Yonge Street (Milloy's)..... | 2 50 | 2 25 |
| Grand Trunk Railway, freight shed, Yonge Street. | 2 50 | 2 25 |
| “ “ “ “ Simcoe Street. | 2 50 | 2 25 |

Query.—Has your company at this date a risk on building or contents, Nos. 104 and 106 Shuter Street, at 65c. per annum on building and 70c. on contents, the building being used as a public boarding house? This query was struck off, (not definite) no name being given.

Adjournment.—Ordered, that the board adjourn till the first Thursday in September, and that the secretary be at liberty to take his vacation in the interval.

THOS. R. WOOD, *Vice-President.*
ROBERT McLEAN, *Secretary.*

H.

TORONTO BOARD OF FIRE UNDERWRITERS.

(*Extracts from Minutes.*)

TORONTO, 30th October, 1884.

Thos. R. Wood (*Ætna*) vice-president, in the chair.

Minutes of the 23rd inst. were read and confirmed.

The meeting at this point adjourned for the purpose of proceeding with the special meeting called for half-past three to day.

SPECIAL MEETING.

Mr. Magurn's Notice of Motion re Mr. Pringle.—Letters were read from Mr. T. M. Pringle and Mr. F. A. Ball, relative to the above; in the former of which was enclosed \$50, payment in full of fine imposed on Mr. Pringle the 5th day of June last, in consideration of which Mr. Magurn asked permission of the board to withdraw the notice of motion which he had given, and moved in its stead,

“That Mr. T. M. Pringle having now complied with the rules of the board, the secretary be directed to communicate that fact to the manager of the London and Lancashire Fire Insurance Company, also that it be printed in the minutes.”—Carried.

The regular meeting was then called to order.

Canadian Institute and Glasgow and London.—The following correspondence was ordered to be printed:—

MONTREAL, 18th October, 1884.

R. McLEAN, Esq., Secretary Underwriters' Board, Toronto.

Re City of Toronto Board.

DEAR SIR,—The Sovereign Insurance Company whom we re-insured had a risk upon the Canadian Institute. We have every reason to believe that this risk would have been renewed with us but for the fact that the Hartford Insurance Company took it below tariff, and after doing so brought it up for a special rating.

Our inspector, who attended the meeting when this risk was brought up, held that the Hartford must be asked to cancel this risk, as it had been taken from another office.

We understand that the chairman gave a ruling against this, upon the ground that it was not a G. & L. risk, but a Sovereign, which company were not members of the board.

On behalf of this company we must take exception to this ruling and must ask you to request the Hartford to cancel this risk, or we must take such action as we consider necessary under the circumstances.

We take exception to the chairman's ruling for the following reason: If we make an endorsement upon a Sovereign policy without collecting either the fee or any extra rate which may be necessary, we are at once requested to collect according to the tariff.

We give no other reason than this because it must be so plain to you and to every member of the Toronto Board that the above ruling is incorrect and that any reasons against it are quite unnecessary.

Yours faithfully,

BOND & BROWNE, *Joint Managers.*

This letter was read last week but omitted in the minutes:

MONTREAL, 29th October, 1884.

To the Members Toronto Board of Underwriters, Toronto.

DEAR SIRS,—This company desires it to be recorded on the minutes of the association that rule 5 applies to all Sovereign policies, as regards requesting cancellation of any such risks, taken by another company below tariff.

Yours faithfully,

BOND & BROWNE, *Joint Managers.*

Moved by Mr. J. T. Vincent, seconded by Mr. M. Gibbs, That the resolution referred to in the minutes just read, relating to the Canadian Institute and R. W. Young's Library therein, be and is hereby cancelled, and the following substituted therefor: That rule 5 applies to all Sovereign risks now held by the Glasgow and London, a member of this board, and, therefore, the Hartford, having taken the said risks from the said company below tariff rate, is ordered to cancel the same and report at next meeting.—Lost.

Moved in amendment by Mr. A. W. Smith, seconded by Mr. J. B. Reed, That the consideration of this resolution be referred to the annual meeting of this board.—Lost.

Moved in amendment by Mr. S. C. Duncan-Clark, seconded by Mr. A. W. Smith, That the consideration of this resolution be referred to the annual meeting of the board, but that in the meantime the business of the Sovereign be assumed to be the business of the Glasgow & London.—Carried.

Mr. Magurn, on behalf of the City of London Fire Insurance Company, protests against the board dealing with a question of contract as between companies, and amending the constitution, except at an annual meeting or special meeting called for that purpose.

Toronto Fire Appliances.—There being no report from committee on above, Mr. Wm. Blight moved, seconded by Mr. H. D. P. Armstrong, That the previous committee on Toronto fire appliances be dissolved and that the following gentlemen be a committee for that purpose: Messrs. Hugh Scott, S. F. Magurn and A. W. Smith.—Carried.

The meeting adjourned at 5 o'clock.

THOS. R. WOOD, *Vice-President.*

ROBERT McLEAN, *Secretary,*

Per J. A. C. McCuaig.

I.

TORONTO BOARD OF FIRE UNDERWRITERS.

TORONTO, 2nd April, 1887.

Messrs. SCOTT & WALMSLEY, Queen City Buildings, Toronto.

DEAR SIRS,—I am instructed by the Toronto board to see that all companies comply with the rule adopted at the last annual meeting *re* agents of non-tariff offices, which is as follows, namely:—

“That hereafter no officer, or person holding official connection with a non-tariff company, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office, or receive or place business, or receive commission with or from a member of this board, whether as general agent, sub-agent, or in any other capacity whatever.”

As you represent non-tariff offices, the Queen City cannot continue as a member of the Toronto board, and, in consequence, I am not permitted to send you, as formerly, the official ratings or other papers connected with the business of insurance. I therefore enclose the deposit guarantee cheque which you sent me on the 16th ultimo.

Were your non-tariff companies to join the board on the terms laid down in the minutes of the Toronto branch of the Canadian Fire Underwriters' Association of the 8th December, 1885, and in accordance with which the Millers' and Manufacturers' Insurance Company joined the association, the rule above referred to would not require the withdrawal of the Queen City from the board.

I need scarcely add that I very much regret that the companies you represent are outside of an association in the formation of which your Mr. Scott took so active and lively an interest, and which has done so much in placing the business of insurance on a sound basis, by rating risks on their merits, reference being had to the means possessed by each city and town for preventing and extinguishing fires.

I am, dear sir, yours truly,
ROBERT McLEAN, *Secretary.*

TORONTO BOARD OF FIRE UNDERWRITERS.

TORONTO, 19th April, 1887.

W. H. HOWLAND, Esq., President Queen City Insurance Company, Toronto.

DEAR SIR,—On the 2nd inst. I wrote a letter to Messrs. Scott & Walmsley in which I returned the deposit cheque of fifty dollars made by the Queen City Insurance Company. On the 12th inst. I received a letter from these gentlemen, returning the cheque, and stating that any communication I had to make on this subject should be addressed to you.

I beg, therefore, to send you herewith the said deposit cheque of fifty dollars, and also the letter of the 2nd inst. above referred to, in which you will find the reasons for returning that cheque, and why the Queen City Insurance Company cannot continue a member of the Toronto board.

I am, dear sir, yours truly,
ROBERT McLEAN, *Secretary.*

Cheque enclosed as above.

THE QUEEN CITY FIRE INSURANCE COMPANY,

TORONTO, March 16th, 1887.

THE DOMINION BANK, pay to Robt. McLean, Esq., Secretary Toronto Board of Underwriters, or order, Fifty Dollars, deposit. (To be returned in the event of similar deposits not being made by all the other companies.)

K.

BOARD OF FIRE UNDERWRITERS, TORONTO, 23rd February, 1888.

DEAR SIR,—I am directed to request a reply in writing, to the following, to be forwarded in time to be presented by me to the next board meeting.

By order of the board,
ROBERT McLEAN, Sec.

Query :

1. Has your company renewed any risks with the firm of Scott & Walmsley, or any employee of the firm, with or without commission, contrary to rule No. 8, which reads and came into force annual meeting, January, 1887. See names below.

“ That hereafter no office or person holding official connection with a non-tariff company, or acting as agent or sub-agent for a non-tariff office, shall be eligible to represent or act for a tariff office, or receive or place business, or receive commission with or from members of this board, whether as general agent, sub-agent, or in any capacity whatever ”

- Firm of Staunton & Co., King Street West.
- “ “ “ “ Factory, North Toronto.
- “ “ Eby, Blain & Co., Front Street East.

Reply.....

2. Had your company a risk on the Acme Silver Company's building or stock on the 22nd February, 1887, at less than tariff rate, building 90c., contents \$1.15 ?

Reply.....

Signature.....

L.

Extract from “ Statutory Conditions ” of the Queen City Fire Insurance Co. :—
10. The company is not liable for the losses following, that is to say :—

(a.) For loss of property owned by any other party than the assured, unless the interest of the assured is stated in or upon the policy ;

(b.) For loss caused by invasion, insurrection, riot, civil commotion, military or usurped power ;

(c.) Where the insurance is upon buildings or their contents—for loss caused by the want of good and substantial brick or stone chimneys ; or by ashes or embers being deposited, with the knowledge and consent of the assured in wooden vessels ; or by stoves or stove pipes being, to the knowledge of the assured, in an unsafe condition or improperly secured ;

(d.) For loss or damage to goods destroyed or damaged while undergoing any process in or by which the application of fire heat is necessary ;

(e.) For loss or damage occurring to buildings or their contents while the buildings are being repaired by carpenters, joiners, plasterers or other workmen, and in consequence thereof, unless permission to execute such repairs had been previously granted in writing, signed by a duly authorized agent of the company. But in dwelling houses fifteen days are allowed in each year for incidental repairs, without such permission ;

(f.) For loss or damage occurring while petroleum, rock, earth or coal oil, camphene, gasoline, burning fluid, benzine, naphtha or any liquid products thereof, or any of their constituent parts (refined coal oil for lighting purposes only, not exceeding five gallons in quantity, or lubricating oil not being crude petroleum nor oil of less specific gravity than required by law for illuminating purposes, not exceeding five gallons in quantity, excepted), or more than twenty-five pounds weight of gunpowder is or are stored or kept in the building insured or containing the property insured, unless permission is given in writing by the company.

11. The company will make good loss caused by the explosion of coal gas in a building not forming part of gas works, and loss by fire caused by any other explosion or by lightning.

M.

FIRE TABLES FOR 1885.

REVIEW OF THE FIRE LOSSES IN THE UNITED STATES AND CANADA FOR TEN YEARS.

The simple statement that the ten years ending with 1884 have witnessed in the United States and Canada a destruction of property by fire aggregating the immense sum of nearly nine hundred millions of dollars, would seem to appeal to the minds of thinking men with overwhelming force. But when we glance from these ashes to the fiscal transactions in nearly every department of trade and find them insignificant in comparison; when we examine statistics of production and find how vast a portion of the values produced has gone to pay this tremendous tax; when we place side by side with this array of obliterated wealth the records of governmental expenditures and observe them dwarfed; when we look at the sums spent in charities and education and perceive thereby the benefits which might have resulted to the people if these wasted millions had been wisely expended, we are enabled to realize, partially, at least, the magnitude of this drain upon our national resources, and to feel how truly appalling is the gigantic waste.

TABLE VI.—Total Monthly Losses by Fire in the United States and Canada for Ten Years, 1875-1884.

UNITED STATES.

| Months. | Total Property Loss for 10 Years, 1875-1884. | Total Insurance Loss for 10 Years, 1875-1884. | Total Property Loss in 1884. | Total Insurance Loss in 1884. |
|----------------|--|---|------------------------------|-------------------------------|
| | \$ | \$ | \$ | \$ |
| January..... | 75,038,152 | 46,412,800 | 11,758,466 | 6,935,001 |
| February..... | 63,087,393 | 37,370,161 | 7,650,999 | 4,555,987 |
| March..... | 63,696,454 | 37,558,633 | 8,102,801 | 4,564,764 |
| April..... | 69,630,967 | 37,626,500 | 9,468,642 | 5,701,772 |
| May..... | 72,085,506 | 37,641,664 | 9,249,568 | 4,573,204 |
| June..... | 53,542,112 | 30,181,251 | 7,277,974 | 4,263,754 |
| July..... | 62,180,187 | 31,866,291 | 8,501,147 | 4,627,279 |
| August..... | 64,241,329 | 33,791,521 | 10,042,385 | 5,513,652 |
| September..... | 61,354,555 | 31,270,535 | 9,316,583 | 4,628,346 |
| October..... | 76,053,578 | 38,219,280 | 9,977,942 | 4,965,576 |
| November..... | 66,322,710 | 36,776,680 | 8,305,423 | 4,839,902 |
| December..... | 76,372,505 | 45,004,595 | 10,425,681 | 5,510,581 |
| | 803,605,448 | 443,669,913 | 110,908,611 | 60,679,818 |

CANADA.

| | | | | |
|----------------|------------|------------|-----------|-----------|
| January..... | 5,292,745 | 2,848,331 | 1,115,025 | 599,475 |
| February..... | 4,883,473 | 2,820,651 | 733,150 | 418,550 |
| March..... | 5,089,198 | 2,759,315 | 370,783 | 228,619 |
| April..... | 5,413,717 | 2,694,518 | 408,550 | 199,375 |
| May..... | 7,472,751 | 3,212,953 | 587,440 | 271,870 |
| June..... | 60,787,467 | 11,252,272 | 569,150 | 286,600 |
| July..... | 5,394,353 | 2,609,796 | 846,805 | 315,550 |
| August..... | 6,207,318 | 3,312,801 | 340,900 | 170,935 |
| September..... | 6,673,809 | 2,610,849 | 910,705 | 391,645 |
| October..... | 5,092,003 | 2,435,526 | 520,337 | 212,905 |
| November..... | 5,118,135 | 2,780,975 | 258,500 | 105,460 |
| December..... | 4,521,367 | 2,264,872 | 245,490 | 119,850 |
| | 91,946,336 | 41,602,862 | 6,900,815 | 3,320,834 |

INSURANCE.

TABLE IX—Aggregate Annual Losses in the United States and Canada for Ten Years, 1875-1884.

| Years. | UNITED STATES. | | Years. | CANADA. | |
|---------------------------|--------------------------|---------------------------|-------------|--------------------------|---------------------------|
| | Aggregate Property Loss. | Aggregate Insurance Loss. | | Aggregate Property Loss. | Aggregate Insurance Loss. |
| | \$ | \$ | | \$ | \$ |
| 1875..... | 78,102,285 | 39,325,400 | 1875..... | 8,225,750 | 4,306,330 |
| 1876..... | 64,630,600 | 34,374,500 | 1876..... | 9,145,200 | 3,887,600 |
| 1877..... | 68,265,800 | 37,398,900 | 1877..... | 29,261,000 | 10,637,700 |
| 1878..... | 64,315,900 | 36,576,900 | 1878..... | 5,950,500 | 3,102,700 |
| 1879..... | 77,703,700 | 44,464,700 | 1879..... | 7,159,000 | 3,856,000 |
| 1880..... | 74,643,400 | 42,525,000 | 1880..... | 5,194,600 | 2,359,800 |
| 1881..... | 81,280,900 | 44,641,900 | 1881..... | 8,237,400 | 3,701,600 |
| 1882..... | 84,505,024 | 48,875,131 | 1882..... | 5,605,940 | 3,047,341 |
| 1883..... | 100,149,228 | 54,808,664 | 1883..... | 6,266,131 | 3,382,987 |
| 1884..... | 110,008,611 | 60,679,818 | 1884..... | 6,900,815 | 3,320,834 |
| Totals..... | 803,605,448 | 443,669,913 | Totals..... | 91,946,336 | 41,602,862 |
| Total, United States..... | 803,605,448 | | | 803,605,448 | 443,669,913 |
| “ Canada..... | | | | 91,946,336 | 41,602,862 |
| Total..... | | | | 895,551,784 | 485,272,775 |

N.

CHATHAM, ONT., 7th April, 1888.

MILLERS' AND MANUFACTURERS' INSURANCE COMPANY,
24 Church Street, Toronto.

GENTLEMEN,—At the fire which recently destroyed our cooper shop and adjoining foundry the importance of having always ready for use plenty of pails filled with salt water was clearly demonstrated. The fire commenced in the early morning of the 15th February. A strong cold wind was blowing direct on the mill and elevator, encircling them with blazing shingles and sparks. The wind drove some of the sparks through a small opening at the top of the elevator, some 75 feet from the ground, and in a moment the upper part was in a blaze. Some of the men, who were on guard, ran up stairs and promptly extinguished the fire in its incipient stage by using the pails and water casks, which are always kept on hand for that purpose. We have no hesitation in stating that if it had not been for this the elevator, together with a heavy stock of grain, undoubtedly would have been burnt to the ground. We may mention that it would have been impossible to reach the spot with hose.

CAMPBELL, STEVENS & Co.

The elevator and grain at the time of the fire was fully worth \$50,000. C. S. & Co.

O.

HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY (FOUNDED 1873).

RULES.

Instructions to Agents.

The following rules will serve as your guide in carrying on your agency, and are framed with the view of obviating constant reference to the chief office for instruction:—

Character of Applicants.

You will guard against accepting proposals from persons of doubtful character, and those for insurance on property in the occupation of disreputable tenants.

Other considerations, such as the pecuniary embarrassment of the applicant, a disposition to overvalue his property, risk from threats or from probable designs on the part of enemies of the applicant, and any other peculiar conditions which may commend themselves to you as worthy to influence you in accepting or declining, command your rigid scrutiny.

Applications for Insurance.

Must be written on the printed forms furnished by the chief office at Toronto. You will, before granting an interim receipt, see that every question in the form is fully and fairly answered, and that a complete, clear and distinct diagram of the building proposed for insurance, or in which property proposed for insurance is placed, is sketched on the back thereof.

You will, personally, thoroughly examine the conditions of all property offered for insurance, and will not commit such examination to a sub-agent or assistant.

You will mark well the condition of the buildings, the risk to which they are exposed from without as well as from within, their contiguity to other buildings, and their risks therefrom.

You will personally verify the correctness of the plan sketched on the back of the application form, particularly that portion of it which specifies the distance from other buildings; and you will satisfy yourself that, in all other respects, the conditions of the property offered for insurance are truly described therein.

You will note how ashes are disposed of, whether they are deposited in a wooden receptacle near to the building, or to others adjacent thereto, and when habitual negligence in this or in other important particulars is manifest, you will decline the risk.

In considering an application, you will be so cautious and punctillious as that no exception could be taken to your acceptance, were the property to be destroyed on the day following its date.

You will, in every case, give your own independent opinion of the risk.

You will mail all applications to the chief office at Toronto on the day on which they are received.

Limit for Insurance.

You will not, in any one locality, without special authority, accept one or more risks which, in the event of a fire occurring, would endanger a loss, in that locality, to the company, of a greater amount than the following:—

- 1st. On fireproof, stone or brick buildings, roofed with slate, metal, gravel or shingles in mortar.....
- 2nd. On stone or brick buildings, roofed with wood.....
- 3rd. On rough-cast buildings, or buildings entirely of wood, (according to risk).....

You will generally avoid accepting risks on leasehold, vacant or disputed property. This rule does not refer to valuable leasehold having a considerable time to run.

Application for Insurance on Mortgaged Property

Should be made by the mortgagor, in order to avoid the possibility of a double insurance by mortgagor and mortgagee on the same property.

Endorsements.

You will at once forward copies of all endorsements required to be made on a policy to the chief office at Toronto, for approval, without which you will make no alteration or endorsement thereon.

The Value of Property

Offered for insurance is a consideration of vital importance, and will require your strictest examination. You will in no case accept a risk for a proportion of more than two-thirds to three-fourths of the actual cash value of the property.

Division of Risk.

In taking applications, you will see that the different amounts required to be insured on different kinds of property under the same policy, are respectively apportioned thus:—

| | |
|--|---------|
| On a brick dwelling, roofed with shingles, in mortar (No. 1 on diagram)..... | \$1,000 |
| On household furniture therein contained..... | 1,000 |
| On wearing apparel do | 500 |
| On piano do | 200 |
| On printed books do | 300 |
| | \$3,000 |

You will also see that specified amounts are placed on each building or tenement required to be insured.

Compensation

Will be a commission of per cent. on all premiums transmitted to the head office, which allowance is to cover postages and all other expenses. No other charge or expense will be allowed unless upon the written order of the president, countersigned by the secretary.

Accounts

Must be made up to the last day of each month, and mailed, together with a remittance of the exact amount of balance, so that they may reach the chief office at Toronto on the 3rd day of the month following, at latest.

Losses.

Upon the occurrence of a loss covered, or partially covered, by one of the company's policies, you will at once acquaint the chief office at Toronto with the fact by telegraph, stating the name of the insured and the number of the policy, and probable extent of loss, and will by first post give the fullest particulars as to partial or total loss and extent of same, the cause of fire, whether any suspicions exist of the conduct of the insured, or of others, in respect thereof, what other companies, if any, are concerned in the loss, and all other particulars which you may deem of importance or of interest to the company,—waiting instructions from the chief office or the arrival of the inspector.

In the case of a partial loss of merchandise, you will see that the goods are at once assorted and arranged according to class, separating the damaged from the undamaged goods so that the damage can be easily ascertained, and otherwise placed in a condition for appraisal, in the manner described in the policy.

You will answer all questions as to mode of procedure for recovery of claims by referring applicants to the instructions and conditions in this regard embodied in the policy.

Rates.

It would be impossible to frame a table of rates applicable to every case, and you will understand that the table annexed gives the rate for ordinary risks. It will be found that unforeseen hazards sometimes present themselves, demanding an increased rate.

In circumstances under which you may consider it for the interest of the company to alter the rate, either by way of increase or abatement, you will be guided to

some extent by the rates of other respectable companies having agencies in your neighborhood.

There is a constant endeavor on the part of applicants to beat down the rates, and although the temptation may be strong to abate a very little in order to obtain business, it must be steadily resisted, as whenever rates are unwarrantably reduced, the result must be injurious to the interests of the company, and the insured.

Reasonable men, when the matter is properly explained, must admit that the best guarantee they can have for the payment of a loss is, that the company has received a sufficient premium to enable them to meet their engagements.

Special Hazards.

Applications for insurance on special hazards, or property where steam is used for propelling machinery, must be approved by the head office at Toronto before issuing an interim receipt or making the company liable for loss or damage, and for which special application blanks will be furnished.

CLASSIFICATION.

1st Class—Stone or brick buildings roofed with metal, gravel, slate, or shingles laid in mortar.

2nd Class—Stone or brick buildings roofed with shingles.

3rd Class—Frame rough-cast, or veneered with brick.

4th Class—Wooden buildings.

Mansard roofs—Other than stone, brick or iron, extra.

Steam hoists—extra.

SCALE OF CASH RATES.

| OCCUPATION. | BUILDING. — Class of Risk. — Rate per \$100. | | | | CONTENTS. — Class of Risk. — Rate per \$100. | | | |
|--|--|---------|--------|------|--|------|------|------|
| | 1st. | 2nd. | 3rd. | 4th. | 1st. | 2nd. | 3rd. | 4th. |
| | Academies, Day Schools and Colleges..... | 50 | 65 | 1 00 | 1 25 | 50 | 65 | 1 00 | 1 25 |
| Auctioneers..... | 75 | 1 00 | 1 25 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Apothecaries..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Agricultural Implement and Seed Sale Rooms | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Alcohol and Liquors in Casks..... | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| Bakers..... | 75 | 1 00 | 1 50 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Barns..... | 60 | 75 | 85 | 1 00 | 60 | 75 | 85 | 1 00 |
| Basket Makers..... | 75 | 1 00 | 1 50 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Ball Alleys..... | 75 | 1 00 | 1 50 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Billiard Rooms..... | 75 | 1 00 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Blacksmiths..... | 75 | 1 00 | 1 50 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Blacking Makers..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 2 00 | 2 50 |
| Booksellers..... | 75 | 1 00 | 1 50 | 1 75 | 85 | 1 00 | 1 50 | 1 75 |
| Bookbinders..... | 75 | 1 00 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Boarding Houses, Public..... | 75 | 1 00 | 1 50 | 2 00 | 75 | 1 00 | 1 50 | 2 00 |
| Brassfounders and Coppersmiths..... | 1 25 | 1 50 | 1 75 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Brushmakers..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Boots and Shoes, Sale Shop..... | 75 | 1 00 | 1 25 | 1 75 | 85 | 1 00 | 1 50 | 1 75 |
| do by steam..... | See | special | Risks. | | | | | |
| do without steam..... | 75 | 90 | 1 25 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| do cuttg and upp. sewing only | 75 | 90 | 1 25 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| Butchers' Shops..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Barbers' Shops..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Bottling Cellars..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Box Makers, Paper and Band..... | 1 25 | 1 50 | 1 75 | 2 00 | 1 50 | 1 75 | 2 00 | 2 25 |
| do do with steam..... | 1 50 | 1 75 | 2 00 | 2 25 | 2 00 | 2 25 | 2 50 | 2 75 |

SCALE OF CASH RATES—Continued.

| OCCUPATION. | BUILDING. | | | | CONTENTS. | | | |
|---|-----------------|------|------|------|-----------------|------|------|------|
| | Class of Risk. | | | | Class of Risk. | | | |
| | Rate per \$100. | | | | Rate per \$100. | | | |
| | 1st. | 2nd. | 3rd. | 4th. | 1st. | 2nd. | 3rd. | 4th. |
| Carpenters' and other workmen's Risk per month, extra | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Carpenters' Shops | 2 00 | 2 25 | 2 50 | 3 00 | 2 00 | 2 25 | 2 50 | 3 00 |
| Carvers and Gilders, no carpenter work allowed | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Clothing, Wholesale Manufacturing by steam | 1 00 | 1 25 | 2 00 | 2 50 | 1 25 | 1 50 | 2 00 | 2 50 |
| do Shop, without steam | 75 | 90 | 1 35 | 1 75 | 1 00 | 1 35 | 1 50 | 1 75 |
| Coal Oil (See page 32) | | | | | | | | |
| Colleges | 50 | 65 | 1 00 | 1 25 | 50 | 65 | 1 00 | 1 25 |
| Concert Rooms, Public Halls | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Confectioners | 75 | 1 00 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| do Manufacturing | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Coppersmiths and Brass Founders | 1 25 | 1 50 | 1 75 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Cotton in Bales | 75 | 90 | 1 25 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Cornbroom Makers | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Court Houses | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| Crockery and Glassware, wholesale and retail | 75 | 1 00 | 1 35 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Caloric Engines Extra. | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Churches (See Organs) | 50 | 60 | 75 | 1 00 | | | | |
| (May be insured for 3 years for 2 yearly rates.) | | | | | | | | |
| Clothing, Retail Sale Shop | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Coopers' Shops | 1 75 | 2 00 | 2 25 | 2 75 | 1 75 | 2 00 | 2 25 | 2 75 |
| Carriage Sale Rooms | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Cabinet Makers, by hand | 2 00 | 2 25 | 2 50 | 3 00 | 2 00 | 2 25 | 2 50 | 3 00 |
| Cigar Makers | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 2 00 |
| Cork Cutters | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Curriers | 1 50 | 1 75 | 2 00 | 2 25 | 1 50 | 1 75 | 2 00 | 2 25 |
| Chignca Makers (no singeing) | 2 00 | 2 25 | 2 50 | 2 75 | 2 00 | 2 25 | 2 50 | 2 75 |
| Dentists | 75 | 1 00 | 1 35 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Drill Sheds | 50 | 60 | 75 | 1 00 | 50 | 60 | 75 | 1 00 |
| Dry Goods, Millinery and Fancy Goods, Wholesale | 60 | 75 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Dry Goods, Wholesale (Staple) | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| do Retail | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Druggists, Wholesale and Retail | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Dwellings | 37½ | 45 | 50 | 62½ | 37½ | 45 | 50 | 62½ |
| Dyers | 1 00 | 1 25 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Eating Houses, Saloons | 1 00 | 1 25 | 2 00 | 2 50 | 1 00 | 1 25 | 2 00 | 2 50 |
| Engravers | 75 | 1 00 | 1 35 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Esparto Grass, in stacks or buildings | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 |
| Fancy Goods and small wares, Wholesale | 60 | 75 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Flour and Feed Stores | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Furniture Sale Shops, no repairing or other work done | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Furniture Sale Shops, including repairing and upholstering only | 1 00 | 1 25 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Furriers and Hatters | 75 | 1 00 | 1 35 | 1 50 | 1 00 | 1 25 | 1 50 | 2 00 |
| Gas and Steam Fitters | 1 25 | 1 50 | 1 75 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Grain Store | 75 | 90 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Greenhouses | | | | 62½ | | | | 62½ |
| do for three years | | | | 1 00 | | | | 1 00 |
| Grocers, Wholesale | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| do Retail | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Gunsmiths | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |

SCALE OF CASH RATES—Continued.

| OCCUPATION. | BUILDING. | | | | CONTENTS. | | | |
|---|-----------------|------|------|------|-----------------|------|------|------|
| | Class of Risk. | | | | Class of Risk. | | | |
| | Rate per \$100. | | | | Rate per \$100. | | | |
| | 1st. | 2nd. | 3rd. | 4th. | 1st. | 2nd. | 3rd. | 4th. |
| Glass Stainers, using Dry Heat..... | 1 00 | 1 25 | 1 50 | 1 75 | 1 50 | 1 75 | 2 00 | 2 25 |
| Glove Makers, with Steam..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| do without Steam..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Glue Makers..... | | | | 3 00 | | | | 3 00 |
| Hardware, Wholesale, if Oils (not Coal Oil or its products) or Turpentine are stored..... | 60 | 75 | 1 25 | 1 75 | 75 | 90 | 1 25 | 1 75 |
| Hardware, Retail, if Oils (not Coal Oil or its Products) or Turpentine are stored..... (With warranty in policy, prohibiting hazardous substances, such as Excelsior, Egyptian Grass, &c.) | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Hardware, Wholesale (no Oils)..... | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| do Retail (no Oils)..... (With warranty in policy, prohibiting hazardous substances, such as Excelsior, Egyptian Grass, &c.) | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Harness Makers and Saddler Shops..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Hatters and Furriers..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 2 00 |
| Hemp..... | 75 | 90 | 1 25 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Hotels..... | 1 00 | 1 25 | 2 00 | 2 50 | 1 00 | 1 25 | 2 00 | 2 50 |
| Hospitals..... | 50 | 65 | 1 00 | 1 25 | 50 | 65 | 1 00 | 1 25 |
| Household and other Furniture and Effects (same as Dwellings.) | | | | | | | | |
| Houses of Refuge (same as Hospitals.) | | | | | | | | |
| Hat Factories—Felt, with Steam..... | 2 00 | 2 25 | 2 50 | 3 00 | 2 00 | 2 25 | 2 50 | 3 00 |
| do Silk, with Steam..... | 1 00 | 1 25 | 1 50 | 1 75 | 1 25 | 1 50 | 1 75 | 2 00 |
| do Straw, with Steam..... | 1 50 | 1 75 | 1 00 | 2 25 | 2 00 | 2 25 | 2 50 | 2 75 |
| Hoop Skirt Makers..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Ice Houses and their Stables..... | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 | 2 00 |
| Jails (same as Court Houses)..... | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| Japanners..... | 1 50 | 1 75 | 2 00 | 2 50 | 1 50 | 1 75 | 2 00 | 2 50 |
| Jewellers' Stores, Wholesale and Retail..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| do Working and Silversmiths..... | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Leather Stocks, Wholesale..... | 60 | 75 | 1 25 | 1 50 | 60 | 75 | 1 25 | 1 50 |
| do Retail..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Livery Stables..... | 1 50 | 1 75 | 2 50 | 3 00 | 1 50 | 1 75 | 2 50 | 3 00 |
| Lunatic and other Asylums..... | 50 | 65 | 1 00 | 1 25 | 50 | 65 | 1 00 | 1 25 |
| Leather Belt Manufacturers, with Steam..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| do do without Steam..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Laundries..... | 1 00 | 1 25 | 1 50 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| Lithographers, with Steam..... | 1 00 | 1 25 | 1 50 | 1 75 | 1 50 | 1 50 | 1 75 | 2 00 |
| do without Steam..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Market Halls..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Milliners' and Dressmakers' Shops..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Musical Instruments and Music Sellers..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Marble Shops and Stock..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| do Manufacturers by power..... | 1 50 | 1 75 | 2 00 | 2 25 | 1 50 | 1 75 | 2 00 | 2 25 |
| Nunneries..... | 50 | 65 | 75 | 1 00 | 50 | 65 | 1 00 | 1 25 |
| do 3 years..... | 1 00 | 1 30 | 1 50 | 2 00 | 1 00 | 1 30 | 2 00 | 2 50 |
| Oakum..... | 75 | 90 | 1 25 | 1 50 | 1 00 | 1 25 | 1 50 | 2 00 |
| Opticians..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 2 00 |

SCALE OF CASH RATES—*Concluded.*

| OCCUPATION. | BUILDING. | | | | CONTENTS. | | | |
|---|-----------------|--------|------|------|-----------------|------|------|------|
| | Class of Risk. | | | | Class of Risk. | | | |
| | Rate per \$100. | | | | Rate per \$100. | | | |
| | 1st. | 2nd. | 3rd. | 4th. | 1st. | 2nd. | 3rd. | 4th. |
| Organs in Churches, and Stained Glass } Windows..... | | | | | 75 | 1 00 | 1 25 | 1 50 |
| Ornaments and Vestments in Churches } (When insured in connection with the build- ing, the building rate may be charged.) | | | | | | | | |
| Oil and Color Stores..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Painters and Paint Shops..... | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 75 | 2 00 |
| Photographers..... | 75 | 1 00 | 1 35 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Plasterers', Painters' and Plumbers' Risk, or Workmen, per month..... | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Plumbers' Shops..... | 1 25 | 1 50 | 1 75 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Printing Offices, no Steam..... | 75 | 1 00 | 1 50 | 1 75 | 85 | 1 00 | 1 75 | 2 00 |
| do with Steam..... | 1 00 | 1 25 | 1 75 | 2 00 | 1 25 | 1 50 | 2 00 | 2 50 |
| Plated Ware Manufacturing..... | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Rag Stores..... | 1 50 | 1 75 | 2 00 | 2 50 | 1 50 | 1 75 | 2 00 | 2 50 |
| Restaurants and Saloons..... | 1 00 | 1 25 | 2 00 | 2 50 | 1 00 | 1 25 | 2 00 | 2 50 |
| Roofing Felt Stock..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Saddlers and Harness Makers..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Sail Lofts..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Saloons and Restaurants..... | 1 00 | 1 25 | 2 00 | 2 50 | 1 00 | 1 25 | 2 00 | 2 50 |
| Ship Chandlers..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Shoemakers, by hand..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 50 | 1 75 |
| Sewing Machine Sale Shops..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 2 00 |
| Silversmiths and Working Jewellers..... | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Small Wares and Fancy Goods, Wholesale.... | 60 | 75 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Stationers, Retail..... | 75 | 1 00 | 1 35 | 1 50 | 85 | 1 00 | 1 50 | 2 00 |
| do Wholesale (no rags stored)..... | 60 | 75 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Stables, Private..... | 60 | 75 | 85 | 1 00 | 60 | 75 | 85 | 1 00 |
| Stables, "Livery or Tavern"..... | 1 50 | 1 75 | 2 50 | 3 00 | 1 50 | 1 75 | 2 50 | 3 00 |
| Stained and Painted Glass in Churches..... | See O | rgans. | | | | | | |
| Steam Engines, when not already provided for, extra..... | 25 | 25 | 50 | 50 | 25 | 25 | 50 | 50 |
| Storage, General..... | 75 | 90 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Soda Water Factory..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Shirt and Linen Collar Makers, by steam.... | 1 00 | 1 25 | 2 00 | 2 50 | 1 25 | 1 50 | 2 00 | 2 50 |
| do do without steam..... | 75 | 90 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| Scale Makers, no wood work..... | 75 | 90 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| Tailors..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 50 | 1 75 |
| Taverns..... | 1 00 | 1 25 | 2 00 | 2 50 | 1 00 | 1 25 | 2 00 | 2 50 |
| Tele. graph Offices..... | 75 | 1 00 | 1 35 | 1 75 | 85 | 1 00 | 1 35 | 1 75 |
| Tinsmiths..... | 1 25 | 1 50 | 1 75 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Tobacconists..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 2 00 |
| Town Halls..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Trunkmakers..... | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Type Founders..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 25 | 1 50 | 1 75 | 2 00 |
| Toy Shops, Retail..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |
| Upholsterers (See Furniture Sale Shops, no re- pairing or upholstering)..... | 1 00 | 1 25 | 1 50 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Varnish Storehouses..... | 4 00 | 4 00 | 4 00 | 4 00 | 4 00 | 4 00 | 4 00 | 4 00 |
| Wire Workers..... | 75 | 1 00 | 1 50 | 2 00 | 85 | 1 00 | 1 50 | 2 00 |
| Wood Workers of all kinds, extra..... | 1 50 | 1 50 | 1 50 | 1 50 | 1 50 | 1 50 | 1 50 | 1 50 |
| Wool..... | 60 | 75 | 1 25 | 1 50 | 75 | 90 | 1 25 | 1 50 |
| Working Jewellers and Silversmiths..... | 75 | 1 00 | 1 35 | 2 00 | 1 00 | 1 25 | 1 50 | 2 00 |
| Wooden Ware Sale Shops..... | 75 | 1 00 | 1 35 | 1 75 | 1 00 | 1 25 | 1 50 | 1 75 |

SPECIAL RISKS.

| OCCUPATION. | RATES ON BUILDINGS AND CONTENTS. | | |
|---|----------------------------------|------|--------------|
| | Class of Risk. | | |
| | Rate per \$100. | | |
| | 1st. | 2nd. | 3rd and 4th. |
| 1. AGRICULTURAL IMPLEMENT FACTORIES—Propelled by Water-power..... | 2 75 | 3 00 | 3 50 |
| Propelled by Steam-power | 4 00 | 4 50 | 6 00 |
| Extra when Planing Machines are used, or when fire-heat is employed for seasoning Wood | 1 00 | 1 00 | 1 00 |
| Or when both are used on the same premises | 2 00 | 2 00 | 2 00 |
| 2. AXE, SHOVEL AND TOOL FACTORIES—When no wood-work is done on the premises | 2 00 | 2 25 | 2 50 |
| When wood-work is done | 3 00 | 3 25 | 3 50 |
| 3. BOOTS AND SHOES, Manufacturing by steam | 1 25 | 1 50 | 1 75 |
| 4. BREWERIES (See Malt Houses) | 1 50 | 1 75 | 2 50 |
| Extra for Kilns and Steam Engines, each | 25 | 25 | 50 |
| 5. CATTLE SHEDS—Over eighty feet distant from Distilleries | 1 00 | 1 25 | 1 50 |
| For each ten feet nearer than eighty feet, 25c., until specially rated | | | |
| 6. CIGAR FACTORIES | 1 25 | 1 50 | 2 00 |
| 7. COACH BUILDERS AND CARRIAGE MAKERS—Without Steam | 2 00 | 2 25 | 3 00 |
| With Steam | 3 00 | 3 25 | 4 00 |
| 8. *COTTON MILLS—Worked by Water or Steam-power. | 2 50 | 3 00 | 4 00 |
| 9. DISTILLERIES | 3 25 | 3 50 | 4 50 |
| 10. DREDGES, \$1 50, AND FLOATING ELEVATORS, \$1. 75—Steam | | | |
| 11. *FLAX MILLS (no Scutching to be done in or near the Mill) | 3 00 | 3 25 | 4 50 |
| If Scutching is done in or near the Mill | 4 00 | 4 50 | 6 00 |
| 12. FLOUR MILLS—Propelled by Water-power | 2 00 | 2 25 | 2 75 |
| The same propelled by Steam-power | 3 00 | 3 50 | 4 50 |
| Barley or Oat Mill, Water-power | 2 50 | 2 75 | 4 00 |
| Steam-power | 3 50 | 4 00 | 5 00 |
| Extra when Wool is carded on the premises | 75 | 75 | 75 |
| 13. GAS WORKS—Retort House not included (and to be out of danger)..... | 2 50 | 3 00 | 4 00 |
| 14. GRAIN ELEVATORS—Worked by Water or Horse-power | 1 25 | 1 50 | 1 75 |
| Worked by Steam-power | 2 00 | 2 50 | 4 00 |
| 15. INDIA-RUBBER FACTORIES | 3 00 | 3 50 | 4 00 |
| 16. IRON FOUNDRIES—No wood-work done on the premises | 2 00 | 2 25 | 2 50 |
| When connected with Pattern Shop | 3 00 | 3 25 | 3 50 |
| (Patterns not insurable unless by special agreement.) | | | |
| 17. LATH FACTORIES | 3 00 | 3 25 | 3 50 |
| 18. MACHINERY WORKS—When no wood-work is done on the premises | 1 50 | 1 75 | 2 50 |
| When wood-work is done on the premises | 2 50 | 2 75 | 3 50 |
| 19. MALT-HOUSES—Separate from Breweries, with not more than two kilns..... | 1 50 | 1 75 | 2 50 |
| 20. NAIL FACTORIES—With Earthen or Brick Flooring on basement story | 1 50 | 2 00 | 2 50 |
| With Wooden Flooring on basement story | 2 50 | 3 00 | 3 50 |
| Extra when Spike Machines are used | 50 | 50 | 50 |
| 21. OIL AND DRUG MILLS | 2 75 | 3 00 | 3 50 |
| When Oils or other Liquids are boiled on or near the premises..... | 4 50 | 4 75 | 5 25 |
| 22. OIL-CLOTH FACTORIES | 2 50 | 3 50 | 4 50 |
| 23. PAPER MILLS—Propelled by Water-power | 2 00 | 2 25 | 2 50 |
| do Steam-power..... | 2 50 | 3 00 | 3 50 |
| Extra when Rags (except a day's supply) are stored in or near the Mill | 1 00 | 1 00 | 1 00 |
| 24. PLANING MILLS. FURNITURE MANUFACTORIES, PAIL, SHINGLE, RAKE, WINDOW SASH, AND BLIND FACTORIES | 4 00 | 4 25 | 5 00 |
| When worked by Steam-power | 5 00 | 6 00 | 7 00 |
| 25. PORK PACKING AND CURING HOUSES—Cutting, Salting and Packing only | 75 | 1 00 | 1 50 |
| Add for privilege of Smoking | 50 | 50 | 50 |
| do Rendering | 1 00 | 1 00 | 1 00 |
| When both Smoking and Rendering are done add only | 1 25 | 1 25 | 1 25 |
| 26. POT AND PEARL ASHERIES | 1 50 | 1 75 | 2 75 |
| 27. ROPE WORKS—Worked by Water-power..... | 3 00 | 4 00 | 5 00 |
| Worked by Steam-power | 4 00 | 5 00 | 6 00 |

* NOTE.—Picking to be in separate compartment, and no fires or lights permitted within it; if otherwise, charge c. extra.

SPECIAL RISKS—Concluded.

| OCCUPATION. | RATES ON BUILDINGS AND CONTENTS. | | |
|---|----------------------------------|------|--------------|
| | Class of Risk. | | |
| | Rate per \$100. | | |
| | 1st. | 2nd. | 3rd and 4th. |
| 28. ROLLING MILLS..... | 2 00 | 2 25 | 2 50 |
| 29. SAFE MAKERS, no wood-work..... | 1 50 | 1 75 | 2 00 |
| do with wood-work..... | 2 50 | 2 75 | 3 00 |
| 30. SAW FACTORIES, no tempering..... | 1 50 | 1 75 | 2 00 |
| Tempering extra..... | 50 | 50 | 50 |
| 31. SAW MILLS—Propelled by Water-power..... | 2 00 | 2 25 | 3 00 |
| Extra when Planing Machines are used in above..... | 1 00 | 1 00 | 1 00 |
| Propelled by Steam..... | 5 00 | 6 00 | 7 00 |
| When covered with Metal or other first-class Roofing, deduct..... | | 25 | 25 |
| SAW MILLS—Propelled by Steam: | | | |
| When Boiler and Engine are in a first-class building attached to Mill, deduct..... | | 25 | 25 |
| When covered with Metal or other first-class Roofing, and having the Boiler and Engine-House at least 40 feet distant, deduct..... | 50 | 50 | 1 00 |
| SAW MILLS, SILENT..... | 2 50 | 3 00 | 3 50 |
| 32. SOAP AND CANDLE FACTORIES..... | 2 25 | 2 75 | 3 25 |
| When steam is used for boiling..... | 1 75 | 2 25 | 3 00 |
| 33. SPICE MILLS AND COFFEE ROASTERS..... | 1 50 | 2 00 | 2 50 |
| 34. STARCH FACTORIES..... | 2 00 | 2 25 | 3 00 |
| If Boxes are made on the premises add..... | 1 00 | 1 00 | 1 00 |
| 35. SUGAR AND SYRUP REFINERIES—With Steam Kilns..... | 2 50 | 3 00 | 5 00 |
| 36. SEWING MACHINE MAKERS, no wood-work..... | 1 00 | 1 50 | 2 00 |
| do with wood-work..... | 2 00 | 2 50 | 3 00 |
| Japanning extra..... | 50 | 50 | 50 |
| 37. TANNERIES AND BARK EXTRACT FACTORIES..... | 4 00 | 4 25 | 4 50 |
| Extra for Japanning..... | 1 00 | 1 00 | 1 00 |
| 38. TOBACCO FACTORIES—Drying done by Steam..... | 1 50 | 2 00 | 3 00 |
| Drying done by Stoves, extra..... | 50 | 50 | 50 |
| For Snuff Mills do..... | 50 | 50 | 50 |
| 39. WOOD, BITUMINOUS COAL AND LUMBER YARDS—Distant from other yards or other external exposure 100 feet, enclosed with wall or tight fence..... | | | 1 50 |
| When without such fence or wall..... | | | 2 00 |
| Hard Coal..... | | | 1 00 |
| That the average clause be inserted in all cases of lumber yards. | | | |
| 40. *KNITTING, WOOLEN, FULLING AND CARDING MILLS—Worked by Water-power..... | 2 50 | 3 00 | 4 00 |
| Worked by Steam-power..... | 3 00 | 4 00 | 5 00 |
| 41. WHEELWRIGHTS AND WOOD TURNERS..... | 1 50 | 2 00 | 3 00 |

*NOTE —Picking to be in a separate compartment, and no fires or lights permitted within it; if otherwise charge 50 cents extra.

Steam, when used occasionally for any of the foregoing special risks, 20 cents p. c. per month extra.

EXTRA RATES FOR REFINED COAL OIL.

| | Building. | Contents. |
|---|------------|------------|
| | Per \$100. | Per \$100. |
| 1 to 3 Barrels, no extra charge..... | | |
| Over 3 and not exceeding 6 Barrels..... | 15 | 25 |
| do 6 do 10 do..... | 25 | 40 |
| do 10 do 20 do..... | 50 | 65 |
| do 20—Special..... | | |

P.

TORONTO BOARD OF FIRE UNDERWRITERS.

(Extracts from Minutes.)

TORONTO, 17th February, 1887.

Met this day at 3 p.m., Alf. W. Smith (Imperial), vice-president, in the chair.
Minutes of the 10th inst. read and confirmed.

57. *Peculiarity of Construction of a Building.*—On motion, the following rule of the Canadian Fire Underwriters' Association was unanimously adopted, as follows:—
“That when a risk, from peculiarity of construction of the building, is better than what was contemplated when the minimum tariff was established, or when a risk of any occupation not provided for in schedule rating is provided with fully equipped automatic sprinklers or automatic fire alarm, it shall be competent for this board, on application being made by the assured and on the recommendation of the secretary, to specially rate such risk, anything in the board rules or ratings to the contrary notwithstanding.”

58. *Deposit Guarantee.*—At this stage of the proceedings a member asked if the deposit guarantee of \$50, required by section 20 of the rules, as amended at the annual meeting, had been complied with. The secretary read the names of the companies that had made the deposit, when it was found that a number of members had not yet complied.

It was then moved by Mr. Reed, seconded by Mr. Magurn, That whereas a number of companies, members of this board, have not yet complied with the rule regarding a deposit, be it

Resolved, That this board do now adjourn to this day week, with instructions to the secretary to communicate with those companies that have not yet made the required deposit, and report to the board, on Thursday next, either their compliance with the rule or their reason for refusal. Carried unanimously.

ALF. W. SMITH, *Vice-President.*ROBERT McLEAN, *Secretary.*

TORONTO, 18th February, 1887.

DEAR SIR,—I beg to call your attention to paragraph No. 58, of the minutes of the Toronto Board, of the 17th inst., as below, and in compliance with my instructions, I respectfully ask you to forward me your cheque for \$50. No cheque will be deposited in the bank until all companies shall have complied with this rule of the Toronto board.

Yours truly,

ROBERT McLEAN, *Secretary.*

EXHIBIT 46a.

CONSTITUTION OF THE CANADIAN IRONFOUNDERS' ASSOCIATION.

Adopted 13th November, 1865, revised 17th May, 1872, and again revised 28th April, 1880.

PREAMBLE.

Whereas, great loss is sustained by the ironfounders of Canada, from want of unity of purpose and action among themselves, which would empower them to establish rules for the regulation of the price of their manufactures, and the government of their workshops, it is therefore deemed expedient to form an association for the protection and promotion of the general interests of the trade.

INSURANCE.

CONSTITUTION.

Art. 1. This association shall be named the "Canadian Iron Founders' Association."

Art. 2. The Canadian Iron Founders' Association is formed for the following purposes :

First :—The fixing of a general uniform rate for stoves and other foundry wares.

Second :—The obtaining, by united action among the members, power to control their workshops.

Third :—The cultivation of friendly feeling and of mutual confidence among the members.

Art. 3. The members of the association shall all be iron founders.

Art. 4. The annual subscription fee shall be ten dollars, or such amount as shall be required to meet necessary association expenses, payable at any time after the first regular meeting in each year on draft or call of the treasurer.

Art. 5. Firms paying the above fees; and subscribing to the constitution of the association, shall be considered members, and be entitled to vote on any question, each firm having one vote.

Art. 6. The officers of the association shall consist of a president, vice-president, treasurer and secretary.

Art. 7. The officers shall be elected by ballot at the first regular meeting in each year, as also the standing committees.

Art. 8. The duties of the president shall be to preside at all meetings of the association, to verify accounts by attaching his signature to them, if correct, to call special meetings at the request of three voting members, and to cause immediate action to be taken should any member show cause of complaint.

Art. 9. The duties of the vice-president shall be to preside in the absence of the president, and to perform his other duties when he is unable to attend thereto.

Art. 10.—The treasurer shall take charge of all moneys belonging to the association, keep a correct account of all receipts and disbursements, and pay all accounts certified by the president or his deputy.

Art. 11.—The secretary, who may not be a member, shall keep all books and records of the association, conduct all correspondence, attend all meetings, and make correct minutes of the same.

Art. 12.—The regular meetings of the association shall be held on the second Wednesday of February, and subsequent meetings from time to time during the year, as may be agreed upon or regularly called by the president.

Art. 13.—To constitute a quorum at a regular or special meeting, there shall be present at least five voting members.

Art. 14.—To alter or amend the constitution or by-laws of the association, a two-third affirmation vote of those present, who are voters, shall be required. The vote shall be taken at one of the regular meetings, and one month's notice of the contemplated alteration or amendment shall be given by the secretary in writing, who shall without any delay notify all the members of its purport.

BY-LAWS.

1. At the regular meeting of the association the order of business shall be as follows :—

First.—The constitution and by-laws shall be read.

Second.—Minutes of previous meeting.

Third.—Reports of committees.

Fourth.—Communications shall be received.

Fifth.—Election of officers.

Sixth.—General business transacted.

2. All members of firms present shall have the privilege of discussing any subject under consideration, but the question shall be settled by a majority of votes.

3. All resolutions shall be in writing.

4. The president shall vote only in case of tie.

5. Any member or members having cause of complaint, shall communicate the same to the president (in writing) who shall without delay give notice of the same to the grievance committee, and they shall take immediate action thereon.

6. The travelling expenses incurred by the direction of the president shall be paid out of the funds of the association, on the order of the president.

7. No member shall be at liberty to retire from his obligation in connection with the association until after the same has been discussed at a meeting called for the purpose, of which due notice shall be given to all members.

8. Should the president receive notice of withdrawal from any member or members, he shall cause the secretary to give immediate notice to all the others, when a special meeting shall be called.

9. No stoves or hollow-ware to be shipped from manufacturers unless they are previously sold, and no stove or hollow-ware shall be sent out on commission or consignment nor shall any member be allowed to store stoves or hollow-ware on the premises of a retail dealer or under his charge. This rule not to apply to Winnipeg jobbers representing members of this association.

10. All stoves of same pattern, design and number shall be sold at a uniform price, which will be arranged annually by a committee appointed for that purpose.

11. No contracts shall be made for stoves or hollow-ware to extend beyond the current association year, ending with the second Wednesday in February.

12. Members shall send copies of their latest catalogues and price list to all members of the association applying for the same.

13. Whereas, it is deemed damaging to the trade to manufacture stoves of precisely the same design, it shall be the duty of any member who is about to fit up an American stove or pattern, not original, to notify the members in writing of such intention **when he has actually purchased his patterns**, giving name of stove and maker of same, where the party so doing shall be entitled to the exclusive control of such pattern or design, **on condition that the stove is in the market within six months of such notification**; further, all original patterns shall be held as the property of the inventor or owner, and shall be registered with the association; and no member of this association shall appropriate and use for patterns any castings produced by any other member except by mutual agreement.

14. When notice is given by any member of the purchase of a new stove pattern for manufacture, the secretary shall also be notified, and he shall upon receipt of such notification, register in a book kept for the purpose, the hour and date received for reference in case of dispute. The notice to the secretary shall be accompanied by a fee of five dollars for each new pattern so registered, such fee to be at once handed by the secretary to the treasurer, and by him passed to the general funds of the association. If, however, the stove registered is not manufactured and placed in the market within the prescribed six months the fee shall be forfeited and the right to protection to said pattern lost.

15. Members may register any given name, provided such name (registered or unregistered) was not in use by any other member previous to the 1st January, 1887, when such registration shall entitle them to the exclusive use of same, for which a fee of two dollars will be charged, which shall pass to the general funds of the association.

It shall be the duty of the applicant to notify the members of this association of its adoption and registration.

16. In cases where it is desired to make prices on any new stove or make changes in old prices (rendered necessary by alteration of weights, or otherwise) when the presence of the auditor cannot be immediately secured, members may have the privilege of doing so, provided that before quoting such prices by list or otherwise, they shall have furnished the auditor with a detailed statement showing how such prices are made up, which statement shall be made on a form of affidavit to be supplied by the auditor.

Should a member fail to make the required declaration before quoting prices for new or altered stoves, which have not been inspected by the auditor, he shall be liable to a fine of not less than \$25 for each size of such stove infringing this rule.

The following bond of agreement has been adopted by the association and must be signed by each member :—

BOND OF AGREEMENT.

This indenture made the 21st day of February, A.D. 1888, between the undersigned members of the Canadian Iron Founders' Association,

Witnesseth, that the undersigned members of such association hereby, mutually, both for themselves and their respective firms, covenant and agree with each other as follows :—

1. That they and each of them will strictly adhere to and observe all rules, terms and prices as fixed and adopted by the Canadian Iron Founders' Association, at the meeting held at the city of Hamilton on the 21st and 22nd February, 1888, and that they will hold themselves respectively responsible for the actions of their respective agents and employees, and will not either directly or indirectly resort or have recourse to any subterfuge of any kind whatever (such as the giving of presents or allowances of discounts on other goods, or in any other way by the giving or promising of benefit) as an inducement in making sales of goods, and will not directly or indirectly violate the rules of the association when making settlements with customers, and it is agreed that all such subterfuge aforesaid, or any device resorted to in that behalf, shall be considered a violation of the covenants and agreements in this clause contained.

2. That the parties hereunto respectively, shall and will within ten days from the date hereof, deposit with the treasurer of said association the sum of \$200 as shall be hereafter decided upon, as a security for the due observance and performance of the covenants and agreements in this indenture contained such sum to bear interest at the rate of six per cent. per annum from date of deposit, and such interest shall be payable annually.

3. That in event of any infraction or violation of any or either of the terms or stipulations in this indenture contained, by any member of such association, being a party hereto or by any agent, salesman or employee, of any such member or firm being a party hereto, a fine may be inflicted to the full amount of the deposit, or such sum as the court provided for in article 5 of this bond shall impose, and the said fine, together with all accrued or accruing interest thereon, shall be passed to the funds of the said association, to be dealt with and devoted to such usages and purposes as said association may deem proper, and it is agreed that the taking of an order by an agent, salesman or employee, which the house refuses to accept on other than the regular terms, shall constitute a violation on the part of the agent only.

4. Should any member of the association have reason to suspect that any other member of the association is infringing any of the rules and regulations of the said association, or any covenant in this indenture contained, such member so suspecting the other, shall be at liberty to obtain from the members or firms being parties hereto, a written denial of the charge of suspicion preferred, and should any member decline to sign such written denial when requested by any other member, such refusal shall be ground *per se* for the preferment of a charge under the penalty clause herein contained, and should any member after getting such written denial still feel dissatisfied, and have proof that the party giving such denial has been guilty of violating the terms of this agreement, or any of the rules or regulations of said association, he may, notwithstanding such denial, at once call together the court of referees as provided in the next succeeding clause hereof.

5. A court shall be created which shall consist of the president, or vice-president and two members of the association, one of whom shall be appointed by the president and the other by the member making the charge against the party accused. And the duty and power of such court of referees shall be the investigation of any and all charges which may be preferred against any party to this agreement, and the

decision of such court shall in all cases be final and conclusive between the parties hereto, as well as final between the parties charged and the said association; and the charges made shall be laid before the said court by the party making them in writing, and the same shall be specific and definite; and a copy thereof shall be delivered to the accused at least six days before the sitting of such court, of which sitting the party accused shall have due notice.

6. In case of any forfeiture for any cause, the whole or any part of the said sum deposited with the said treasurer, the party or member who has sustained such forfeiture, shall, within ten days from date of such forfeiture, deposit with the said treasurer sufficient to cover the amount of such forfeiture, which amount remaining in the hands of the treasurer, shall be held as security aforesaid, and the whole amount so deposited shall be subject to all the conditions and covenants in this indenture contained, and should the member so sustaining forfeiture fail to make such further deposit, the said association may, and shall have power to deal with the matter as they shall see fit, and shall without delay take action upon the matter.

7. Should any member or firm withdraw from the association before the expiration of this agreement, which shall continue in force for one year from the 21st day of February, 1888, all moneys deposited with said treasurer of such association shall be forfeited by the member or firm so withdrawing, and such moneys shall thereafter belong to said association and may be disposed of as the association shall deem proper.

8. In the event of the deposit required to be made by the second clause of this agreement not being made by the parties hereto, within ten days from the completion of this agreement, we hereby authorize the treasurer of this association to draw upon us respectively for the amount of such deposit, and we respectively agree to honor and protect such drafts.

9. Should any violation of the terms of this agreement by any party hereto, come to the knowledge of any party hereto, the parties hereto respectively, both as individuals and firms, agree to make and prefer a charge for such violation against any firm or members so violating or accused, and do all that is necessary and proper to sustain such charge.

10. This agreement shall continue in force during the ensuing association year, and shall cover all transactions or violations happening during that period.

11. The parties hereto further agree that they will in each and every month, subsequent to the date of the completion of this agreement, make and subscribe to, and forward by mail to the secretary of the said association, a declaration under the following regulations:—

At the end of each month, a form of affidavit to be furnished by the secretary and returned to the secretary promptly.

In any case where fifteen days expire without such affidavit being sent in, a fine of five dollars shall be inflicted; the secretary shall telegraph the delinquent, and in case no return is made within the month, the deposit of such member shall be forfeited, and the case reported to the president for action.

B.

TERMS OF AGREEMENTS OF THE CANADIAN IRON FOUNDERS' ASSOCIATION.

Formulated in 1875, and revised in 1877.

Moved by Mr. A. Laidlaw, seconded by Mr. C. Gurney, that any member of this Association be empowered to offer and pay the sum of \$50.00 to any customer who may furnish satisfactory written proof from the seller that any member had given better terms than those authorized by the Association rules, said \$50.00 to be paid from association funds.—Carried.

ROSSIN HOUSE, TORONTO, Wednesday, 3rd March, 1875.

Your committee, appointed to take into consideration and fix prices for the year for the several classes of stoves manufactured by the several firms who are members of the association, would respectfully recommend as follows: That the new prices for the season of 1875-76 be in accordance with the following scale:—

| | | |
|--|-----------------|--------------|
| Self-feed base burners, two rows mica..... | 7 | cts. per lb. |
| Direct self-feeders do do | 7 | do |
| Self-feed base burners, one do | 6 $\frac{3}{4}$ | do |
| Direct self-feeders do do | 6 $\frac{3}{4}$ | do |
| Coal cook stoves..... | 5 $\frac{1}{2}$ | do |
| Wood do | 5 | do |
| Parlor stoves for coal..... | 5 $\frac{1}{2}$ | do |
| do wood..... | 5 $\frac{1}{2}$ | do |
| Box stoves, light..... | 4 $\frac{1}{2}$ | do |
| do heavy, 400 lbs. and over..... | 4 | do |
| Cylinder coal stoves..... | 5 $\frac{1}{2}$ | do |

And all goods not named in above scale to be listed at last year's price, with permission to deduct from all accounts which may amount to \$500.00 up to \$1,000.00 2 $\frac{1}{2}$ per cent. discount, and from all accounts amounting to \$1,000.00 and upwards a discount of 5 per cent., and to allow freight to all competing points, which points shall be named by the association.

Not over \$1.00 per 100 lbs. to be paid for scrap iron delivered in foundry yard.

Your committee have to regret the many instances of bad faith which cannot be denied have occurred among the members of this association during the past season, and with a view of avoiding such occurrence in the future would recommend the following for adoption by the association:—

That each firm being members of the association shall deposit with the treasurer of the association as a guarantee of good faith the sum of \$200, which shall bear interest at the rate of 7 per cent. per annum, and which amount shall be forfeited by any members who shall be guilty of an infraction of prices as adopted by this association.

That a committee of three shall be appointed by the association, whose duties shall be to investigate all complaints and charges referred to them by the president and whose decision in all cases shall be final, and should the committee so appointed fail to forthwith investigate any charges which may be referred to them by the president they shall each forfeit the sum of \$200.

That it shall be the duty of each member of this association to notice any and all infractions of prices, and on satisfactory evidence to enter a charge by giving notice to the president who shall at once place that matter in the hands of the proper committee.

All expenses of investigation to be paid by the association except in the event of conviction, when all expenses shall be paid out of the amount forfeited by convicted member, and the balance be paid to such charitable institution as shall be decided upon by vote of the association.

In the event of the adoption of the foregoing by the association, your committee would recommend that each member of the association sign the following agreement:

We, the undersigned members of the Canadian Iron Founders' Association, do hereby pledge our word and honor that we will strictly adhere to prices, terms and rules as stated in the foregoing report and adopted by the association both in letter and in spirit; and will hold ourselves responsible for ourselves, our firms and our agents, and should a charge be sustained against either of our respective firms we individually agree to abide by the decision of the committee, and will not in consequence of such decision refuse to abide by their awards nor will we withdraw from the association or claim any moneys forfeited by us.

And in the event of the forfeiting by us of the amount deposited by us with the treasurer of this association, we hereby order such amount be paid over to such charitable institution as the Canadian Iron Founders' Association may direct.

This agreement to remain in force until the annual meeting of 1876 unless changed by the association.

By consent of the members present the above report was laid on the table and the election of officers for the ensuing year proceeded with.

On motion of Mr. W. J. Copp, Mr. E. Gurney, junior, was elected president.

On motion of Mr. Stewart, Mr. Moore was elected treasurer.

On motion of Mr. Howse, Mr. McKillop was elected vice-president.

On motion of Mr. E. Gurney, junior, Edward Tilden was elected secretary.

The above report was then read by clause and after considerable discussion was adopted with the following amendments:—

Mr. Carmicheal moved in amendment to the report, seconded by Mr. Moore,

That 2½ per cent. be allowed only on purchases over \$1,000 to \$2,000, and 5 per cent. in purchases over \$2,000.—Carried.

Moved by Mr. Stewart, seconded by Mr. Carmicheal,

That \$100 be substituted in place of \$200 as a forfeit by any members not adhering to the prices and terms of the association for the year.—Carried.

Moved by D. McKillop, seconded by E. Gurney,

That members present at the meeting keep secret the transactions of this association from iron founders not members and from dealers.—Carried.

EXHIBIT 47a.

CONSTITUTION, BY LAWS, RULES OF ORDER, ETC., OF THE UNDERTAKERS' ASSOCIATION OF ONTARIO, AND PROCEEDINGS OF THE SECOND ANNUAL CONVENTION HELD AT TORONTO, ON THE 16TH SEPTEMBER, 1885. INSTITUTED AT TORONTO, ON THE 3RD DAY OF JULY, 1884.

Officers, 1885-86: President, J. B. McIntyre, St. Catharines. Vice-presidents, George Hess, M.P.P., Listowel, 1st vice; W. H. Hoyle, Cannington, 2nd vice; W. H. Stone, Toronto, 3rd vice; H. Neilson, Chatham, 4th vice; S. Rogers, Ottawa, 5th vice. Secretary, C. D. Blachford, Hamilton. Treasurer, J. Young, Toronto. Executive Committee, John Ferguson, London, chairman; James Muir, Port Egin; W. Wilson, Owen Sound; J. W. Pattison, Brantford; M. Robertson, Seaforth. Delegate to National Convention, J. B. McIntyre, President, St. Catharines.

MEMBERSHIP CREDENTIAL.

UNDERTAKERS' ASSOCIATION OF THE PROVINCE OF ONTARIO,
HAMILTON, 188

This is to certify that M _____ of _____ has been admitted a member of the Undertakers' Association of Ontario, and is entitled to participate in all meetings and privileges of said association for the year ending 188 .

.....Secretary.

Present this card as your credential at all meetings of the association.

PROPOSITION FOR MEMBERSHIP.

.....the undersigned doing business in _____, County of _____, hereby request the privilege of becoming a member of the Under-
UNDERTAKERS' COMBINATION, 705

takers' Association of Ontario, and promise, if elected, to abide by the constitution by-laws, rules and regulations that may be adopted from time to time.

Signed,.....

Date, 188 .
Membership fee enclosed.
Return this properly filled out to

C. D. BLACHFORD, *Secretary,*
Hamilton, Ont.

PREAMBLE.

The object of this association is to secure harmony in business, cultivate a more friendly spirit socially, to elevate and bring to a higher state of perfection our profession, to disseminate correct principles of business management, the best methods of protecting the interests of undertakers in the practice of their profession, as well as those of patrons, and to promote the interests of all recognized legitimate undertakers doing business in the Province of Ontario.

CODE OF ETHICS.

A funeral director, on entering the profession, as he becomes thereby entitled to all its privileges and immunities, incurs an obligation to exert his best abilities to maintain its dignity and honor, to exalt its standing, to extend the bounds of its usefulness. He should, therefore, observe strictly such laws as are instituted for the government of its members. There is no profession from the members of which greater purity of character and a higher standard of moral excellence are required than the funeral director; and to attain such eminence is a duty every funeral director owes to his profession and to the public. It is due the latter; as without it, he cannot command their respect and confidence; and to both, because no scientific attainments can compensate for the want of correct moral principles. It is also incumbent upon the members of the profession to be temperate in all things. The nature of our calling takes us to the inner circle of the families that are afflicted. Secrecy and delicacy, when required by peculiar circumstances, should be strictly observed. The obligation of secrecy extends beyond the period of our professional services. None of the privacies of personal and domestic life should ever be divulged.

It is derogatory to the dignity of our profession to resort to public advertisements, or private cards, or handbills, inviting the attention of the public to any of the wares connected with our profession. We should take strong grounds against advertising in the daily prints. All funeral directors should rely on their professional abilities and acquirements, and it ought to be the only acknowledged right of an individual to the exercise and honor of his profession.

No funeral director should ever interfere with an order where another funeral director has been previously called, and under no circumstance should one funeral director take an order from another unless the first one be paid in full for his services, and is willing to withdraw.

In case two funeral directors are called at the same time, to attend the same case both should show a willingness to withdraw, and leave the choice with the family.

No funeral director should ever shrink from the faithful discharge of his duties in case of epidemic and contagious diseases. When pestilence prevails it is their duty to face the danger and to continue their labors, even at the jeopardy of their own lives.

When a funeral director is called in cases of sudden death or accident, because the regular family funeral director is not at hand, he ought to resign the case to the funeral director who has been doing that family's work, if he is desired by the family.

When a funeral director accompanies the remains and funeral party to a distant place, his duties should cease when they arrive at their destination, and the remains are placed in care of another funeral director. All that the funeral director who

accompanies the party does after that should be as a friend of the family, or as an assistant to the funeral director who has charge of the final arrangements.

Whenever a funeral director orders from a distant place a corpse prepared and shipped to his care, all expenses should be charged to the funeral director giving the order, and it should be considered a professional obligation, and payment made at once.

There is, perhaps, no profession after that of the sacred ministry, in which a high-toned morality is more imperatively necessary than that of a funeral director's. High moral principles are his only safe-guide.

CONSTITUTION.

Section 1. This association shall be known as the Undertakers' Association of the Province of Ontario, and shall have for its subject the elevation and protection of those who are engaged in the undertaking business within its jurisdiction.

Section 2. This association shall consist of undertakers doing business in the Province of Ontario in their own name.

Section 3. The officers of this association shall consist of a president, five vice-presidents, a secretary, and treasurer, who shall be elected by ballot at each annual meeting, and to hold office for one year or until their successors have been duly appointed, except when but one candidate for any one office is nominated, such candidate may be elected by acclamation.

Section 4. This association shall have an executive committee, consisting of seven members, five of whom shall be elected by ballot, or appointed by the president, as the association shall direct, and the president and secretary shall be members *ex-officio*.

Section 5. The meetings of this association shall be held annually at such place and time as may be determined by the association when in session.

Section 6. This association shall be governed by such by-laws as it by a three-fourths vote may hereafter adopt, not inconsistent with the constitution.

Section 7. This constitution can only be altered or amended by a two-thirds vote of the members present at any regular meeting, provided that notice of the same was given in writing to every member of the association at least one month previous to the regular meeting.

BY-LAWS.

Article 1. It shall be the duty of the president to preside over all meetings of the association. He shall enforce a strict observance of the constitution and by-laws, decide all questions according to parliamentary usage. He shall appoint all committees unless otherwise ordered. He shall have the casting vote in case of a tie, and a general supervision of the affairs of the association.

Article 2. It shall be the duty of the vice-presidents to assist the president in the discharge of the duties of his office, and in case of absence, death or resignation of the president, they shall act as president, having preference in order of their election.

Article 3. It shall be the duty of the secretary to attend all meetings of the association, keep a correct record of the minutes of each meeting, and a correct record of all officers and members of each meeting, to keep a correct record of the accounts of the association, pay over all moneys received by him to the treasurer, taking his receipt therefor, and to perform all other duties that may belong to him by virtue of his office, and for his services shall receive the sum of \$100 annually.

Article 4. It shall be the duty of the treasurer to make a full report of the fiscal affairs of the association at each annual meeting. The money received by him shall be paid out only by a vote of the association or order of the president, authorized by the secretary, and he shall give such bonds as the association may direct.

Article 5. The executive committee shall have charge of all preliminary arrangements, and shall prepare the business of each annual meeting, and perform such other duties as they may from time to time deem for the best interests of the association. And they shall also constitute a grievance committee, whose duty it shall

be to take action on all grievances reported to them by the secretary as soon as practicable, reporting their decision to the secretary; their decision being final and can only be reversed by the action of the association in convention assembled; and to keep a correct record of their actions and to report at each annual meeting.

Article 6. There shall be a standing committee consisting of five, on constitution and by-laws and finance, and all matters relating to those subjects shall be referred to these committees for report.

Article 7. This association will sustain any and all its members in good standing in the discharge of their duties towards one another and protect their interests from unprofessional conduct by a brother undertaker or manufacturer, who may violate the rules or regulations of this association.

Article 8. All applications for membership shall be made in writing, upon blanks, furnished by the secretary for that purpose, and shall be presented to this association at any regular meeting, and by receiving a two-thirds vote of the members present at each meeting he shall be elected, providing he shall comply with the by-laws of this association.

Article 9. All undertakers engaged in the undertaking business in their own name, at the present time, (3rd July, 1884) in the Province of Ontario, shall be eligible for membership, who is of good moral character, and who is provided with the necessary stock and equipments to professionally perform his duties.

Article 10. Each and every party, or parties, who may after this date start business as undertakers within the jurisdiction of this association, may become members by making application to the secretary and paying the sum of \$25, and shall be approved by at least three out of four of the nearest members of this association in good standing to the applicant's proposed place of business, and receiving the approval of the executive committee.

Article 11. Each new member when first starting business, shall within sixty days after his admission into the association, carry a stock of undertakers' supplies: such as caskets, coffins, robes, linings, hardware, &c., worth not less than \$500 clear of all encumbrances. He shall also be required to build or purchase a hearse within six months after his admission. Any new members not complying with the article shall be dropped from membership.

Article 12. Firms composed of more than one member, can be admitted to the meetings of this association, but will have only one vote. Members may be present in person or be represented by proxy, said proxy to be associated with him as an assistant undertaker, and a member of this association; and where the membership is composed of a firm of more than one member, but one of said firm, or their assistants shall be allowed to vote or take any part in the business of the meeting.

Article 13. Any member of this association who shall sell or dispose of his business shall notify the secretary of same, and he may retain his membership for six months upon the payment of all claims this association may hold against him. And if he again desires to start business within the jurisdiction of this association after the expiration of six months he must proceed in every particular as a new member.

Article 14. Any member of this association who shall sell or dispose of his undertaking business may transfer his membership to his successor upon a written application to the secretary, and receiving the endorsement of the executive committee.

Article 15. Any member of this association who shall fail or make an assignment, may retain his membership providing he again starts business in his own name within three months after such assignment, unless otherwise ordered by the executive committee.

Article 16. No member is allowed to hold membership for other than the place in which he resides.

Article 17. An assistant undertaker in the Province of Ontario who shall be possessed of good moral character, and of a good professional understanding of his duties may, on the recommendation of the undertaker or firm, by whom he is employed, themselves members of the association, become a member of this association by signing the constitution and by-laws, and paying the membership fee of two dol-

lars. He shall not be eligible for office or entitled to vote, except as a representative of the firm by whom he is employed.

Article 18. Honorary Membership.—Parties who may live outside of this jurisdiction, and who have rendered valuable services to the profession, may become honorary members upon receiving a two-thirds vote at any regular meeting.

Article 19. No member will be allowed to start a branch or separate store in the undertaking business, or to remove his business to another city, town, village or county, without first obtaining the consent of the executive committee, and nearest members, as provided in article 10 of these by-laws.

Article 20. All charges, either against members of this association, or undertakers doing business in this Province, not members of this association, must be made in writing; such charges to be delivered to the secretary, who shall place them in the hands of the proper parties for investigation.

Article 21. Any member of this association who shall be found guilty of selling, giving away, or not properly disposing of or burying the remains of the dead, or those in authority shall pay for the same, shall be expelled from this association, after conviction thereof.

Article 22. If in any case a member should be found guilty as hereinafter provided in by-laws—article 23—of violating any of the rules or regulations of this association, he shall be fined or suspended from membership.

Article 23. Any member of this association who shall be found guilty of degrading the profession by such unprofessional conduct as individually soliciting, or employing parties to secure business, or paying a commission, or agreeing to pay any person to solicit for him, before death, as well as after, or in any way conducting his business on a non-professional basis, which has the tendency to impair the honor of the profession, shall be subject to the penalties of—article 22—of these by-laws.

Article 24. Any member of this association who shall be suspended, shall not be countenanced as an undertaker, and shall be deprived of all the rights and benefits of this association during suspension.

Article 25. A suspended member can only be reinstated by the payment of such fine as may be imposed by the executive committee, and by giving evidence of his intention to faithfully uphold and maintain all rules and regulations adopted by this association.

Article 26. Any manufacturing establishment of caskets, coffins, and undertakers' supplies, or jobber of same, of every name and nature, who shall, after due notice, sell, or offer to sell, any of their goods to a suspended or expelled member of this association, who has violated the by-laws, shall receive the merited rebuke from the members of this association by withdrawing their patronage.

Article 27. Members of this association will not deal with any manufacturing establishment or jobber of undertakers' supplies who sell goods to private citizens or persons not members of this association acting in an unprofessional way, provided they do not desist after being notified by the secretary to do so.

Article 28. Members of this association shall not purchase undertakers' supplies from jobbers, or from those who do not belong to the burial case associations.

Article 29. All members are forbidden to sell, hire or lend any articles in our line of business to any undertaker for use within the jurisdiction of this association, unless he be a member hereof in good standing, and was engaged in the undertaking business prior to the 3rd day of July, 1884, under a penalty of twenty dollars.

Article 30. In order that every member shall feel himself at liberty to discuss any questions coming before the association, fully and freely, and without reserve, it is hereby understood and agreed to, that all such discussions shall be considered of a private nature, and any member who shall be found guilty of divulging any of the private business, or discussions, or affairs of this association, excepting such as are proper to be made public, shall, if convicted after a fair trial, be fined, reprimanded, or suspended, as the majority of this association shall determine, at any annual meeting.

Article 31. This association shall have charge of and general supervision over all local and county associations which may be formed under the rule of this association, and shall decide all disputed questions arising in such local or district association.

Article 32. Every member on his admission to membership shall sign a promise to abide by the constitution and by-laws of this association, and pay all legal demands against him, so long as he shall remain a member.

Article 33. Every person or firm, on his or their being admitted to membership, shall pay his or their annual subscription previous to his or their name being entered on the roll of members.

Article 34. The fee for admission to membership shall be two dollars up to 1st January, 1886, after which date it shall be twenty-five dollars.

Article 35. The annual subscription shall be two dollars, and any member in arrears for dues over one year, or having any fine standing against him over thirty days unpaid, shall be suspended, after due notice by the secretary, until all claims this association may hold against him shall have been paid.

Article 36. Any member in arrears for dues, or having any unpaid fees or penalty recorded against him, is not entitled to vote or take part in our meetings until all arrears shall have been paid.

Article 37. All rules that may now or hereafter be adopted for the government, benefit or policy of this association, shall be considered as part of the constitution and by-laws, and shall be respected and enforced as such.

Article 38. Not less than twenty-five members in good standing shall constitute a quorum for the transaction of business.

Article 39. These by-laws can only be altered or amended by a two-third vote of members at any annual meeting.

A CARD.

This pamphlet, containing the constitution, by-laws and proceedings of the second annual meeting of our association, is sent to every known undertaker in the Province of Ontario, some five hundred in number. We want you to give it your careful perusal; and we feel confident that if it receives the attention it should, from every one of you, it will not only tend to give you a better opinion of the profession you are engaged in, but act as an incentive in urging you to lend your individual aid to place it on a higher level. To those who are not members of the association, we hope it will be the means of showing them it is not only their duty, but will be to their interest to join us.

Our manufacturers are doing their best to help us by working in unison with the association. We are now united with the National Association of the United States, which will materially strengthen our position. We have a membership of over three hundred out of four hundred and eighty undertakers in Ontario, and are now prepared to deal with would-be-undertakers who are trying to start business and cut off our patronage all over the country. We have means in our power to prevent it, and we shall not be slow to use them. The evils we are subject to at present we shall soon be able to abate, if we work harmoniously together and put in practice the motto, "in unity there is strength." Act honorably toward one another, and follow the instructions laid down in the code of ethics, and many of the present difficulties will soon cease to exist. To those who are not yet members we say, send in your application and join us before the admission fee is raised, and you will never regret it.

THE SECRETARY.

SECOND ANNUAL SESSION.

Proceedings of the Second Annual Meeting of the Undertakers' Association of Ontario.

The meeting was held in the Temperance Hall, Temperance Street, Toronto, on the 16th of September, 1885, and was called to order by the president, J. B. McIntyre, at 10 a.m.

The president appointed J. A. Schofield, of Dunnville, assistant secretary, and then bade the members of the association a hearty welcome to this their annual meeting, inviting them to a free discussion of the matters brought forward. If any complaints had to be made this was the time and place to bring them before the association.

The roll was then called, when the following officers answered to their names: J. B. McIntyre, St. Catharines, president; J. Walker, Port Hope, 3rd vice-president; W. H. Hoyle, Cannington, 4th vice-president; G. G. Smith, Barrie, 5th vice-president; J. Young, Toronto, treasurer; C. D. Blachford, Hamilton, secretary; J. Ferguson, London, chairman of executive committee; W. P. Power, Bowmanville; D. Hogg, Perth; R. Askin, Markdale; A. F. Herrington, St. Mary's, and a hundred and sixty members, with Messrs. W. W. Halpin, A. Ward, W. Tees, J. T. Robertson, J. C. Wray, and V. Terriault, of Montreal, P. Blake, of Detroit, and A. Renouard, of Kansas City.

C. D. Blachford, secretary, Hamilton, read a portion of the minutes of last meeting, when on motion of Messrs. Hoyle and Muir, it was resolved that the minutes as contained in the minute-book be considered as read.

The president appointed the same finance committee as last year, substituting the name of H. Neilson, Chatham, for that of Mr. Collard, *i. e.*, S. B. W. Carpenter, Tilsonburg; F. A. Latshaw, Dundas, H. Neilson, Chatham, J. Wolfe, Arnprior; T. Gibbard, Napanee.

The following were appointed a committee on by-laws, viz.: Messrs. D. Hogg, Perth; J. Muir, Port Elgin; G. Hess, Listowell.

Messrs. W. W. Halpin, W. Tees, A. Ward, T. Robertson, J. C. Wray and V. Terriault, of Montreal, were welcomed by the president and given seats on the platform.

The secretary read the annual report, which was, on motion, received and referred to a special committee, consisting of Messrs. Harrison, Strathroy; Rogers, Ottawa; Humphrey, Toronto.

SECRETARY'S REPORT.

HAMILTON, 15th September, 1885.

Mr. President and Brethren:—

I respectfully submit the following report as secretary of the Undertakers' Association of Ontario, for the year ending on the above date:

At the close of our last meeting, one year ago, we had on our roll the names of one hundred and thirty-three members, since which there has been added the names of one hundred and sixty-one, making our total membership at this date two hundred and ninety-four.

We have every reason to feel gratified at the progress we have thus far made in our endeavors to form an association for our mutual protection and benefit, but in order to raise it to that standard which I feel confident it is the desire of every member to see, we must have the hearty co-operation and support of each and every individual member.

I think the sudden increase in our membership is owing to the fact that the undertakers in Ontario are becoming alive to the fact that an organization of this kind would not only benefit them in opposing opposition, but be a lasting and permanent good, and I trust they will not be disappointed.

There seems to be erroneous opinions existing amongst the members regarding the objects of the association and the purposes for which it was formed. These, I think, will soon cease to exist, as soon as the members become better acquainted with the rules and workings of the organization.

Several very important and absolutely necessary changes will require to be made in the by-laws, as they at present fail to cover the many points required to be settled by the executive during the interim.

Immediately after the last meeting, by instructions of the association, I had printed for distribution 500 copies of the constitution and by-laws adopted. This

number I found too small, as I have since been obliged to refuse several applications for a copy.

A matter of great importance to this association, and one we have not been able to cope with during the past year, is that rejected candidates have in some cases obtained goods in the States of New York and Michigan. I have often regretted since our last meeting that the association did not join the National Association when the matter was brought up a year ago, and as joining the association will be the only way of effectually preventing rejected candidates from obtaining goods outside of the province I hope the association at this meeting will not put off this important and really necessary step any longer, but join at once, and elect a delegate to the National convention to be held in October. It will cost a *per capita* tax of 25 cents, and although this will amount to about \$70 we cannot afford to delay the matter any longer. Some of our manufacturers are already complaining that the trade of new beginners is being driven out of the province.

I have received several letters from Montreal asking the association to admit the undertakers of that city to membership in this association. As the agreement made with manufacturers of Ontario in April last did not extend to the Province of Quebec, and as we would not be able (should occasion rise) to give the undertakers in that province the protection we can in Ontario, after conferring with the president, we concluded to let the matter rest until this meeting, when the subject can be brought up and discussed here. Invitations were issued to members of the profession in Montreal to meet with us here and take part in the discussion. I hope a number are present. I am of the opinion it would be better for them to form an association for the Province of Quebec or city of Montreal, and have an agreement drawn up with the manufacturers the same as this association has, for if this association should admit them to membership it would make it so large that the officers would have more work than they would care to undertake, and the secretary be obliged to devote more time to it than anyone in business has to spare to have the work properly done.

The labor of the secretary of an association of this kind has far exceeded during the past year my anticipations when elected. It has been a very busy one for me. The work has been large and had to be attended to. I have written and answered several hundred letters in correspondence and have prepared a list of our members up to date, and as we are now entering on our second year it will be necessary for the gentleman succeeding me in this office to open a ledger account for each member so that the accounts of the association may be kept in a systematic way, and that it may be readily seen how each member stands in regard to dues. Many letters have been received from undertakers, not members, asking many questions regarding the association, which I have invariably answered and sent a copy of our by-laws as far as the number printed would go, and I am glad to say that with few exceptions the gentlemen writing have sent in their applications and become members.

I think we can now say the Undertakers' Association of Ontario is an established institution, for in the short space of fourteen months we have been able to number on our roll the names of two hundred and ninety-four members, a showing I believe no association on the other side of the line can put forward, and which proves the fact that a combination of this kind is a long-felt want supplied, and which will not stop at this period of its existence, but proceed until the profession will not only be a profession in name, but in fact, and will be recognized by the public as such.

We now have a majority of the undertakers in Ontario in the association, numbering among these nearly all the leading ones of the Province, and in my opinion it is about time the admission fee to new beginners was raised to a larger sum than the present small amount. It is the opinion of many there are already now more undertakers in the Province than is necessary, and as we cannot reduce the number now doing business, we must look around us for some means to prevent any more from starting. I think the easiest way to do this would be to raise the admission fee to new beginners to, say, fifty dollars; this would debar many from applying for membership, and as they could not obtain goods until accepted as a member, the advantage of this step will be clear to all. I would also suggest that a circular be

issued with the new by-laws to the effect that after the annual meeting of 1886 the admission fee to undertakers not then members will be twenty or twenty-five dollars. This will give all who are not now members a year to join. I think they should have that time, as some are slow to see the advantage of an association of this kind. This would not interfere with the annual dues of the members, which could still remain at the present figure of two dollars, and the admission fee to all undertakers not now members be the same figure for another year. I hope this matter will receive the earnest attention of the association at this sitting.

There is another matter I wish to say a few words on, and that is the subject of a price list. I believe it is the general feeling that some price list should be adopted; one below which it would be against the rules of this association to sell. I have received several complaints during the past year that goods were being sold in some localities far below a remunerative figure, and as we have no by-laws to cover a case of this kind, I was obliged to write that nothing could be done in the matter until after this meeting. In view of these facts, it is my opinion it would be advisable to adopt a scale of prices adapted to the wants of the members, and I would suggest a special committee be appointed for this purpose to report during the afternoon session.

At the early part of the year the executive board, for the best interests of the association, deemed it necessary to call a meeting to confer with the Dominion Burial Case Association and endeavor to come to some agreement whereby a mutual understanding would be agreed upon regarding the sale of funeral goods to parties wanting to start business as undertakers and some other matters of importance to the association. Accordingly your secretary called a meeting of the executive and requested the secretary of the D. B. C. Association to do the same, whereupon we met in the city of Toronto on the 22nd day of April and had the following agreement drawn up:

This agreement, made this twenty-second day of April, 1885, between John B. McIntyre, of the city of St. Catharines, undertaker, President of the Undertakers' Association of Ontario; Charles D. Blachford, of the city of Hamilton, undertaker, secretary of said association, and John Ferguson, of the city of London, undertaker, chairman of the executive committee of said association, of the first part, and R. Philp & Co., of the city of Toronto, manufacturers of undertakers' supplies, D. W. Thompson & Co., of the same place manufacturers of undertakers' supplies; Semmens Brothers, of the city of Hamilton, manufacturers of undertakers' supplies, and the Ontario Casket Company (Limited), Ridgeway, of the second part;

Whereas the majority of the persons doing business, in Ontario, as undertakers, have formed themselves into an association, under the above name, having for its object the elevation and protection of those engaged in the undertaking business in Ontario, and protection of the public generally;

And whereas the parties of the second part, all wholesale dealers in, and manufacturers of undertakers' supplies, have formed themselves into an association under the name of the Dominion Burial Case Manufacturers' Association, having for its object the mutual benefit and protection of the members thereof, in their said trade and business;

And whereas the said Undertakers' Association of Ontario, at a meeting held at Toronto, on the 3rd day of July, 1884, agreed upon certain terms, now contained in the constitution and by-laws of the association, which should govern the conduct of the members thereof;

And whereas for the purpose of more effectually carrying out the intention of the members of each of said associations, and the expressed objects thereof, as contained in the said by-laws, constitution and the agreement entered into between the members of said Dominion Burial Case Manufacturers' Association, the parties of the first part, on behalf of their association, and the said parties of the second part have agreed to execute this instrument;

Now, this agreement witnesseth that the said parties of the second part, in consideration of the premises, and the agreement herein contained do hereby promise

and agree to and with the said parties of the first part as representing their said association and the different members thereof, that they the said parties of the second part shall not sell or give prices for, either directly or through their agents, any of their goods, manufacturers' or undertakers' supplies of any nature or kind whatsoever to any person or persons who after the date hereof shall commence business in Ontario, unless, and until they the said parties of the second part shall obtain from the secretary of the said Undertakers' Association of Ontario, a certificate that such person or persons have become a member of such association.

And the said parties of the second part do further promise and agree that after due notice from the secretary of said association, they shall not sell or offer to sell any such goods to any suspended or expelled member of such association, until they have been notified by such secretary that such suspended or expelled member has been restored to full membership in the association.

And the said parties of the second part do further promise and agree that they shall not mail price lists of goods sold by them to any but recognized undertakers, and that all price lists mailed shall be sent under seal.

And it is hereby agreed and understood between all parties hereto, that all promises and agreements herein contained, shall extend to and be obligatory upon each and every firm or members of firms who are parties hereto, or are members of either of such association, but this instrument shall not be binding on any party until the same is executed by all the parties above named.

And each of the said parties of the second part doth hereby further promise and agree that in case any of them shall be guilty of any breach of this agreement; the party offending shall forthwith upon the breach being established, and for each breach forfeit and pay to the secretary of the Undertakers' Association of Ontario, for the uses of the association the sum of \$50, and in case any such party should fail to pay such sum or sums, the parties of the first part agree to instruct all members of their association to abstain from dealing with the party so offending, and further that in case any of their members shall refuse to be governed by the rules of the association in that behalf, to deal with such member as in cases of other breaches by manufacturers, referred to in articles 22 and 23 of by-laws of said Undertakers' Association.

This agreement shall be in force for one year from the first day of May, 1885.

In witness whereof, the parties hereto have set their hands.

Signed in the presence of W. P. Prower, as to signatures of J. B. McIntyre, C. D. Blachford and John Ferguson. A. Mackenzie, as to signatures of R. Philp & Co., D. W. Thompson & Co., Semmens Bros., and the Ontario Casket Company.

J. B. McINTYRE,
C. D. BLACHFORD,
JOHN FERGUSON,
R. PHILP & CO.,
D. W. THOMPSON & CO.,
SEMMENS BROS.,
THE ONTARIO CASKET CO.

R. PIERCE, *Manager.*

I cannot let this opportunity pass without mentioning the pleasant relations existing, the ready compliance with which our requests have been granted, and the harmonious understanding which has characterized our dealings with the several manufacturers that compose the D. B. C. A.

Our approaches have been met in that courteous and agreeable manner which makes such transactions pleasant to perform, and expresses the good feeling and mutual understanding existing between us, and I not only hope our future relations will prove as pleasant as the past, but by becoming more firmly connected together, be, as our interests are—identical.

I have in a brief manner alluded to the changes I think would benefit the association, and have given a short *resumé* of the work done. Several complaints have

been received which I have been able to settle without laying before the executive committee. Most of these have been occasioned by the members not yet being thoroughly acquainted with the rules of the association. After some correspondence I have invariably put matters to rights without much difficulty. I have, to the best of my ability, performed the duties of the office to which you elected me, and before retiring from the position I desire to thank those gentlemen of the executive board and the members in general for their kindness and ready assistance during the past year whenever called upon for advice and counsel, and I can assure them it will always be a source of pleasant reflection to me that our relations have been so agreeable. In selecting a successor to fill this position, may he be one possessing superior ability to the present occupant, so that the good work you have begun and is only in its infancy, will be carried forward with greater zeal and energy, until the profession is placed in that position it is our desire to see.

SUMMARY.

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| New applicants accepted since last meeting..... | 6 |
| New applicants rejected since last meeting..... | 18 |
| New applicants accepted since last meeting having purchased the business of a member of the association or of an undertaker eligible for membership..... | 11 |
| Members ceased membership by retiring from or selling their business | 9 |
| Total membership..... | 294 |

ORDERS DRAWN ON TREASURER.

1884.

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|----------|------------------------------------|----------|
| Sept. 25 | Postage ordered last meeting..... | \$ 13 10 |
| Sept. 25 | Printing ordered last meeting..... | 16 50 |
| Nov. 12 | Printing by-laws, &c..... | 23 50 |
| Nov. 13 | Postage to date..... | 9 50 |

1885.

| | | |
|----------|---|-------|
| Mar. 16 | Printing and envelopes (1,000)..... | 2 50 |
| April 23 | Expenses of Executive Committee to Toronto... | 24 00 |
| May 1 | Printing agreements..... | 9 50 |
| Sept. 16 | Returned proposition fees..... | 42 00 |

Cash received to 15th September, 1885, \$444, which has been handed to the treasurer and for which I hold his receipts.

C. D. BLACHFORD, *Secretary.*

TREASURER'S REPORT.

TORONTO, 16th September, 1885.

15th September, 1885:—

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|------------------------------|-----------|
| Cash received to date..... | \$ 684 00 |
| Cash paid as per orders..... | 140 60 |
| Cash balance on hand..... | \$ 543 40 |

JOHN YOUNG, *Treasurer.*

Referred to the Finance Committee.

 PRESIDENT'S ADDRESS.

TORONTO, 16th September, 1885.

BROTHER UNDERTAKERS,—The wheel of time in its revolutions has again brought us to our annual convention. I congratulate you upon the success of our association; it is no longer an experiment, but a living substantial reality.

The preliminary meeting in the parlors of Mr. John Young, on 3rd July, 1884, of some fifty-five gentlemen, who formed the nucleus of our organization, may have appeared like a small beginning, but when we recollect the zeal shown by those present and the harmony that prevailed, it is not to be wondered that at our adjourned meeting held in September, some two months later, our membership had more than doubled, and our success is now assured, while we are but one year old we stand second to none in membership on this continent, and the advancement of the work for which we have associated ourselves together.

It is pleasant to meet with our brother undertakers whom we hear of, and these meetings will help each and every one to become personally acquainted with each other; thus cementing us together more closely in bonds of friendship; these meetings should be looked upon as a matter of business, the information obtained more than repays for the time and expense of attending our annual gathering. We find similar organizations all over the continent of America, who have associated themselves together for mutual benefit and improvement, and much good has been accomplished already. The progressive undertaker is never idle, his brain is actively engaged at work endeavoring to improve himself on the subject of preparing the dead for burial, to succeed it is necessary for the live undertaker to keep in the front rank by endeavoring to better his condition as well as to elevate the standard of his profession; and it should be the fixed aim of every undertaker to make his calling better than he found it; to elevate it, to secure for it a full recognition as a permanent and regular profession.

In the past the work has been done by the majority of those engaged in the business in a too careless and unsatisfactory manner, which is to be regretted, and one of the great objects of our association is to educate those who are desirous of learning how to prepare the dead for burial, so that the features will retain a life-like appearance, by the best method, as well as to bring to a higher state of perfection our profession; to protect the interests of our brother undertakers as well as those of our patrons.

When we look back to the crude, indifferent manner in which the work was performed when many of us entered the ranks, and now, as we enjoy the benefits of the fertile brain of those who have raised our calling to the high standard it now occupies, who would willingly return to the old plodding method of our predecessors? "We have yet much to learn," and if we desire to keep abreast of the times we must investigate and experiment if we expect to succeed, never resting satisfied until we have become proficient in our profession. We have done much already toward this end, still our work is incomplete, we must protest against illegitimate trade. It should be our desire to co-operate with the manufacturers as far as we can, give them our assistance to sustain legitimate trade, and should demand from them such protection as will sustain our association in upholding our profession. Let us remember that while we may have different views on different subjects, our interests are the same, and that we should not under any circumstances allow differences of opinion or sectional feeling to interfere with our business.

The work of forming local, county or district associations should be encouraged, as they will be the means of harmonizing any feelings of business jealousy that might exist by bringing together those who though opponents in business should be on friendly terms. Let this suggestion have your earnest attention. We should make one of the grand objects of our association the raising of our profession to its true level, placing a standard below which no man will be recognized by us or the public, as an undertaker. Every effort should be put forth to form these local asso-

ciations, as the future of this association lies in the accomplishment of this desired result.

It is with much gratification that I am able to report to you we have succeeded in obtaining an agreement for one year with the Dominion Burial Case Association. After considerable correspondence a meeting was arranged, and the manufacturers were all represented, and they met us in a friendly spirit, and an agreement was mutually entered into by the president, secretary and chairman of your executive committee, with the manufacturers, a copy of which was mailed by the secretary to each member of the association.

And I trust the day will never come when the feelings of fraternal good-will and friendship which now exist between this association and the manufacturers shall ever grow less warm than it is at the present time.

Some correspondence has been had with the associations in Michigan and New York States, also with some of their manufacturers asking their assistance to protect our association against illegitimate trade of parties who have been refused admission to our association "with good results," and I deem it advisable that this association should now join the National Association for our own protection, as we can then demand, as a right, protection as members of said association, and not appear as supplicants asking for favors.

During the past year, as your chief executive officer, I have received invitations to attend the meetings of the Illinois Undertakers' Association, Indiana Funeral Directors' Association, Kansas Funeral Directors' Association, Michigan Funeral Directors' Association, New England Undertakers' Association, New York State Undertakers' Association, also a banquet given by the Buffalo Undertakers' Association at Genesee House on 15th January last. To the several invitations I sent a friendly letter of greeting from our association, and I attended the banquet in person of the Buffalo undertakers, responding to the toast of Ontario's Undertakers' Association, and I trust the friendly intercourse thus begun between this association and the several State organizations will be continued by my successor in office, thus cementing the ties of friendship as well as the commercial relations existing between Ontario and the neighboring Republic.

During the past year quite a number of applicants for membership were received and referred to the executive committee for action. A large number have been refused, the executive thinking there was not an opening in many cases for new beginners without interfering with old established business houses, a full report of the committee's actions will be submitted for your consideration.

The present law in regard to the dealing with applications for membership, as well as those against whom charges are preferred for offences at variance with our by-laws, is unsatisfactory, and requires to be amended by giving power to the executive to act more promptly, thus saving valuable time. While our by-laws met the wants during the first year of our organization, it will be necessary to make several amendments to meet cases coming before us for which no provision was made. Your executive committee, who have been assiduous in their duties during the past year, are deserving of our grateful thanks. They have prepared several amendments to our by-laws, which will be presented for your consideration.

While a number of complaints have been made during the past year, none of a very serious nature, the committee have endeavored to settle them without resorting to any harsh treatment. I deem it of the utmost importance to adopt a code of ethics, and would recommend the adoption of the code as laid down by the National Association.

I have no doubt but the subject of raising our entrance fee will engage your attention with a view of deciding whether it would not be desirable to pass a by-law requiring all those who desire to join our association after a certain date should be charged an admission fee similar to what is charged by other undertakers' associations.

I regret to have to report to you the death of our late 2nd vice-president, Joseph Strong, of St. Thomas, who passed over to the silent majority, on 19th November,

1884, whilst actively engaged in the duties of his profession. At our last meeting he was full of bright hopes of future happiness and usefulness among his fellow citizens by whom he was held in high esteem; he had by his manly, straightforward actions and ever gentlemanly deportment endeared himself to all those with whom he had been brought into contact, while to all with whom he had been acquainted in the city of St. Thomas, he was bound closely and warmly by ties of friendship, "none knew him but to love him." To the family of our deceased brother we can only tender our true and sincere condolence in their distress. On learning of the death of brother Strong, I instructed the secretary to notify all our members within a reasonable distance, by card, the hour of the funeral, requesting them to attend; and I am pleased to state that quite a large number of our members went to assist in consigning the mortal remains to the silent tomb; and I would now suggest that a letter of condolence be prepared and sent by this association to the family of our departed brother.

Let us now, during the session before us, devote ourselves closely to the consideration of those questions which the rapidly increasing importance of our association presents to our view; system, promptitude and harmony, are requisite to the accomplishment of the work for which we have assembled.

After due consideration we deemed it in the interests of our association to engage Prof. Renouard to lecture to our members and give us a practical demonstration on a subject, and we trust our actions will meet with your approval. If the result of our labors to make this meeting attractive and beneficial to the members meets with your approval, your officers and committee will feel grateful.

In conclusion I thank you for the unmerited kindness which you have shown me, as well as the compliment conferred by electing me as your first president, and above all I desire to thank you, one and all, for the uniform kindness, confidence and respect I have received from my associates, and the kind co-operation of the members throughout Ontario. I feel my report would be incomplete if I failed to place on record my appreciation of the valuable services rendered me as well as this association by our worthy and esteemed secretary, C. D. Blachford. Words would fail to convey to you the obligations we are under to our worthy brother, not only for the valuable aid and assistance he has rendered me, but for the prompt and kind manner in which he has answered all communications and enquiries made by our members, and the intelligence he has displayed in the execution of the important trust confided to him. And I trust the valuable services rendered this association will be duly appreciated by the members present.

All of which is respectfully submitted.

J. B. McINTYRE, *President.*

On motion of Messrs. D. Hogg, Perth, and F. L. Harrison, Strathroy, it was resolved that the address of the president be received and referred to a special committee to report thereon. It was referred to the same committee to which the secretary's report was referred.

Mr. Patrick Blake, of Detroit, was welcomed and given a seat on the platform by the president, and in response to the applause which greeted him said he hoped they did not expect a reply to that introduction. He was simply Patrick Blake, of Detroit, and came to hear what he could hear, and see what he could see, and learn any new ideas with reference to this profession. He had no idea of being rushed to the platform, and his modesty would tell him to keep still till the ordinary business was through.

A letter was read from D. W. Thompson, secretary of the Dominion Burial Case Association, inviting the members of this association to a dinner to be given by the Dominion Burial Case Association on Thursday the 17th September, in St. Andrew's Hall.

On motion of Messrs. J. Nott, Port Perry, and F. A. Latshaw, Dundas, it was resolved that this kind request be accepted and be complied with by members of this association.

A few of the hundreds of communications received by the secretary during the year, were read by him, showing the work the committee had been doing, and the good feeling there is between the manufacturers and the association.

On motion of Messrs. John Nott, and J. T. George, it was resolved that the time of our meeting be as follows:—Adjourn at 12.30 o'clock, meet at 2 o'clock; adjourn at 6 o'clock; meet at 7.30, and remain in session until the work of the association shall be completed.

The following accounts were read and referred to the Finance Committee:—

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|--------------------------|---------|
| A. Lawson & Co..... | \$ 6 00 |
| C. D. Blachford..... | 33 67 |
| J. B. McIntyre | 7 20 |
| Executive committee..... | 18 00 |
| Prof. Renouard..... | 125 00 |
| Hill & Weir..... | 1 75 |
| Temperance Hall..... | 10 00 |
| Short-hand reporter..... | 5 00 |

Mr. J. Nott, of Port Perry, asked if any steps had been taken by the executive committee with regard to insurance, as many think there should be some means of protecting members of this association by insurance?

President: No action has yet been taken in the matter.

It was moved by W. H. Hoyle, seconded by A. F. Herrington, that the president and secretary of this association, be a committee to lay before the Attorney-General of this Province, the great benefit the public would receive if members of this association were permitted to register deaths and grant the officiating minister a certificate of the same. No fee to be exacted from the public for the performance of this duty; and in all cases the funeral director shall forward to the clerk of each municipality a record of his proceedings.

This resolution provoked considerable discussion as to the law on the point and the custom in some parts of the province.

It was finally moved in amendment by T. Gibbard, Napanee, seconded by T. W. Lord, North Gower, that a special committee be appointed to look into the matter and report at the evening session. The amendment on being put was carried.

The president named Messrs. J. T. George, Port Hope; W. H. Hoyle, Cannington, and J. Chapman, Hamilton, as a special committee on the resolution.

The convention then adjourned to meet at 2 o'clock.

REPORT OF SPECIAL COMMITTEE ON THE ADDRESSES OF THE PRESIDENT AND SECRETARY.

TORONTO, 16th September, 1885.

To the President, Officers and Members of the Ontario Undertakers' Association:

Your committee, to whom was referred the address of the president, beg to report: First, it is a matter of congratulation to learn of the success of the association.

We also concur in the sentiment expressed in the address, that this association is doing a good work toward elevating as well as educating the undertakers in Ontario.

We also approve of the suggestion of forming local and county associations, and would recommend that the next president make an effort to bring about this desired result.

We approve of the action of the president in bringing about an agreement with the manufacturers, and trust the friendly feeling now existing will continue; and would recommend that your officers and executive committee be empowered to renew the same with the manufacturers on as favorable terms as possible, upon the expiration of the present agreement.

We heartily approve of the action of the president in his endeavors to bring about friendly relations between this association and similar associations in the neighboring republic, by friendly correspondence.

We would also recommend that this association join the National Association, as a matter of protection to ourselves.

We would further recommend the adoption of the National Code of Ethics, as suggested by the president, a copy of which is herewith appended, and that the same be printed in the annual report.

As to the matter of raising the entrance fee, your committee are of the opinion that it would be in the interest of this association to raise the entrance fee after the first day of January, 1886, to the sum of twenty-five dollars.

We would further recommend that a special committee be appointed to draft a letter of condolence to the family of our late second vice-president, Brother Joseph Strong.

We also approve of the actions of the president in issuing cards of invitation to the funeral of late Brother Strong.

We also approve of the action of the president in obtaining the services of Prof. Renouard to lecture, and give a practical demonstration on embalming for the benefit of our members, believing it will be the means of increasing our usefulness and create a greater interest in the association.

We heartily approve of all the president has said in regard to the efficiency of our secretary, C. D. Blachford, he has proved himself as worthy of our confidence and esteem, and we hope the association will reward him well for his valuable services, and would recommend that an appropriation of one hundred dollars be made from the funds of this association to C. D. Blachford for services rendered.

All of which is respectfully submitted.

F. L. HARRISON, Strathroy,
V. P. HUMPHREY, Toronto.
MAYNARD ROGERS, Ottawa.

TORONTO, 16th September, 1885.

To the President, Officers and Members of the Ontario Undertakers' Association :

We, your committee appointed to report on the report of the secretary, would suggest the advisability of the secretary forwarding, direct to each member of the executive committee, a copy of all complaints or applications; they replying direct to the secretary; in order to lessen the time taken at present, in all such matters.

We agree with the secretary's suggestion in joining the National Association, and in sending a delegate to the same.

We also agree with the secretary and recommend a proper set of books be purchased by the association for the secretary's use, and further recommend that the secretary in the future receive a salary of one hundred dollars per annum.

In regard to new membership fee, we recommend the sum of twenty-five dollars instead of fifty dollars, as suggested by the secretary.

We recommend that a committee be struck off to prepare a price list, the same to be presented at this meeting.

All of which is respectfully submitted.

F. L. HARRISON, Strathroy.
V. P. HUMPHREY, Toronto.
MAYNARD ROGERS, Ottawa.

The report, after some little discussion, was adopted.

On motion of Messrs. V. P. Humphrey, Toronto, and F. A. Latschaw, Dundas, it was resolved that the secretary procure a seal for the association.

The following were appointed a committee to prepare a resolution of condolence, to be forwarded to the family of our late second vice-president, Joseph Strong:—viz., W. P. Prower, Bowmanville; R. Reid, Kingston; and D. Clifford, Brantford.

The following were appointed a Committee on Price Lists:—M. Rogers, Ottawa; G. G. Smith, Barrie; J. C. Campbell, Beaverton; V. P. Humphrey, Toronto; and W. R. Pray, Hamilton.

The finance committee reported as follows:—

Your Committee beg leave to report that we have examined the books of the treasurer and secretary, and find them correct, with a balance in the hands of the treasurer of \$543.40, and recommend that the following named accounts be paid:—

| | |
|--|---------|
| Hill & Weir..... | \$ 1 75 |
| J. B. McIntyre | 7 20 |
| A. Renouard | 125 00 |
| A. Lawson & Co | 6 00 |
| J. A. Shannon, short-hand reports..... | 5 00 |
| Executive committee, postage..... | 18 00 |
| C. D. Blachford, stationery and postage..... | 33 67 |
| Proprietors of Temperance Hall..... | 10 00 |

Total..... \$206 62

All of which is respectfully submitted.

S. B. W. CARPENTER, *Chairman*.
F. A. LATSHAW,
J. WOLFE,
H. NEILSON.

On motion of Messrs. W. J. Nichols, Walkerton, and D. Travers, Erin, it was resolved that the report be received and adopted, and an order be drawn on the treasurer for the amounts named therein.

It was moved by John Ferguson, London, seconded by C. D. Blachford, Hamilton, that Prof. A. Renouard, of Kansas City be, and is hereby admitted as an honorary member of this association.—Carried.

Prof. Renouard replied to the resolution by thanking them for this unexpected honor, and stating that when he returned to his home, in the far west, he should take a pride in telling his friends of the kind manner in which he had been treated in Canada.

On motion of Messrs. T. Gibbard, Napanee, and J. Kilgour, London, it was resolved that the sum of six dollars be paid to each of the executive committee, for their personal expenses during their meetings in the city, in order to prepare the business for this convention.

It was resolved that the executive committee be authorized to have the minutes with the by-laws printed, to the number of 700.

On motion of Messrs. John Young, Toronto, and R. Askin, Markdale, it was resolved, That *The Casket*, of Rochester, be, and is hereby recognized as the official organ of this association.

On motion of Messrs. C. D. Blachford and John Young, it was resolved that the thanks of this association be, and are hereby tendered to J. A. Schofield, of Dunnville, for his services as assistant secretary at this session.

Mr. W. H. Hoyle read the report of the special committee appointed at the morning session to enquire into the law regarding the registration of deaths:—

We, your Special Committee, to whom was referred the resolution of W. H. Hoyle, *re* registration of deaths, beg leave to report as follows:—viz., That on application to the city clerk for a copy of the Revised Statutes of Ontario, we find that section 12, page 378, and section 24, page 380 (copies of which are hereto attached), clearly leaves out the spirit of the resolution; and we hereby recommend its adoption.

J. T. GEORGE, }
W. H. HOYLE, } *Committee.*

Copy of section 12, page 378, Revised Statutes of Ontario :

The occupier of the house or tenement in which a death takes place; or if the occupier be the person who has died, then some one of the persons residing in the house in which the death took place, or if such death has not taken place within a house, then any person present at the death, or having any knowledge of the circumstances attending the same, or the coroner who attends any inquest held on such person, shall, before the interment of the body, supply to the division registrar of the division in which such death takes place according to his or her knowledge or belief, all particulars required to be registered touching such death, by the form provided by this Act.

Certified a true copy of section 12 of the Act respecting the Registration of Deaths, &c.

THOS. SANDERSON, *City Clerk's Office, Toronto.*

PENALTY.

Copy of section 24, page 380, Revised Statutes of Ontario :

If any householder, head of the family, clergyman, physician, or other person or persons required by this Act to report births, marriages and deaths, refuses or wilfully neglects to do so within the time named, such persons shall for each and every offence, forfeit and pay a sum not less than one dollar, nor more than twenty dollars and costs in the discretion of the presiding justice, before whom the case is heard; and it shall be the duty of the division registrar to prosecute all such persons so neglecting or refusing to make the required reports; but, if the return required by this Act, to be made by more than one person, is made by any one of such persons, the other of such persons shall not be liable to any penalty in respect of the default.

Certified a true copy of section 24 of the Act respecting the Registration of Deaths.

THOS. SANDERSON, *City Clerk's Office, Toronto.*

DEATHS.

The person required to register a death is the occupier of the house in which the death takes place, and the return must be made before the interment of the body. Any medical man who was last in attendance during the last illness of any deceased person is required to register the cause of death.

Refusal or neglect to make these reports, or any one of them, within the specified time will subject the person or persons so neglecting or refusing to a penalty of

Twenty dollars and costs.

The officers administering the Act in the different divisions have been instructed to strictly enforce its requirements, and to prosecute all persons who fail to comply with its provisions.

Blank forms for the registration of births, marriages and deaths, can be obtained from any postmaster in the province, and when filled up can be sent to the division registrar free of postage, by leaving the envelope unsealed and marked on the outside "registration return."

A. S. HARDY, *Registrar-General.*

H. S. CREWE, *Inspector.*

REGISTRAR-GENERAL'S OFFICE, TORONTO, 1st January, 1883.

The report was adopted.

Messrs. M. Morse, Niagara Falls, and D. Travers, Erin, moved the following resolution :—

Resolved, That the members of this association will not deal with any manufacturing establishment or jobber of undertakers' supplies, who sell goods to private citizens or persons not members of this association acting in an unprofessional way,

provided they do not desist after being notified by the secretary to do so, and that this clause be inserted in the by-laws.

On motion of Messrs. T. Gibbard, Napanee, and J. Lambert, Aylmer, it was resolved to refer this resolution to the executive committee to report thereon.

Mr. Prower read the report of the special committee appointed to prepare a letter of condolence to be sent to the family of the late Joseph Strong, as follows:—

TORONTO, 16th September, 1885.

The ways of the Almighty are past finding out, but they are directed in wisdom. He has seen fit to call our beloved Brother Joseph Strong home to himself, to summon him away in the midst of an active career of usefulness. In the death of our respective brother, our association has lost one of its brightest members; and all those with whom he associated a true and sincere friend. He ardently looked forward to this meeting, and to the unison of old friends, but suddenly stricken with illness, in the full prime and vigor of manhood, he was summoned to the great unknown and mysterious future: but with the most perfect faith in a blessed immortality. He was beloved by everyone who knew him, and his death was a serious loss to his many friends in the city of St. Thomas, where he enjoyed the confidence of his fellow citizens. His genial character, his correct deportment as a citizen and an undertaker, will ever reserve for him a place in our memory.

Resolved, That the secretary furnish to the family of our departed Bro. Joseph Strong, copies of these proceedings, and assure them we sympathize and condole with them in their sorrow.

W. P. PROWER,
D. CLIFFORD,
ROBERT REID.

The report was adopted and the resolution ordered to be engrossed and sent to the widow of the deceased.

Mr. Patrick Blake, of Detroit, on being called upon to make a few remarks on the late Bro. Strong, said he had had the pleasure of knowing him well, had worked with him for some years, and all that had been said here to-day about him can scarcely convey an idea of the character of the man. He was genial and kind, faithful, honorable and upright, and he (Mr. B.) was glad that they had honored his recollection by this resolution.

The second vice-president's chair was appropriately draped in mourning, and a beautiful floral tribute, bearing the words, "In Memoriam," placed therein, and occupied a position to the left of that of the president.

On motion of Messrs. John Ferguson, London, and John Walker, Port Hope, it was resolved, that Mr. P. Blake, of Detroit, and Mr. W. W. Halpin, president of the Montreal association, be tendered an honorary membership in this association.

The Convention, on motion, adjourned at 6 o'clock, to meet at 7.30.

—————
EVENING SESSION.

The convention resumed business shortly after 7.30, p.m.

TORONTO, 16th September, 1885.

Mr. Rogers, Ottawa, read the report of the committee on price lists.

To the President, Officers, and Members of the Ontario Undertakers' Association:

Clause 1.—We, the committee appointed by you to draft out a scale of prices, beg to recommend that the manufacturers be requested to withdraw either their No. 1 or 1½ coffins, as one of them is all that is necessary for our trade, and the two only tend towards a complication of prices.—Passed.

Clause 2.—We also beg to enter an earnest protest against any member of the association throwing in any shell, use of hearse, crapes, or any other article of legitimate trade.—Passed.

Clause 3.—We would also suggest that the following sums be the lowest for use of hearses:—For adult hearse, lowest price, \$6.00; for child's hearse, lowest price, \$4.00

There was considerable difference of opinion as to the subject matter of this clause, many representatives from country districts claiming that the price was too high for their places and more suitable for town and cities.

Messrs. Ford, Blenheim, and Lord, North Gower, moved to amend the clause by striking out the words "six" and "four," and substituting the word "five."

Messrs. Herrington, St. Mary's, and Nichol, Walkerton, moved an amendment to the amendment, that the prices in villages not incorporated be \$3.00 for children, and \$4.00 for adults; in incorporated villages and towns, \$5.00 and \$6.00; and in cities, \$7.00 and \$10.00.

The amendment to the amendment, on being put, was lost.

The amendment on being put was lost.

The clause then passed as it stood.

A motion was made to reconsider the question, but was lost.

Clause 4.—That the price of all manufactured adults' shells be not less than \$3.00.—Passed.

Clause 5.—We consider that prices of articles not mentioned in our report had better be regulated by the local organizations, as there is such a difference in freight and other charges.—Passed.

Other clauses referring to the prices of coffins and caskets were read and discussed. So much diversity of opinion was found to exist between country and city representatives, that, after a lengthy discussion, it was moved by Messrs. Young, Toronto, and Carpenter, Tilsonburg, that the matter of arranging the prices be left in the hands of the executive committee for twelve months.

It was moved in amendment by Messrs. Gibbard and Stone, that the prices as submitted by the committee be left in the hands of the executive committee to report thereon.

Mr. Young withdrew his motion and the amendment was carried.

Respectfully submitted.

D. CLIFFORD,
V. P. HUMPHREY,
JOEL SMITH,
WM. R. PRAY,
MAYNARD ROGERS, *Sec'y of Com.*

REPORT OF EXECUTIVE COMMITTEE.

LONDON, 15th September, 1885.

Mr. President and Gentlemen :

Your executive committee respectfully submit the following as our report for the year ending on the above date:—

The deep interest we have taken in our association since its organization, has somewhat lightened the labors of this committee, and if our endeavors to give just and impartial decisions on all cases that have come before us will meet with the approval of the assembly, we will feel amply repaid for the work done.

We found that our by-laws, as they now stand, are not complete enough to enable an executive committee to give clear and prompt decisions in all cases that arise. Whenever a complaint or other matter came before the committee which was not covered by the constitution or by-laws, we have used what we thought to be common sense, and decided accordingly.

The work of the committee has been considerable, and occasioned a great deal of correspondence, but, as we were willing to do anything for the best interests of the profession and association, the work has been cheerfully done.

We think some of our members expect too much from an association of this kind, not taking into consideration that it is not yet fifteen months old, and look upon it as an immediate remedy to, and able to rectify the many troublesome and annoying positions which they have been placed in in past years. To them we would say it will take time to place the association in a position that will enable it to govern the many wrongs the members are subject to at present. We must creep before we can walk, and in order to walk well, our limbs must not be distorted by creeping too fast. Our by-laws must be amended from time to time, so as to be made applicable to the many different cases arising. As these subjects come before the officers, they will make notes of them, and have the by-laws amended at the following meeting to suit them. Our members must be instructed more fully as to the objects and purposes, and working of the organization; and, as we look back over the few short months it has been in existence, and see the popular endorsement it has met with from the profession, and the developments it has made, we think that if the members will but have patience and lend each their individual helps, we will see the association in a position to right all wrongs and prevent their re-occurrence.

Your committee thought a free school of embalming following the session of the association this year, would not only prove instructive, but would supply an opportunity for our members to gain an insight into the art, which, we feel confident will, within a few years, be a necessary attainment for every undertaker to have. And he that wishes to keep abreast of his brother professionals in this progressive age, must sooner or later, make an attempt to gain a knowledge of that which is at present a very important matter occupying the minds of the profession throughout the country. Believing that at this time, when we are met together for our mutual good, would be a proper one for our members to learn something of embalming, the executive committee engaged the services of Professor A. Renouard, of Kansas City, formerly of the Rochester School of Embalming, whose reputation as a practical embalmer and lecturer, is not excelled by any, to give free instructions to the members, and for that purpose secured the Lecture Amphitheatre of the Toronto School of Medicine. A subject has been procured, and we hope every member will avail himself of the opportunity to obtain an acquaintance with this branch of the profession, which, if he desire to keep time with the age, he will require to have to be successful.

Then followed a summary of the complaints and applications received during the year, and the decisions given in each case, all of which, with one or two exceptions, were sustained.

The following resolution, which was referred to this committee, has been considered, and we recommend its adoption, with the following words added: "provided he does not desist after being notified by the secretary to do so."

Resolution—Moved by M. Morse, Niagara Falls, seconded by D. Smith Travis, Erin, that the members of this association will not deal with any manufacturing establishment or jobber of undertakers' supplies, who sells goods to private citizens or persons not members of the association acting in an unprofessional way, and that this clause be inserted in the by-laws.

The report on a whole was, on motion of Messrs. Young and Gibbard, adopted:

| | | |
|-----------|---|----------------------------------|
| Committee | { | JOHN FERGUSON, <i>Chairman</i> . |
| | | ROBERT ASKIN, |
| | | A. F. HERRINGTON, |
| | | D. HOGG, |
| | | W. P. PROWER. |

On motion of Messrs. J. Young, Toronto, and Ford, Blenheim, it was resolved that the members of this association shall not purchase undertakers' furnishings from manufacturers or jobbers, or from those who do not belong to the Burial Case Manufacturing Associations, and that the secretary request the manufacturers' association to keep us informed of any such cases coming under their notice.

Notice of motion having been given at the last meeting, Mr. H. Hoyle, Cannington, now moved, seconded by Mr. V. P. Humphrey, Toronto, that on the death of a

member of this association, the secretary being informed of the fact, shall give notice of the same to the members of said association, accompanied with an invitation for each member to attend the funeral if possible.—Carried.

On motion of Messrs. W. J. Verney, Tottenham, and A. Dodd, Bolton, it was resolved that our fiscal year end with the annual meeting in September.

The following officers were then elected for the ensuing year :

President : J. B. McIntyre, St. Catharines.

1st Vice-President : George Hess, M.P.P., Listowell.

2nd " W. H. Hoyle, Cannington.

3rd " W. H. Stone, jr., Toronto.

4th " H. Nilson, Chatham.

5th " S. Rogers, sr., Ottawa.

Secretary : C. D. Blachford, Hamilton.

Treasurer : J. Young, Toronto.

On motion of Messrs. V. P. Humphrey, and J. Young, Toronto, the president was appointed a delegate to the National Convention at Philadelphia, his necessary expenses to be paid out of the funds of the association.

A vote of thanks was passed to the executive committee for the able manner in which they carried out their duties.

On motion of Messrs. John Nott, Port Perry, and Joel Smith, Glanford, a standing vote of thanks was tendered to J. B. McIntyre, president of the Undertakers' Association of Ontario, not only for the able and efficient manner in which he has discharged his duties while in session, but at all times for his courtesy to the members both in answering correspondents and giving valuable advice on everything pertaining to the interest and well-being of our association.

On motion of Messrs. Hoyle and Rogers, it was resolved that the association stand adjourned to meet in the city of Toronto, on the second Wednesday of the Industrial Fair, in 1886.

The convention then adjourned.

LIST OF MEMBERS.

HONORARY MEMBERS.

| | | |
|--|----------------------|--------------------|
| A. Renouard, Kansas City. | \| M. Hughes, Winnipeg. | |
| P. Blake, Detroit, Mich. |  | \| G. Lepine, Quebec. |
| W. W. Halpin, President Montreal Undertakers' Association, Montreal. |  | \| |

MEMBERS.

| | | |
|------------------------------|--|----------------------------------|
| Askin, R., Markdale | \| | Bull, H., & Son, Thornbury |
| Allin, D., Newcastle | | Butler, A. W., Thorold |
| Anderson, A. J. Wingham | | Beal, John H., Pickering |
| Anderson & Nugent, Lindsay | | Bartlett, R. W., Smith's Falls |
| Addison, W., & Son, Norwich | | Barbour, J., Galt |
| Atkinson, Jos., Florence | | Byrne, E., Barrie |
| Bartlett, H. C., Linwood | | Bell, R., Brockville, |
| Boon, T., Bothville | | Burkholder, S. & J., Stouffville |
| Burling, A., Aurora | | Beirel, C., Markham |
| Blachford & Son, Hamilton | | Belleghem, R., Peterboro' |
| Barber, J. L. & Co., Watford | | Burton, Mrs. F., Dundas |
| Barry, Geo., Goderich | | Bolton, A. F., Mount Brydges |
| Brady, P. P., Ottawa. | | Buist, R., Chesterville |
| Barr, W. G., Drumbo | | Bolton & Son, Bolton |
| Brock, R. W., Belfountain | | Beuglet, H., Tilbury Centre |

REGULATIONS.

Blanford & Son, Vienna
 Baker, J., Waterdown
 Boyd, J., jr., Mitchell
 Brooks, E. H., Mount Albert
 Best & Palmer, Paris
 Burnett, H., Brampton
 Bennett, A. A., Clinton
 Borrett, J., Vankleek Hill
 Chapin, O. A., & Sons, Colborne
 Clifford, D., Brantford
 Cunningham Bros., Trenton
 Chapman, J. M., Sons, Hamilton
 Cronmiller, G., Welland
 Cook, H., Watford
 Crane, W., Chatsworth
 Cornell, A. B., Goderich
 Coltart & Neilson, Chatham
 Carpenter, S. B. W., Tilsonburg
 Comstock, A., Peterboro'
 Clegg, A., Peterboro'
 Corbeau Bros., Penetanguishene
 Climie & Hay, Listowell
 Cauthers, W., Creemore
 Clint, E., Brockville
 Cosgrove, T. G., Kemptville
 Campbell, J. C., Beaverton
 Church, J., Delhi
 Cullen, J. & Co., Comber
 Cameron, A. M., Wallacetown
 Caulfield, H. & Co., Aylmer
 Coates, J., Simcoe
 Camp, D. M., & Son, Smithville
 Campbell & Abraham, Stratford
 Cruickshank, J., Weston
 Cole, I., & Son, Mallorytown
 Davis, J. M., Port Perry
 Dillane, A., Palmerston
 Dodds, A., Bolton
 Donaldson, J., Almonte
 Darroch, J., Stayner
 Dwyer, J., Hamilton
 Deihl, Geo., Clinton
 Drennen, W. M., Kingston
 Drake & Joyce, Windsor
 Dalton, J., Deseronto
 Davidson, A., Lucknow
 Endress, P., New Hamburg
 Ellsworth, E. J., Port Colborne
 Eddy, J. L., Harriston
 Edwards, W., Gananoque
 Edwards, W. A., Fordwich
 Egan, J. F., Keenansville
 Eitle, J. V., Wellandport
 Ennis, J., North Augusta
 Eley, R. J., Campbellford
 Ferguson, J., London
 Frost, J. G., Belleville

Finck, W. A., Leamington
 Ford & Bentley, Blenheim
 Fisher, C., Salem
 Fessant, W., Teeswater
 Forbes, G., Shakespeare
 Frost, O., & Son, Tweed
 Follitt, T., King
 Farmer & Wickett, York
 Foster Bros., Burford
 Guggisberg Bros. & Co., Preston
 Gordon, D., Goderich
 George, J. T., Port Hope
 Gidley, C. & S., Exeter
 Grobs Bros., St. Catharines
 Gillott, J., Millbrook
 Gibbard & Son, Napanee
 Genge, D., Alvington
 Gracey, S., Wingham
 Gilbert & Lighthall, Picton
 Gibson, Wm., Mount Forest
 Glennie & McLean, Lancaster
 Goodwin & Jennings, St. Thomas
 Grant, D., jr., Singhampton
 Gawley, J., Binbrook
 Griffin, J. W., International Bridge
 Gillott, T., Millbrook
 Hogg, D., Perth
 Herrington, A. F., St. Mary's
 Hoyle, W. H., Cannington
 Hault, W., Brooklin
 Humphrey, V. P., Toronto
 Hay & Co., Woodstock
 Holtorf, H., Lindsay
 Howard Bros., Glencoe
 Harvey & Crawford, Brampton
 Howard, W., Alvington
 Harris, J. W., Dresden
 Hobart, S., Cobourg
 Hess Bros., Listowell
 Horn, A. H., Pembroke
 Hoffman, L., Port Dover
 Haskett, C., Lucan
 Harrison, F. L., Strathroy
 Hicks, J. A., Essex Centre
 Harris, G. H., Caledonia
 Hinton, W., London
 Helstrop, R., Meaford
 Hulse, J. H., Orangeville
 Hepburn, W., Stratford
 Huffman, Wagenest & Co., Waterloo
 Howes, R. K., Wardsville
 Howard & Sons, Hastings
 Ingram, W. H., Toronto
 Irwin Bros., Shelbourn
 Johnson, E. J., Whitley
 Jahnke, Mrs. A., Chatham
 Jupp & Robinson, Garafraxa

- Jewell, C. H., Dundalk
 Johnson, A. M., Wendigo
 Jansen, A. J., Stevensville
 Johnson, W. A., Seeley's Bay
 Jones, B., & Son, Milton
 Jarvis, W. H., Smith's Falls
 Judson, R. J., & Son, Farmersville
 Kilkenny, T., & Son, Bradford
 Kilgour, Jas., London
 Kinsey, H. B., Beeton
 Kinsey, A., Alliston
 Kay, T. W., & Co., Toronto
 Kidd, Jos., & Son, Dublin
 Katerson, R., Hampton
 Kilgoar, W., Morrisburg
 King & Co., Orangeville
 Kemp, D. M., Amherstburg
 Knight, C. W., & Co., Tamworth
 Knechtel D., Hanover
 Kivell, S. N., Sunderland
 Latshaw, F. A., Dundas
 Luke Bros. & Co., Oshawa
 Long, Mrs. W., Brussels
 Locke, J. C., Ridgetown
 Lambert, J. C., Aylmer
 Little, T., Galt
 Lesley, G. E., Carleton Place
 Lawrence, A., Blythe
 London Furniture Manufacturing Co.,
 Petrolia
 Leighton, J., Barrie
 Leibner, A., Morpeth
 Lord, F. W., North Gower
 Love, W., Rodney
 Lund, R., Feston
 Millard, J. H., Newmarket
 Morse, M., Niagara Falls, South
 Morris, L., Bowmanville
 Morgan, G., Port Colborne
 Murdy, J., Lucan
 Martin, W., Stirling
 Misner & Kendall, Simcoe
 Morrison & Kinney, Trenton
 Minnaker, W. H., Norwood
 Marter, H. H., Gravenhurst
 Mitchell, T. B., Orillia
 Moore, G., Ancaster
 Maybee, M., Madoc
 Morrow & Hensby, Prescott
 Marsh, W. J., Iroquois
 Marsh, G. A., Spencerville
 Moyer, T. W., Campden
 Mowbray & Stanley, Ripley
 Miller & Sons, Ayton
 Morrow, J. R., Midland
 Murat, A., Mildmay
 Mills, J., West Winchester.
- Muir, J., Port Elgin
 Moodie, R., Ottawa
 Mundle, J. & Co, Elora
 Miller, E., Kincardine
 McCabe, M., Toronto
 McIntyre & Son, St. Catharines
 McIntyre, J., Ingersoll
 McKenzie, W., Gananoque
 McFadden, M., Peterboro'
 McDonald, A., Cornwall
 McEwan, T., Brockville
 McCallum, J., West Lorne
 McKeown, W., Fenelon Falls
 McLaren, D., White Lake
 Nott, J., Port Perry
 Nagel, L., Ridgeway
 Nolan, M., Toronto
 Nickle, W. J., Walkerton
 Nagel, J., Cayuga
 Noyle, C. F., Moortown
 Offer, T., Midland.
 Pattison, J. W., Brantford
 Pray, R & Son, Hamilton
 Prower, W. P., Bowmanville
 Pierce, W., Brantford
 Phippen, N, Parkhill
 Pursell & Son, Waterford
 Philp, J., Manilla
 Park & Borrowman, Amherstburg
 Phillips, G. L., Sarnia
 Purdy, H. C., Brighton
 Phelan, J. & Son, Arthur
 Quider, B., Hagersville
 Quigley, J., Pakenham
 Ronan, T., Kingston
 Robertson, M., Seaforth
 Roadhouse, S. & J., Newmarket
 Rosar, F., Toronto
 Reynolds, C., Bethany
 Richmond, W., Petrolia
 Reid, R., Kingston
 Rogers, S., & Son, Ottawa.
 Rolston, T. H., Chesley
 Robinson, J. B., Clifford
 Rockel, A., Waterloo
 Robinson, J. A., Newbury
 Reid, D., St. George
 Rolston Bros., Metcalfe
 Stephens, G. J., Cobourg
 Smith, G. G., Barrie
 Strong, Mrs., St. Thomas
 Stone, H., & Sons, Toronto
 Stoddart, W. G., Woodville
 Stafford, B. V., Arnprior
 Sauter, E. A., Welland
 Scott, S. T., Wyoming
 Shedden, D., Woodstock

Steel, A. F., & Bro., Forest
 Scott, T., Thornton
 Stubbs & Dales, Drayton
 Schultz, W. J., & Son, Dutton
 Scholfield, J. A., Dunnville
 Speight, J., & Son, Acton
 Stephenson, J. T., London
 Sutherland, H., Embro
 Saunders, C., Sarnia
 Smith, J., Ganford
 Stephenson, T., Ailsa Craig
 Sails, J., Little Britain
 Sproul, A., Dunganon
 Sauer & Beard Bros., Plattsville
 Stone, W. H., Toronto
 Simpson & Co., Berlin
 Stoneman, J., Mitchell
 Snyder, J., Selkirk
 Smith, G. O., Jerseyville
 Smith, Wm., Otterville
 Schoenheide, E., Teeterville
 Swarts, J., Princeton
 Smith, B. F., Tamworth
 Turner & Porter, Toronto
 Tovel, N., Guelph
 Travis, D. S., Erin
 Trott, H. T., Collingwood
 Thomson, J., Fergus
 Thomson, J., Chesley

Trotter, A., Bobcaygeon
 Thompson & Co., Belleville
 Treadgold, M., Brampton
 Taugher, J., Beachburg
 Uxbridge Cabinet and Organ Co., Ux-
 bridge
 Verney, W. J., & Co., Tottenham
 Vivian, C., Woodbridge
 Walker, J., Port Hope
 Wolfe, J., Arnprior
 Williamson, E., Burlington
 Waddell, J., Orono
 Wright, A., & Bro., Richmond Hill
 Wilson, J. G., Georgetown
 Watson & Malcolm, Kincardine
 Wilson Bros., Owen Sound
 White, W., Bracebridge
 Windsor, H., Brigden
 Watt Bros., Meaford
 Wettlaufer, L. & Co., Auburn
 Warning, J. G., Duncanville
 Wigg, W., & Son, Oshawa
 Windsor, J., & Son, Frankford
 Watters, J., Harrow
 Walker, G. E., Norwich
 Walton, J. A., Elmvale
 Young, J., Toronto.
 Yoder, J. H., Springfield
 Ziller, G., Oakville.

ASSISTANTS.

| | | | |
|-----------------|--------------|---------------|-----------|
| Bolton, C. R., | Assistant to | M. McCabe, | Toronto |
| Leatherdale, R. | " | Mrs. W. Lorg, | Brussels |
| Millard, A. | " | J. Young, | Toronto |
| Wilkes, C. R. | " | " | " |
| Walker, T. | " | J. Walker, | Port Hope |

APPENDIX.

LETTER FROM SAMUEL ROGERS, OTTAWA.

OTTAWA, 12th September, 1885.

To John McIntyre, President of the Undertakers' Association :

DEAR SIR,—I regret very much I cannot comply with your request to write an essay on undertaking, &c., as I have just returned from the seaside, where I have been spending a few weeks. I have scarcely had time to collect my thoughts for any business matters as yet.

I should have been pleased to have met the members of our association at the present reunion, but thought it was only fair that my son should attend the convention this year. And I am anxious that he should have every opportunity to gain information, he is thoroughly in earnest, and is studying everything in connection with the profession; he has been very successful in the art of embalming during the past year. I leave that part of the business entirely to him. I was very skeptical of its merits until I attended the convention last year, but am now fully convinced

of its usefulness, and we practice it in almost every case and find it reliable, and far superior to the cumbersome freezer.

The only disappointment I experienced last year was the limited time we had for conversation; I thought, and still think we might have spent a few hours together very comfortably, for instance, suppose the oldest and most experienced among us, had told us something of their mode of treating the different cases they had attended to, it would have enlightened and benefited the younger members of our profession; and there are other subjects that might be discussed with profit to us all. I think we should endeavor to instruct our sons and all the young men, so as to fit them to take our places, and impress upon them the necessity for studying the business in all its branches, and in that way elevate the profession, for there are some people who think anyone can be an undertaker, and look down on the profession, but I am happy to say that feeling is rapidly passing away. The remedy is in our own hands and that of our successors, viz., to act as gentlemen, and carry ourselves as men feeling that we are following a noble profession. If there are any amongst us who feel otherwise, let him or those retire at once, for their day of usefulness is gone. For a man who has not that confidence in himself is not fit for the profession. An undertaker should feel that he is responsible for everything and everybody, and be prompt, but never in a hurry, and all his arrangements complete before going to the house, and then command all to follow him, for, unless he can do that, he can never conduct a funeral in a proper and orderly manner.

I hear it is intended to increase the annual subscription. I think it is a step in the right direction, for it will tend to keep up the standard of the profession.

I do not send this as an address, but merely as an acknowledgment of the kind letter sent to me through our secretary. I beg to thank you for your confidence, and assure you I should be very glad to do anything in my power to promote the interest of our association.

Hoping you may have a very happy and successful meeting, I am, my dear Mr. President,

Yours very truly,
SAMUEL ROGERS.

ADDRESS OF P. BLAKE, DETROIT.

I want to say that I have attended your meeting here with a great deal of pleasure, and I will take the opportunity of saying a few words in regard to the association and what I have learnt and may learn by attending it to its conclusion. I have seen the business conducted in a manner gratifying to a stranger. The business done is worthy of the highest body of men in the Dominion, that is, no parliamentary usages could be done in a more satisfactory manner than I have seen them done to-day. These associations are productive of a great deal of good. Every individual has ideas in his mind which he likes to give expression to, and when we have an opportunity, like the present, of interchanging our views, each one gets the benefit of the ideas and suggestions of the others. Our profession needs this very much. A few years ago it was not regarded as an exalting profession. I can remember, as a boy, how, when my father died and the undertaker came to the house, I ran away from him and the plain black coffin that was repulsive to everybody. We have since then been educating the people up to something better, until the undertaking business will come to be a profession of considerable note. It is necessary that people in the profession should take care who should start out in the business. And there is a possibility by your uniting as you have here to-day, and when the majority gets the upperhand, of your being able to control this important matter. A man should not be allowed to commence the business on a small capital of one or two hundred dollars. He is not capable of doing it. He should be equipped with the articles necessary to carry it on. And if you take a stand as professional undertakers, you will command the respect of the community. To such the business can be made

profitable and agreeable. It has been said "that any person who went into the undertaking business to make money, made a mistake, but if he went into it as a profession and got into good standing he did not make a mistake." An undertaker should be a man with a pleasing address and a gentleman. Above all branches of business, that quality is necessary in an undertaker. You say that you cannot reach those men who are guilty of unprofessional conduct, and who do not belong to your association. Now, we do, and the manufacturers will not deal with such men, so that they are soon shut out entirely. You can reach them, and if your association cannot, then it is not good for anything.

It has been said that an undertaker should lend his hearse or a part of his outfit to a neighbor. Now, here we have to draw a line, and if it is severe we cannot help it. We want a return and a profit upon our investment. Your opponent may have nothing to lose, not even a character invested. He has a few friends, perhaps, but that is about all. You must sift the bad wheat from the good, and refuse any assistance to such a man. Now, in justice to myself, and as a protection to the profession, I would not loan or rent my hearse to any such person that was not provided with the necessaries to carry on the undertaking business properly. There must be a line drawn. If a man has a hearse and the equipments to do business and he wants to borrow my hearse I will lend it to him in a moment. That is all well enough, and there is no danger of him cutting the price or interfering with the business.

Mr. Blake touched on the point of co-operating with the manufacturers, that what was their interests was equally so the manufacturers' interest; and in concluding his address he said he would carry home the remembrance of all that had been done, from all of which he had been greatly benefited.

REPORT OF DELEGATE TO NATIONAL CONVENTION.

DEAR BRETHREN,—As your delegate to the National Association, I thought it might interest you to give a concise account of my mission as an appendix to our minutes.

The fourth annual meeting of the Funeral Directors' Association of America, was held in the city of Philadelphia, Pa., on Wednesday and Thursday, 7th and 8th October, and was attended by delegates from some sixteen states, as well as from the Province of Ontario. Pennsylvania having the largest membership, Ontario second, then followed by New England States, New York, Ohio, Illinois, Indiana, Michigan, Iowa, Kentucky, Kansas, California, Maryland, Wisconsin, Minnesota and Alabama. The two days were spent very pleasantly and profitably by addresses from prominent members of the profession, reports of committees, and discussions on interesting subjects. Prof. J. B. Deaver, demonstrator of anatomy in the Pennsylvania University, gave a very interesting lecture on arterial and venal embalming; and your representative was honored by being placed on committee of manufacturers, as well as being elected one of the vice-presidents of the National Association. A committee from the National Burial Case Association was present, and their president, Mr. Hamilton, of Pittsburg, addressed the meeting and assured us the National Burial Case Association, which is composed of nearly all the leading manufacturers in the United States, would work in harmony with us; and I feel satisfied now we can obtain from and through the National Association, as well as by the co-operation of the several state organizations, any protection we may demand to prevent undertakers from our province obtaining goods from the manufacturers in the United States who are not entitled to same, by violation of our by-laws; and I am also satisfied this association has within itself the power to harmonize all difficulties likely to arise between its members, as well as to control all those doing business as undertakers in this province who are not members, also any parties who may desire to enter into the business hereafter. All we can expect and ask is your assistance to strengthen our hands in our honesty and sincerity of purpose, believing much good

will result from our labors, in making us better able to perform the solemn duties of our profession in a satisfactory manner to ourselves and the public.

Fraternally yours,
J. B. McINTYRE.

THE BANQUET.

On the evening Thursday, 17th September, the members of the association to the number of about two hundred, met in St. Andrew's Hall, in answer to the kind invitation of the Dominion Burial Case Association.

The day had been devoted to the interesting and pleasant exercise of listening to the clear and lucid lecture on embalming, by our honorary member, Auguste Renouard, of Kansas City.

The evening found all the members congregated in the spacious hall. Immense tables stretched on either side fairly groaned under the delicacies with which they were loaded, and the *menu* was soon discussed with evident relish by all present. This splendid feast which united together in convivial fellowship the undertakers of Ontario being due to the liberality of the Dominion Burial Case Association, served not a little to cement the friendship existing between consumers and manufacturers.

After the keen appetite of the guests had been somewhat blunted by the bounteous repast so temptingly placed within their reach, toasts became the order of the evening. The one so dear to all loyal Canadians, "To our Gracious Sovereign the Queen," being the first proposed and received with enthusiasm.

The health of the Dominion Burial Case Association was next proposed and most appropriately answered by Messrs. Cole, of R. Philp & Co., Pierce, of the Ontario Casket Co., D. W. Thompson, of D. W. Thompson & Co., and Evell, of Semmens Bros. Mr. P. Blake, of Detroit, was next called upon, and answered with a speech, acknowledging the compliment tendered through him to the American undertakers. His remarks were warmly applauded, and were succeeded by toasts to the officers of the association, which were suitably replied to by those gentlemen; after which the Montreal delegates were called upon, and Mr. W. W. Halpin, president of the association, assisted by Messrs. Ward, Tees and Terriault, returned the friendly greetings of their Ontario brethren with more than usual vehemence. The "Casket," our organ, was answered by Mr. Hawkey, of Semmens Bros., the accredited representative of the paper in Canada, with words of praise by the speaker for the present editors of the paper, and expressions of sorrow for the untimely demise of the founder, the lamented A. H. Nirdlinger. Mr. A. Renouard, of the undertaking firm of F. W. Hallet & Co., of Kansas City, was the next speaker, and returned his thanks, in his usual well selected vernacular. His remarks were covered by a storm of applause, which had not yet subsided when the speaker resumed his seat. Other toasts then followed, being interspersed with songs and recitations; and any one looking on would not think that those present followed a profession that is one of the gravest.

The remarks made at the gathering tended to show the good feeling at present existing between the manufacturers and the association. Each stating that it would be their aim, to not only further this understanding, but by looking after each other's interests to still further promote that mutual understanding which has proved so agreeable to all concerned.

ORGANIZE.

OFFICE OF THE UNDERTAKERS' ASSOCIATION OF ONTARIO,

HAMILTON, October, 1885.

To the Undertakers of the Province of Ontario :—

At the annual meeting of the above named association, held in the city of Toronto, 16th September, 1885, it was deemed advisable to organize local district, county and city associations.

The past year has been one of interesting and important results to the profession in the Province of Ontario, and it is the purpose of the present officers to make this the crowning effort of their earnest and successful labors in this direction.

You, and each of you, are fraternally requested to immediately join in a call for a meeting of the undertakers of your county, city, or district, in some central location, for the purpose of organizing a local association.

Two or more counties may be consolidated, forming a district association, if deemed desirable. In the thorough organization of every part of the province into local associations lies the future of our provincial association. The sooner you are organized and come together and converse with one another and by a mutual understanding in your several localities, the sooner you will be masters of the situation by getting rid of the illegitimate undertaker. You can then control and regulate the trade, within your own territory, to suit yourselves.

Do not delay in communicating with those doing business as undertakers in your county or district, and have them join your local organization, and point out to those who are not members of the provincial association the advantages to be gained by their hearty co-operation, reminding them if they have been in business as undertakers prior to 3rd July, 1884, they are eligible for membership—providing they are of good moral character and are provided with the necessary stock and equipments to professionally perform their duties.

The admission fee to those who have been in the business prior to July, 1884, will be two dollars until the end of present year, after that date twenty-five dollars will be charged with an annual fee of two dollars.

Our present membership is 325, still we desire to have every undertaker worthy of the name, on our roll of membership before the end of the present year. Will you assist us by your hearty co-operation, so we can reap the fruits of our well-spent labor by endeavoring to elevate and bring to a higher state of perfection our noble calling.

Fraternally yours,

C. D. BLACHFORD, *Secretary,*
Hamilton, Ont.

J. B. McINTYRE, *President,*
St. Catharines, Ont.

[NOTE.—The annual dues for the year ending 16th September, 1886, are now due, all that have not paid are requested to send in the amount (\$2) to the secretary at once.]

B.
VARNISHED COFFINS.

| Telegraphic Key. | Description. | 1.9 | 2.0 | 2.3 | 2.6 | 2.9 | 3.0 | 3.3 | 3.6 | 3.9 | 4.0 | 4.3 | 4.6 | 4.9 | 5.0 | 5.3 | 5.6 | 5.9 | 6.0 | 6.3 |
|------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | \$ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. | $ c. |
| Cobourg | No. 0.—Hospital coffin, no glass, not striped..... | 1 16 | 1 26 | 1 36 | 1 50 | 1 70 | 2 00 | 2 20 | 2 50 | 2 85 | 3 15 | 3 50 | 3 65 | 3 75 | 3 85 | 4 00 | 4 00 | 4 00 | 4 00 | 4 00 |
| Quebec | No. 1.—Double top hospital coffin, with glass, striped..... | 2 00 | 2 25 | 2 50 | 2 75 | 3 00 | 3 25 | 3 50 | 3 75 | 4 00 | 4 50 | 5 00 | 5 00 | 5 25 | 5 50 | 5 75 | 5 75 | 5 75 | 5 75 | 5 75 |
| Halifax | No. 1½.—Hospital coffin, with glass, not striped..... | 1 75 | 2 00 | 2 20 | 2 50 | 2 70 | 2 95 | 3 15 | 3 40 | 3 65 | 3 85 | 4 00 | 4 00 | 4 20 | 4 40 | 4 60 | 4 60 | 4 60 | 4 60 | 4 60 |
| Beaver | No. 3.—Double top coffin, rosewood imitation, half glass, striped..... | 2 25 | 2 50 | 2 75 | 3 00 | 3 25 | 3 50 | 3 75 | 4 00 | 4 50 | 5 00 | 5 50 | 5 50 | 5 75 | 6 00 | 6 25 | 6 25 | 6 25 | 6 25 | 6 25 |
| Elgin | No. 5.—Double top coffin, walnut imitation, half glass, striped..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 6 50 | 6 50 | 6 50 | 6 50 | 6 50 |
| Guelph | No. 6.—Double top coffin, burlimitation, panel top, beaded sides, half glass, striped..... | 2 50 | 3 00 | 3 25 | 3 50 | 4 00 | 4 25 | 4 50 | 5 00 | 5 25 | 5 50 | 6 00 | 6 00 | 6 50 | 7 00 | 7 50 | 7 50 | 7 50 | 7 50 | 7 50 |
| Brockville | No. 7.—O. G. top coffin, rosewood imitation, half glass, striped..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 8 00 | 8 00 | 8 00 | 8 00 | 8 00 |
| Almonte | No. 8.—O. G. top coffin, walnut imitation, half glass, striped..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 8 50 | 8 50 | 8 50 | 8 50 | 8 50 |
| Niagara | No. 9.—O. G. top coffin, burlimitation, panel top, beaded sides, half glass, striped..... | 3 50 | 4 00 | 4 50 | 5 00 | 5 50 | 6 00 | 6 50 | 7 00 | 7 25 | 7 50 | 8 00 | 8 50 | 8 50 | 8 75 | 9 00 | 9 00 | 9 00 | 9 00 | 9 00 |
| Dufferin | No. 10.—O. G. top, solid walnut, beaded sides, half glass, striped..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 13 50 | 13 50 | 13 50 | 13 50 | 13 50 |
| Lorne | No. 13.—Double top coffin, gloss white, half glass, striped..... | 3 25 | 3 50 | 3 75 | 4 00 | 4 25 | 4 50 | 4 75 | 5 00 | 5 50 | 6 00 | 6 50 | 6 50 | 6 75 | 7 00 | ..... | ..... | ..... | ..... | ..... |
| Chatham | No. 16.—O. G. top casket, gloss white, full glass, striped..... | 4 50 | 5 00 | 5 50 | 6 00 | 6 50 | 7 00 | 7 50 | 8 00 | 8 50 | 9 00 | 9 50 | 9 50 | 10 00 | 10 50 | ..... | ..... | ..... | ..... | ..... |

CLOTH COVERED COFFINS AND CASKETS.

| Telegraph Key. | Description. | 5.6 | 5.9 | 5.9 x | 6.0 | 6.0 x | 6.3 | 6.3 x |
|-------------------|---|-------|-------|----------|-------|----------|-------|----------|
| | | \$ c. | \$ c. | \$ c. | \$ c. | \$ c. | \$ c. | \$ c. |
| Aylmer | No. 11.—Double top cloth covered coffin, velvet beads on top and sides | 10 00 | 10 00 | 11 00 | 10 00 | 11 00 | 10 00 | 11 00 |
| Kingston..... | No. 12.—Double top coffin, extra panel on top, velvet or cloth beads on sides | 10 25 | 10 25 | 11 25 | 10 25 | 11 25 | 10 25 | 11 25 |
| Victoria..... | No. 47.—Style M., O. G. casket, octagon ends covered with crape cloth, velvet beads, sliding glass | 12 00 | 12 00 | 13 00 | 12 00 | 13 00 | 12 00 | 13 00 |
| Ottawa..... | No. 48.—Style M., O. G. top casket, octagon ends, all cloth, sliding glass | 15 00 | 15 00 | 16 00 | 15 00 | 16 00 | 15 00 | 16 00 |
| Windsor | No. 49.—Style M., O. G. top casket, octagon ends, combination of cloth and velvet, sliding glass | 15 00 | 15 00 | 16 00 | 15 00 | 16 00 | 15 00 | 16 00 |
| Perth | No. 50.—Style M., O. G. top casket, octagon ends, made of hardwood, all cloth or combination of cloth and velvet | 17 50 | 17 50 | 18 50 | 17 50 | 18 50 | 17 50 | 18 50 |
| Montreal | No. 81.—Style M., O. G. top casket, octagon end, draped, all broad-cloth or combination of cloth and velvet, sliding glass | 22 00 | 22 00 | 23 00 | 22 00 | 23 00 | 22 00 | 23 00 |
| St. Thomas..... | No. 82.—Style F., O. G. top casket, eleptic end, made of hardwood, draped, chienne fringe, satin cord and slides, sliding glass | 30 00 | 30 00 | ..... | 30 00 | ..... | 30 00 | ..... |
| St. Catharines... | No. 84.—Style, Crown Prince, O. G. top casket, eleptic end, made of hardwood, all cloth or combination of cloth and velvet, sliding glass | 20 00 | 20 00 | 21 00 | 20 00 | 21 00 | 20 00 | 21 00 |
| Toronto..... | No. 85.—Style, Crown Prince, O. G. top casket, made of hardwood, eleptic ends, satin fluting above and below beads on body, all cloth or combination of cloth and velvet, sliding glass | 24 00 | 24 00 | ..... | 24 00 | ..... | 24 00 | ..... |
| London..... | No. 86.—Style, Puritan, O. G. top casket, made of hardwood, round ends, heavy satin cord on body and top, sliding glass | 26 00 | 26 00 | ..... | 26 00 | ..... | 26 00 | ..... |
| Brampton..... | No. 87.—Style, Puritan, O. G. top casket, made of hardwood, round ends, all cloth, draped, cord and slides, sliding glass | 28 00 | 28 00 | ..... | 28 00 | ..... | 28 00 | ..... |

OUTSIDE CASES.

| | |
|---------------------------------|--------|
| 2 ft. to 2 ft. 6 in. | \$0 80 |
| 2 ft. 9 in. to 3 ft. 3 in. | 1 00 |
| 3 ft. 6 in. to 4 ft. 3 in. | 1 25 |
| 4 ft. 6 in. to 5 ft. | 1 50 |
| 5 ft. 3 in. to 6 ft. 3 in. | 1 80 |
| Extra size cases | 2 25 |

TERMS:—Four months; or 10 per cent. prompt cash inside thirty days.

C.

Contained in 47a.

UNDERTAKERS' COMBINATION.

EXHIBIT 48.

STATEMENT IN BEHALF OF THE "COAL TRADE BRANCH OF THE TORONTO BOARD OF TRADE," WITH STATUTORY DECLARATIONS ANNEXED THERETO.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

This statement is made on behalf of the "Coal Trade Branch of the Toronto Board of Trade," and is submitted to the committee verified by the annexed declarations of persons actively engaged in the trade, comprising representatives of all the principal companies and firms who have been for some time past and are now importing anthracite coal into the city of Toronto for the purpose of sale.

There is not now and has not been any combination of any kind whatever amongst the coal dealers of Toronto for the regulation of the trade in soft coal or wood except where sold in connection with anthracite coal.

The association known as "The Coal Trade Branch of the Toronto Board of Trade," and which is the only combination existing in the city of Toronto for the regulation of the trade in anthracite coal, is in no sense a "combine" for the purpose of keeping up the price of coal beyond what will return a small margin of profit to those engaged in the trade, and has not been instrumental in depriving the public of what everyone desires, namely, coal at fair and reasonable rates.

The people of Ontario are dependent entirely upon the anthracite deposits in the State of Pennsylvania for their supply of hard or anthracite coal. This deposit is now and has for years past been practically controlled by the five leading transportation companies who have access to the mining districts, and the coal operators on their lines, by whom the prices of coal for the northern and western market are entirely regulated. The companies referred to are:—

1. The Delaware and Lackawanna Railway Company,
2. The Erie Railway Company,
3. The Reading Railway Company,
4. The Pennsylvania Railway Company,
5. The Lehigh Valley Railway Company,

all of whom, except the Pennsylvania Company, are also mining companies.

For many years past it has been and still is the practice for representatives of these companies and the coal operators on their lines of railway to meet from month to month towards the close of each month and to fix the wholesale prices for the northern and western markets for the ensuing month.

The prices for Ontario are fixed at the bridge across the Niagara River and at Lake Ontario shipping ports. With a view to securing uniformity of prices, and to prevent the sale of coal at less than cost, with its consequent demoralization of trade, committees from the companies and operators above referred to have frequently visited Toronto for the purpose of meeting the local dealers and of bringing about an organization amongst them. It was found that as in the case of many other trades, competition amongst the coal dealers, more particularly during the summer season, became so keen that in many instances the trade was being carried on at an actual loss, and that not only those selling at less than cost, but also those who were endeavoring to do a legitimate business, stood a fair chance of being plunged into insolvency, a result which, as can be easily understood, the United States operators had a deep interest in averting.

In the spring of 1886 one of these committees visited Toronto, called the various importers together, and insisted upon an organization, at the same time threatening that anthracite coal would not be supplied to the city dealers unless some general agreement as to uniform prices were arrived at. When it is borne in mind that the supply of hard coal, limited as it is entirely to the one district, does not exceed, but, on the contrary, falls rather short of the demand, it will be seen that the situation was a serious one not only to those who had a large amount of capital invested in the

business, but also to the general public, and that the threat held out by the transportation companies was not an idle one.

Agreements of various kinds had prior to that time been entered into by the coal dealers of Toronto for the protection of their interests, but for reasons which it would be idle now to discuss they had generally resulted in failure.

Owing to the pressure which was brought to bear from the United States to compel organization here and the adoption of uniform prices the coal dealers of Toronto organized themselves into a branch of the Toronto Board of Trade under the provisions of the charter of that institution.

It might here be pointed out that in forming this branch the coal dealers have simply adopted the course taken by other business men in the city of Toronto who are also members of the Board of Trade. Branches or sections have been established in many lines of business for the purpose of protecting the interests of those engaged in that particular line. Each branch has its own constitution and by-laws adjusted so as to be applicable to the peculiarities of each line of business. The constitution and by-laws of the coal trade branch are subject to the approval of the council of the Board of Trade who have the right to interfere if improper or exorbitant prices for coal be fixed by the coal trade branch. They are open to public inspection at all reasonable hours and do not in any sense constitute a secret agreement. The council of the Board of Trade may at any time demand from the executive committee of the coal trade branch a statement showing the percentage of profit made by any member of the branch and may take such action upon such statement as the circumstances may warrant.

It has been charged against the coal trade that those engaged in it are bound by a solemn oath to keep up the prices. This charge may be met by a very simple explanation. It is a matter of general knowledge that every well conducted corporation, society or other organization has some form of obligation to be subscribed to by its members, containing a promise or undertaking to obey and conform to the rules or by-laws of the corporation or society as the case may be. In some instances this takes the form of a simple subscription as in a stock book and in other cases it takes the form of a declaration. In the coal trade branch it takes the latter form. The declaration to be made by each member is in the following form:—"I have carefully read the constitution and by-laws and special rules of the association known as 'The Coal Trade Branch of the Toronto Board of Trade,' and that I will, so long as I continue a member of the said association, truly, faithfully and honestly observe, perform and keep the provisions and terms thereof, and shall not commit or attempt to commit or allow others on my behalf to commit, or attempt to commit any secret or other evasion or violation thereof." This is the only obligation that members of the branch are required to enter into.

Having shown that the organization is one which has been forced upon the coal dealers by those having control of the market in the United States that its object is not to exact exorbitant rates or to wring a high price out of the people, that the price lists are subject to supervision by the council of the Board of Trade, and that the obligations entered into by its members do not differ materially from those entered into by the members of any other society or organization, some of the results of the organization may now be pointed out. They are as follows:—

a. The uniform price of coal in Toronto during the past two years, it is believed, has been less than in any other part of Ontario where the cost of transportation and expenses are as heavy as in Toronto.

b. The net average profits of the coal importers who are members of the association, since its organization, out of their coal trade, has not exceeded 25 cents per ton, which is less than a fair profit, and which it is most respectfully submitted is very much less than ought to be expected from the large amount of risk assumed in the business. An attempt has been made to show that in the calculation upon which this margin of profit is ascertained, the coal dealers have not taken into consideration the circumstance that in the United States coal is purchased by the gross ton, *i. e.*, 2,240 lbs., but is handled and sold in this province by the net ton, *i. e.*, 2,000

lbs., and it is said that the cost of the difference, namely, 240 lbs., should be added to the 25 cents, thus showing a profit of over 80 cents a ton, instead of 25 cents. This contention is based upon ignorance of the true facts. The distinction between net tons and gross tons has been kept clearly in mind in making the calculations upon which the estimate of profit is based. Although the coal is purchased by the gross ton, yet the reckoning in this province is by the net ton.

c. The organization has been a benefit to the poor man, who only requires a few tons of coal during the winter months, and has deprived the large consumer of an advantage which he formerly possessed, because now the same rates are paid by rich and poor. The merchant prince, who requires 100 tons a year to heat his palatial residence, is now obliged to pay the same rate as the poorest laborer from whose humble cottage the cold is banished by the use of two or three tons. Formerly this was not the case. The enquiry at once suggests itself: How is this explained? It is well known that the lowest range of prices is reached in the summer season. The rich man could afford to pay for his winter's coal during the summer, when it was cheap, but the poor man was compelled, for want of means, to wait until he actually required the coal, and then he was obliged to pay the winter rate. Since the organization and owing to the equalization of prices, the general public have given orders in summer, when the rates were low, for the winter's supply of coal, payable on delivery as required during the winter, but at the summer rates. This has been found to be an inestimable boon to the working man, as since the 1st of May last about four-fifths of the whole supply of hard coal has been booked in this way during the summer for winter delivery. The coal dealer takes the risk of the price being raised on him by the United States operator, as the season advances, and this risk is at times a very serious one. It may be answered that the coal dealer can obviate this risk by getting in his coal during the early part of the summer, when the prices are low. This advantage can be gained in the smaller towns, where a few vessel loads will fill the supply, but not in Toronto, because it is impossible to procure so large a supply early in the season, and quite impracticable to find storage at any one time for the whole year's supply. Experience has shown that the Toronto dealers cannot get their orders filled, or nearly filled, during the summer months, and the invariable rule with the American operators is to charge the rate prevailing at the time of delivery, although the orders from the Toronto importer may have been booked months before.

d. Public institutions in the city of Toronto have, since the organization, been supplied with hard coal, at reasonable rates, namely, at the wholesale price paid by the importer, with proper charges added, such as cartage, yard and office expenses, and a small margin of profit; but, in some instances, such institutions have been supplied at a loss to the dealer.

As reference has been made by some portions of the press, and in the examination of Mr. Wood before the committee, to the practice of auctioning the public contracts, and as a large amount of misconception seems to exist upon that subject, an explanation may not be unnecessary, and is submitted with the hope that such misconception will thus be cleared up. When the question of supplying the demand for coal of a public institution came before the dealers for consideration, the price was fixed by the executive committee, and in every case has been less than the price paid by the general consumer, as warranted by the difference in the cost of delivery. The plan was a pooling arrangement, pure and simple, and was designed with a view to making this trade pay its share of the yard and office expenses of the importer (including interest and insurance) amounting to about 40 cents per ton on the importer's entire tonnage. In the case of the waterworks contract, which was taken at an exceptionally low figure, no allowance was made for this item of general expense, as the waterworks department has its own wharf, upon which the coal is unloaded directly from the vessels and does not require to pass through the dealers' yards at all, and the cost of cartage is also saved. Moreover, it must be borne in mind that the coal supplied for the waterworks is grate size anthracite, the wholesale price of which is always from 25 to 50 cents per ton less than the stove and nut

size, the kind generally used by the ordinary consumer for domestic purposes. Mr. Wood, not being in the trade, was unable to make these explanations to the committee.

After the prices had been fixed by the committee, it became necessary to settle some equitable plan for the distribution of this business amongst the dealers, and the plan ultimately adopted has been found to work fairly and impartially. Any importer wishing to secure a particular contract, entered into competition therefor with the other importers, and the one who was willing to pay the largest amount secured the contract. The amount so paid does not, by any means, represent the value of the contract to the importer who secures it, because one-sixth of the payment is applied towards the expenses of the branch, and the remaining five-sixths is divided amongst all the dealers, including the one who pays the money in proportion to their imports. This is a matter of internal regulation which works no injustice to the institution purchasing the coal, because the price is in every instance less than that paid by the general public.

It may be added, that the organization has been formed under section fifteen of the Act incorporating the Toronto Board of Trade and the Toronto Corn Exchange Association, passed by the Dominion Parliament in April, 1884. This section reads as follows:—"Any number of members who may desire to associate themselves together in a trade branch, with a view to promoting more effectually the interests of any particular trade, may, with the permission of the council, previously obtained, form themselves into such trade branch."

Then, again, it ought to be pointed out that much misapprehension may be, and probably has been, occasioned by not clearly bearing in mind that there are many varieties of anthracite coal, that these varieties differ very greatly in quality and that the prices vary according to the quality. It is quite possible to lay down coal in Toronto for less money per ton than that paid by the principal importers, but such coal is of an inferior quality and of a lower grade than that required for the Toronto market, which is standard coal. Consequently, a comparison between the prices of such coal and that which forms the bulk of the importation, must be extremely unreliable. The coal referred to can be readily purchased at from 50 cents to \$1 per ton less than standard coal.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines".

I, Samuel Crane, of the city of Toronto, in the County of York and Province of Ontario, coal dealer, do solemnly declare that I am a member of the firm of S. Crane & Co., carrying on business as coal dealers in the city of Toronto, and have been actively engaged in such business for about twenty years last past, that I am a member of "The Coal Trade Branch of the Toronto Board of Trade," that I have read the statement hereunto annexed to be submitted to the said committee, that I have a knowledge of the facts and circumstances therein contained, and I declare that they are true to the best of my knowledge, information and belief; and I make this solemn declaration conscientiously believing the same to be true and by virtue of the "Act respecting Extra Judicial oaths."

SAMUEL CRANE.

Declared before me at the city of Toronto, }
in the County of York, this 11th day }
of April, 1888.

W. B. RAYMOND,

A Commissioner for taking affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, Ralph E. Gibson, of the city of Toronto, in the County of York, and Province of Ontario, coal dealer, do solemnly declare that I am president of the Conger Coal Company, coal dealers in the city of Toronto, and I have been actively engaged in the coal business in Toronto for over two years last past, that I am a member of "The Coal Trade Branch of the Toronto Board of Trade," that I have read the statement hereunto annexed to be submitted to the said committee, that I have a knowledge of the facts and circumstances therein contained and I declare that they are true to the best of my knowledge, information and belief; and I make this solemn declaration conscientiously believing the same to be true and by virtue of the "Act respecting Extra Judicial Oaths."

RALPH E. GIBSON.

Declared before me at the city of Toronto, }
in the County of York, this 10th day }
of April, 1888.

A. R. CREELMAN,

A Commissioner for taking affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, John Keith, of the city of Toronto, in the County of York and Province of Ontario, coal dealer, do solemnly declare that I am a coal dealer in the city of Toronto, and have been actively engaged in such business for about fourteen years last past, that I am a member of "The Coal Trade Branch of the Toronto Board of Trade," that I have read the statement hereunto annexed to be submitted to the said committee, that I have a knowledge of the facts and circumstances therein contained, and I declare that they are true to the best of my knowledge, information and belief; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the "Act respecting Extra Judicial Oaths."

JOHN KEITH.

Declared before me at the city of Toronto, }
in the County of York, this 10th day }
April, 1888.

A. R. CREELMAN.

A Commissioner for taking Affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, John R. Bailey, of the city of Toronto, in the County of York, and Province of Ontario, coal dealer, do solemnly declare that I, as a coal dealer, in the city of Toronto, have been actively engaged in such business for about twelve years last past, that I am a member of "The Coal Trade Branch of the Toronto Board of Trade," that I have read the statement hereunto annexed to be submitted to the said committee, that I have a knowledge of the facts and circumstances therein contained, and I declare that they are true to the best of my knowledge, information

and belief; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the "Act respecting Extra Judicial Oaths."

JOHN R. BAILEY.

Declared before me at the city of Toronto, }
in the County of York, this 9th day }
of April, 1888.

W. B. RAYMOND,

A Commissioner for taking Affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, James Cowan, of the city of Toronto, in the County of York and Province of Ontario, coal dealer, do solemnly declare that I am a member of the firm of C. C. Ray & Co., carrying on business as coal dealers in the city of Toronto, and have been actively engaged in such business for about one year last past, and prior to that time I had about four years' experience in the coal business in Ottawa; that I am a member of "The Coal Trade Branch of the Toronto Board of Trade;" that I have read the statement hereunto annexed to be submitted to the said committee; that I have a knowledge of the facts and circumstances therein contained, and I declare that they are true to the best of my knowledge, information and belief; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the "Act respecting Extra Judicial Oaths."

JAMES COWAN.

Declared before me at the city of Toronto, }
in the County of York, this 6th day }
of April, 1888.

W. B. RAYMOND,

A Commissioner for taking Affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, Frederick Harold Thompson, of the city of Toronto, in the County of York and Province of Ontario, coal dealer, do solemnly declare that I am a coal dealer in the city of Toronto; have been actively engaged in such business for about three years last past; that I am a member of "The Coal Trade Branch of the Toronto Board of Trade;" that I have read the statement hereunto annexed to be submitted to the said committee; that I have a knowledge of the facts and circumstances therein contained, and I declare that they are true to the best of my knowledge, information and belief; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the "Act respecting Extra Judicial Oaths."

F. H. THOMPSON.

Declared before me at the city of Toronto, }
in the County of York, this 6th day of }
April, 1888.

W. B. RAYMOND,

A Commissioner for taking Affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, Thomas Coulter, of the city of Toronto, in the County of York and Province of Ontario, coal dealer, do solemnly declare that I am a coal dealer in the city of Toronto; have been actively engaged in such business for about two and a quarter years last past; that I am a member of "The Coal Trade Branch of the Toronto Board of Trade;" that I have read the statement hereunto annexed to be submitted to the said committee; that I have a knowledge of the facts and circumstances therein contained, and I declare that they are true to the best of my knowledge, information and belief, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the "Act respecting Extra Judicial Oaths."

THOS. COULTER.

Declared before me at the city of Toronto,)
in the County of York, this 6th day }
of April, 1888.

W. B. RAYMOND,

A Commissioner for taking Affidavits in and for the County of York.

In the matter of the Enquiry before a Committee of the House of Commons of Canada in reference to alleged "Combines."

I, Elias Rogers, of the city of Toronto, in the County of York and Province of Ontario, coal dealer, do solemnly declare that I am a member of the firm of "Elias Rogers and Company," carrying on business as coal dealers in the city of Toronto, and have been actively engaged in such business for about twelve years last past; that I am a member of "The Coal Trade Branch of the Toronto Board of Trade," that I have read the statement hereunto annexed to be submitted to the said committee, that I have a knowledge of the facts and circumstances therein contained and I declare that they are true to the best of my knowledge, information and belief; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the "Act respecting Extra Judicial Oaths."

ELIAS ROGERS.

Declared before me at the city of Toronto,)
in the County of York, this sixth day }
of April, 1888.

W. B. RAYMOND,

A Commissioner for taking Affidavits in and for the County of York.

INDEX.

Agricultural implements, 356, 357, 392.

Banking, Alleged combination in, 555.

Barley Trade of Ontario:—No combination amongst exporters, 309, 314. Standards, how fixed, 308, 316. Effect of color in grading, 316. The malting industry in Canada, 310, 317. Ontario barley, special excellence of for malting, 309, 316, 318, Canadian barley, relation in prices of, in the United States to the duty, 315. Export to England, 318.

Barbed Wire:—Manufacture of in Canada—sold at a fixed price generally, 358, 374. Various kinds and their prices—terms, 359. Manufactured under patent, paying royalty, 360, 368, 371. Royalty paid per hundred pounds—consumption of—decline of prices since being made in Canada, 372.

Biscuits:—Sold under combination, 71, 75, 80. Comparative prices in Montreal and New York, 132–138. Extent and profits of biscuit manufactory, 135. Prices raised since the combination, 75. Cost of material decreased, 135. Manufacturers in the combination and its headquarters, 128, 138. Objects of the combination and how managed, its officers and executive, 138, 140, 142. Freights regulated, 138. Lard in sodas—Can. lard best, 139. The combination regulate manufacturers prices—a complaint, 140. Running a factory, wages, material, &c., 143.

Canadian Watch Jobbers' Association:—In American watches, 323–345. The combination affiliated with American Elgin and Waltham Watch Co's., 324, 325. The American Watch Case Co. of Toronto forced into the combination, 326. A movement to crush out Stark's Watch Case factory—an injunction, 326, 327, 508. First organization of the Canadian Watch Jobbers' Combination, 332. Combination rules absolute as to sale and purchase, 333. Bogus watch movements—profits of the trade, 336. Rapid and large increase of sale of American watches in Canada, 338. The American manufacturers fix the prices at which their goods shall be sold in Canada, 339. Canadian Watch Jobbers' Combination, when formed, 340. Fines for violation of combination rules, 343. Constitution and by-laws of the combination, 508. Contract between the Elgin National Watch Company and the Canadian Watch Jobbers' Association, 511.

Coal Dealers Association, London, Ont.:—Origin of the combination—Object of, to limit competition and sustain prices, 241. Import and retail prices of coal, 242–244. Violation of local association rules reported to the local exchange at Buffalo for action—Contracts by tender, how managed, 245. Prices at which Government tenders were taken, 246. Discrimination against private citizens in combination prices charged them for coal, as compared with the prices charged in Government tenders, 247. Coal consumption of London, 248. By-Laws and Rules of the coal association, 617–619. Statement of cost of coal at London, 619.

Coal Trade of Cobourg, Ont. :—No combination in coal—Sources and ports of supply, 228. Import cost at Cobourg—Rebates allowed by American dealers—No dictation by American suppliers to fix prices—Retail prices and profits, 229-231—Terms of credit, 233.

Coal Trade Branch, Toronto Board of Trade. :—Membership fee, 145, 564. Origin of the coal branch, its promoters and amalgamation with the Board of Trade, 164. Fines, 165, 584. The pool, 166, 171. Tender contracts, how regulated and instances, 166, 170. Oath required of members and employés, 158, 172, 573. Disparity between prices of coal charged to citizens and contract prices, 169. Contracts and prices enumerated, 171. The Toronto Association in concert with the Anthracite Association of the United States—How the supplies of a dealer not in the combination are stopped, 172, 174, 584. Executive Committee how composed, 564. Executive Committee fix retail price of coal, 565. Constitution and by-laws deposited with Council of the Board of Trade, 564. Constitution, by-laws and special rules submitted in evidence by G. W. Wood, Secretary to the Coal Trade Branch, 610. Minutes of meetings of the Coal Trade Branch, 566-610. Statement in behalf of the Coal Trade Branch with Statutory Declarations thereto, 757-743.

Combination, conspiracy, 28, 31, 136—remedies suggested, 22, 24, 66, 77, 136.

Cordage and Binder Twine Combination, 345, 397. Manufactures of cordage and twine in Canada.—Fibre under control of an American syndicate, 345, 400. Efforts of the American Syndicate to control the business in Canada, 346. Effects of the Syndicate upon Canadian business, 347. Terms of the combination—The pool, 348, 399, 401. Prices of the manufactured and raw material, 350-351, 353, 398. Progress of the business, 352. Duration of the combination, 397. Dissolution of, 398. Hands employed and wages of, 301, 302. Output of binder twine in Canada, 402.

Eggs :—Combination of dealers to repress prices against farmers—Keeping down the price in Canadian towns to favor purchase prices for export, 318-319.

General Groceries Stock under Combination :—Baking Powder—Short weight packages of, 19, 71, 72, 74, 503. Candles, 71. Brandy, 111. Confections, 129, 138. Gin, 71, 72, 81, 111. Whiskey, 71, 72, 111. Gooderham's whiskey, 73. Walker's whiskey, 80. Highwines, 72. Pickles, 71, 73, 130. Nestle's food, 72. Matches (Eddy's), 23, 71. Starch, 71, 72, 73, 75, 90, 530, 547. Soap, 71. Coal oil, 71.

Insurance :—Canadian Fire Underwriters' Association, inception of, 428, 458, 459. Ostracizing the mutual insurance and other non-combination companies, 421, 425, 447, 459, 474. Mutual companies in Association not interfering with rates, 424. Combination circular aimed at mutual and other outside companies, 422, 630. Combination injuring Canadian business by driving risks to the United States for insurance, 425, 472. List of companies in the combination, 631. Association fixes uniform rates, 429, 459. Rates raised by combination, 426, 435, 436, 446, 470, 472, 484, 491, 497. Cast-iron rates remove equitable allowance for moral hazard, 426, 446, 491. Expenses of companies increased by the Association, 436, 439, 449, 466. "Moral Hazard," definitions of, 461, 468. Canadian insurance companies being replaced by foreign companies, 463, 497, 498. Objects of forming the combination, 435, 448, 461. Fire losses in Canada for a ten year period, 689-690.

Toronto Board of Underwriters, its place in the insurance combination, 477, 478, 479. The Board re-enacts resolution against non-combination companies, 477, 478, 673, 680. Special discrimination by the Board against the City of Toronto in the matter of insurance rates, 478, 480, 481, 487. The Board hunting non-combination companies, 486, 478.

Iron Founders' Association alias Stove Makers:—Firms in the combination, 391. Number not in the combination—basis for fixing prices, 392, 395. Who fixes the prices—age of the combination, 393. Profits—comparative prices with American made stoves of fine finish, 394. Advance in wages—wages of different classes of workmen, 296. Additional points on the stove trade, *vide* 362, 365, 370. Constitution and By-Laws of, 699. Members' bond of agreement, 702. Terms of agreement, 703. Penalties provided—secrecy enjoined, 705.

Lard, Canadian production superior to imported, 139.

Manufacturers of Ginger Ale, Montreal:—Petition of, 561.

Montreal Coal Exchange:—Not connected with the Board of Trade—Objects of the combination to limit competition and sustain prices—Combination when organized, 236. Board of management fix retail prices—A majority of the Board agents for American coal companies, 233. Members not obligated by oath—Fines under certain provisions—Import and retail prices—Rebates to importers—Retail dealers not in the combination discriminated against in prices, 234-241. Minimum profits fixed—Prices for tender contracts fixed—No allotment of tenders, 235, 238, 240. Importation prices fixed in the U.S., 236-238.

Oatmeal:—Miller's association and object of, 375. Mills in Ontario—Capacity of production—Consumption of the Dominion—U.S. duty upon—Scotch meal, 376. Prices and export, 377. Combination when organized—Prices fixed, 378. The pool how formed and managed, 379, 381. Production checked by renting mills to shut down—rentals paid them, 380. Manitoba oats in probable future competition with the Ontario product, 283. Points on practical milling, 385. Combination purchase of oats, 626. Mills leased to shut down and rentals—Salary of secretary, 627. Rules and by-laws of the combination, 620. Minutes of meetings, 625.

Ottawa Coal Cartage Co.:—The company chartered, 174. Charter members, 221. The present holders and promoters of the company, 174, 249. Directors, 249. A combination on the "Trust" system, 175, 220, 254. Retail prices of coal fixed by the directors, 175. Associated dealers paid from the pool, 176, 177. Importation cost of coal, 179. Quantity sold and profits, 181. The companies' capital—net profits after deducting charges on the pool—Rate per cent. realized, 181. Contracts by tender, how managed, 184, 259. Cost of coal increased to consumers by the combination, 184, 186, 188, 322. Efforts of the C. A. Railway to bring in coal frustrated, 263, 321. Interference to stop supplies to outside dealers, 185, 188, 189, 252, 253.

Retail Grocers Association, Montreal:—Petition of, 58. Not a combination, 61. Memorial to G. A. Drummond, 561. Retail Grocers, Quebec, 513. Retail Grocers and Manufacturers, Sherbrooke, 514. Retail Grocers, London, Ont., 515. Retail Grocers' Association, Hamilton, 547.

Sugar:—Origin of the combination upon sugar, 11, 29, 102, 117. First organization of, as the Dominion Wholesale Grocers' Guild, 526. Conditions of eligibility for membership, 500, 521. The agreement signed by members, 503. List of members showing names struck off, 501. Sugar under combination, 11, 36, 69. The parties, Principals in the combination, 11, 22, 36, 37, 69, 80, 86, 108. A total boycott attempted, 12, 119, 120. Discrimination in prices agreed upon, 11, 12, 13, 14, 36, 38, 40. Discrimination in Discounts and Terms, 36, 40, 59, 84, 94, 521. Freights arranged, 504. Cost increased to the consumer, 17, 20, 50, 60, 69, 85, 108, 110. Profits of wholesalers, 17, 50, 106. Profits improved and secured under combination,

109, 117. Competition destroyed, 97. Specified losses by discrimination, 31, 17, 84, 100. Aggressiveness of the combination, 17, 64, 120, 521. Connection of the Refiners with the combination:—The Canada Refinery, 11, 36, 37, 119, 120. The Halifax Refinery, 11, 34, 118. St. Lawrence Refinery, 11, 119, 120. The Moncton Refinery, 11, 34, 180, 504, 505, 519, 520. Organized Protests against the combination, 58, 513, 514, 515, 518, 561. Importation, 12, 15, 31, 564. Raw sugars, annual production of cane,—beet,—Cuba's yearly product, 47. Minutes of meetings of the Dom. Wholesale Grocers' Guild (17 June, '84—16 Nov., '87), 526, 547.

Tobacco :—Combination on, 23, 103, 120. Wholesale advances on cost, 23, 24, 105, 522, 538. Manufacturers of, a party to the combination, 23, 103, 105, 528. Excise duty, 105.

Toronto :—Grocery Trade, 107.

Twine :—Canadian make superior to imported, 368.

Undertakers' Combination :—When organized—Constitution adopted—Manufacturers of coffins and undertakers' included in the combination, 404. A local power to prevent new hands entering upon the business—Manufacturers bound to sell to none outside the combination—Prices uniform, 405. Dealers in coffin trimmings bound not to sell, "even a nail," to anyone outside the combination—Barring the way to entering, 406. Cost and selling price of coffins and caskets, 407, 413, 417. Forced by the combination from inheriting a father's business, 409, 410. A dealer punished for his mistake, 411. Name of firms who refused goods, 412, 417. Entrance refused to an experienced Undertaker, and names of the parties, 413, 415. Oath and fine provided against violation of combination rules, 414, 418. Cost of material—Difficulty in procuring—Difficulty of importation, 414, 415. Keeping down the number—Affiliation—Extortionate charges, 416. Gross frauds in coffins—Ceaseless watching, 417. One who would like to sell but dare not for terror of the combination, 418. Hearse manufacturers refuse to join—Cost of a cheap funeral in Toronto, 419. Constitution and by-laws of the undertakers' combination, 707. Suspended members and non-members of the combination ostracised from all business communion—Manufacturers selling any article to a non-member to be boycotted—No supplies to be purchased from a non-member—Secrecy of meetings enjoined under penalty (By-Laws, sections 2430), 709. Second annual session, 710. Bond of obligation signed by the representatives of the Undertakers' Association of the first part, and the representatives of the Dominion Burial Casket Association of the second part, by which the second party thereto is bound under penalty to sell no caskets, any coffin material or to furnish price lists to anyone not a member of Undertakers' Combination, 713, 714. Exchange of courtesies between the Can. and U. S. Combinations, 730, 731. An official urgent appeal to organize, 733. Manufacturers price lists to members of the combination, 734.

WITNESSES.—

| | |
|---------------------------|-----|
| Baskerville, Patrick..... | 124 |
| Bell, William..... | 212 |
| Boomer, James..... | 447 |
| Bowman, William..... | 241 |
| Boulton, A. E..... | 409 |
| Brown, J. C..... | 254 |
| Butterworth, J. G..... | 249 |
| Carter, R. C..... | 319 |
| Childs, George..... | 88 |
| Clay, W. B..... | 122 |

| | |
|---------------------------------|-----|
| Connell, Thomas..... | 202 |
| Connor, John..... | 345 |
| do (recalled)..... | 347 |
| Copp, W. J..... | 392 |
| Donald, Mc, D. C..... | 421 |
| Drummond, George Alexander..... | 35 |
| Dwan, Michael..... | 302 |
| Easton, W. H..... | 184 |
| Ellis, Matthew C..... | 340 |
| Esmonde, Joseph..... | 362 |
| Ferguson, John..... | 497 |
| Fraser, Donald Alexander..... | 58 |
| Gibson, W. C..... | 137 |
| Gillard, W. H..... | 113 |
| Graves, F. T..... | 365 |
| Hadrill, Alfred W..... | 465 |
| Hanson, George..... | 491 |
| Hargraff, Alexander R..... | 228 |
| Hartt, George F..... | 233 |
| Hatton, Henry..... | 391 |
| Hebert, Charles P..... | 109 |
| Ince, William..... | 102 |
| Ives, H. R..... | 370 |
| Jones, John H..... | 332 |
| Kavanagh, Joseph..... | 127 |
| Kelly, Patrick..... | 318 |
| do..... | 498 |
| Larmonth, Peter..... | 174 |
| do (recalled)..... | 191 |
| Lean, Mc, Robert..... | 428 |
| Lightbound, George..... | 11 |
| Lockerby, W. W..... | 112 |
| Lowrie, William Hugh..... | 445 |
| Massey, H. A..... | 353 |
| Matthewson, J. A..... | 29 |
| Matthewson, W. B..... | 99 |
| Matthews, Wilmot D..... | 304 |
| Moffat, Robert..... | 413 |
| Morris, Alexander W..... | 397 |
| Paul, Walter..... | 81 |
| do (recalled)..... | 131 |
| Ray, C. C..... | 218 |
| Robertson, John..... | 69 |

| | |
|-------------------------|-----|
| Rogers, Elias..... | 145 |
| do (recalled)..... | 271 |
| Rogers, Samuel..... | 403 |
| Ross, David Robert..... | 375 |
| Scott, Hugh..... | 468 |
| Sedgeworth, John..... | 344 |
| Sewell, H. H..... | 114 |
| Sinclair, David..... | 55 |
| Stark, Charles..... | 323 |
| Tatley, William..... | 458 |
| Taylor, George..... | 314 |
| Thompson, George F..... | 192 |
| Todd, Percy R..... | 263 |
| Wills, Edgar A..... | 100 |
| do (recalled)..... | 117 |
| Wood, G. W..... | 164 |
| Workman, Thomas..... | 358 |
| Young, William..... | 496 |

REPORT.

OTTAWA, 17th May, 1888.

The Select Committee appointed to enquire into the fraudulent practices which have prevailed, and still prevail, in various parts of the Dominion, by which farmers have been and are induced to give their promissory notes and securities to a very large amount in the aggregate, for seed, agricultural implements, and other goods and merchandise, by various false pretexts; the goods in some cases never being delivered, and in other cases being comparatively worthless, the makers of such promissory notes being obliged to make payment, while the perpetrators of these wrongs evade justice; and to report what remedies exist in such cases, or what further remedies should be provided, beg leave to present the following report:—

Your Committee have examined a number of witnesses, but owing to the near approach of prorogation they were obliged to dispense with the attendance of many others who had volunteered to give evidence. This the Committee felt was much to be regretted, as, whilst the investigation proceeded, numerous frauds were found to have been practiced upon farmers throughout the country. The evidence relating to fraudulent practices regarding the sale of seed grain of different kinds, to the so-called "hay fork swindle," to frauds perpetrated by certain dishonest agents of alleged manufacturing firms, as also to the swindle in regard to the sale of lightning rods, pumps, &c., has all been carefully considered by the Committee. This evidence shows conclusively that these, and like swindles, have been practiced to an alarming extent among farmers, and that the grievances of the farmers in this respect calls loudly for some remedy, if such can be devised.

In consequence of the limited time at the disposal of the Committee they have been unable to examine as many witnesses as they could have wished, but from the evidence herewith submitted, together with the large number of communications received from the different sections of the country, it is manifest that a deep interest is being felt in the proceedings of the Committee. In view of this, your Committee would recommend the advisability of the appointment next session of a Committee to continue the work already commenced.

From the investigation thus far had by the committee they are of opinion that it might be possible for Parliament to enact some measure which will have the effect of remedying the existing law in relation to the swindling practices above referred to, and which the Committee have had under consideration.

Your Committee would respectfully recommend the public to be on their guard and to be very careful as to the nature of the obligations entered into by them with questionable firms.

All of which is respectfully submitted.

ADAM BROWN,
Chairman.

ORDER OF REFERENCE.

HOUSE OF COMMONS, Monday, 7th May, 1888.

Resolved, That a Special Committee composed of Messrs.

Amyot,
Barron,
Brown,
Carpenter,
Cochrane,
Desjardins,
Fisher,
Hale,
Henderson,

McMullen,
Marshall,
Mills (Annapolis),
Moncrieff,
Rowand,
Smith (Ontario),
Welsh, and
Wood (Brockville),

be appointed to enquire into the fraudulent practices which have prevailed and still prevail in various parts of the Dominion, by which farmers have been and are induced to give their promissory notes and securities to a very large amount in the aggregate for seed, agricultural implements and other goods and merchandise, by various false prettexts; the goods in some cases never being delivered, and in other cases being comparatively worthless, the makers of such promissory notes being obliged to make payment, while the perpetrators of these wrongs evade justice; and that such Committee have power to send for persons, papers and records, and be instructed to report what remedies exist in such cases, or what further remedies should be provided, and that Rule 78 be suspended in so far as it relates to the number of members to serve on the said Committee.

Attest.

JNO. GEO. BOURINOT,

Clerk of the House.

WEDNESDAY, 9th May, 1888.

Ordered, That the said Committee have power to employ a short-hand writer, to take down such evidence as the Committee deem necessary.

Attest.

JNO. GEO. BOURINOT,

Clerk of the House.

SATURDAY, 12th May, 1888.

Ordered, That the said Committee be empowered to examine on oath, or affirmation where affirmation is allowed by law, such witnesses as may appear before the said Committee.

Attest.

JNO. GEO. BOURINOT,

Clerk of the House.

MINUTES OF EVIDENCE

FRIDAY, 11th May, 1888.

Committee met; Mr. BROWN in the chair.

ALEM R. KELLY, of Ancaster, County of, Wentworth, Ont., called and examined.

By the Chairman :

1. State the facts of your case?—I will give you the bond they gave me.

2. Tell us how you came to have this bond; tell us the whole story? They came into my place; the date is there on that bond.

The CHAIRMAN—It is dated the 24th February, 1887. (*For this Bond see Question 11.*)

By Mr. Wood (Brockville) :

3. Commence this way.—“Two parties came to my place,” or three as the case might be?—There were two came, Mr. Oliver Perry, agent for the Ontario Grain and Seed Company, and Mr. Elliot, of Dereham, a farmer, came with him recommending him. They came in and said they were starting a new institution and the principle of it was to get a clean variety of seed amongst the farmers and giving the farmers a chance to sow this seed and raise it amongst themselves; and that they would give them a chance in such a way that they could make a little something out of it. I asked him the conditions that there was about it and they said they had a charter from the Ontario Government and \$35,000 of stock. “Well,” I says, “is it capital stock or is it cash deposit. I think it is necessary that a company of this kind should have a cash deposit, because capital stock would not amount to anything as you could not get hold of that.” He said they had \$35,000 of cash deposit with the Ontario Government. There were witnesses standing by and listened. I said: “If you have \$35,000 cash deposit with the Ontario Government, I don’t mind giving you a little order to try it.” We had been talking about this thing in the Institute meetings, to get some institution of this kind up so that we might get a clean variety of seed; as, for instance, one farmer like Mr. Carpenter here having this kind of seed, I could get it from him, and, knowing his farm, we could exchange. I have no interest in the institution only so far as it is a benefit to the agricultural interests altogether. I have paid out a good many dollars for these institutes and I do this for the benefit of the community generally. Well, they declared they had \$35,000 cash deposit and they calculated that they had to increase the stock before they could go any further. They said they were under Government inspection, and under these conditions I gave my note.

By the Chairman :

4. You bought some wheat under these conditions?—Yes.

By Mr. Carpenter :

5. What quantity?—12 bushels of wheat at \$15 per bushel. They were to take from that, 24 bushels at the end of the year, and they gave me a bond covering that.

6. State the prices they were to pay to you for what they took back?—They were to allow me \$15 per bushel less \$5 on every bushel for selling it.

By the Chairman :

7. They were to take 24 bushels from you at \$10?—Yes, and they said all the balance of my surplus. I said: “No; you take what you agreed to take and that is all I will expect.” They declared they could sell all we could raise out of that crop. I

says: "You will have the whole country stocked against the time my wheat is grown." No, they declared they could sell it in the States for that and make money.

8. Did they tell you that this seed wheat was of some peculiar fine quality?—They stated that the wheat was rather an extra sample, a strong grower and as good a class of wheat as they could get hold of.

By Mr. Marshall:

9. Did they give it a name?—Yes, "The Red Lion."

By Mr. Carpenter:

10. You gave your note for the 12 bushels you bought?—Yes; that would be \$180, and it was drawn at 8 per cent.

11. Go on and state as to your agreement. You entered into an agreement that you suppose was binding upon them?—They gave a bond that I have here with me and all the specifications.

The CHAIRMAN.—The witness hands in the following; I will read it:—

THIS BOND IS USED FOR WHEAT ONLY.

No.

CAPITAL STOCK, \$35,000.00.

Incorporated 10th June, 1886.

Home Office, 45 Queen Street East, Toronto.

Bond of the Ontario Grain and Seed Company.

It is agreed and understood by and between the party named in this bond and said company, that the transaction covered by this obligation is of a speculative character, and is not based upon the real value of the grain.

Mr. A. R. Kelly, Township Ancaster, County of Wentworth, and Province of Ontario, witnesseth, that on or before the first day of December, A.D. 1887, we hereby agree to sell to responsible parties 24 bushels of Mr. A. R. Kelly's wheat, at \$15.00 per bushel, and for which he agrees to take his pay in notes.

And the said Mr. A. R. Kelly hereby acknowledges that he has bought of the said company 12 bushels of Red Lion wheat at \$15.00 per bushel as a speculation, and for which he has given his note for the same, and that said price is not based upon its real value.

And the said Mr. Alem R. Kelly hereby agrees to allow the said company thirty-three and one-third per cent. of all notes taken for all his wheat sold at \$15.00 per bushel as their commission.

THE ONTARIO GRAIN AND SEED COMPANY.

Per GEO. S. WARD,
Secretary.

ALEM. R. KELLY,
Purchaser.

Signed and sealed, this 24th day of }
February, 1887.

Attest:

L. B. D. LAPIERRE,
President.

WITNESS—On the back of it there is something.

CHAIRMAN—(Reads):—

Constitution and By-laws of the Ontario Grain and Seed Company.

This company was incorporated under the laws of the Province of Ontario governing joint stock companies, 10th June, 1886. The following were adopted by the company for the sale of wheat:—

Section 1. All bonds shall be signed and sealed by the secretary of the company and attested by the president, and this company will be responsible for their

business transactions according to the laws made and provided for governing joint stock companies in the Province of Ontario, and under which this company was incorporated.

Section 2. All purchasers of wheat shall receive a bond agreeing to sell double the amount of wheat purchased, at \$15.00 per bushel, a speculative value. Each purchaser hereby agrees to allow the said company one third of all notes taken for all his wheat sold at \$15.00 per bushel as their commission.

Section 3. If any purchaser of wheat from this company fails to raise the amount specified in his bond, the said amount shall be furnished him free of charge and sold the same as specified in the bond.

Section 4. There shall be no less than ten or more than thirty bushels of wheat sold to any one purchaser, or to more than ten in any one township in one year.

Section 5. All wheat shall be sold by the company at \$15.00 per bushel, to good and responsible parties, and the said company shall receive a commission of 33 $\frac{1}{3}$ per cent., payable in notes.

Section 6. It must be further agreed by said purchaser that he will do all he can to promote the interests of this company and assist in sale of grain, and that he will report to the office of the company any bad conduct or misdemeanor on the part of any agent representing said company.

Section 7. All communications concerning the business of this company will be addressed to the Ontario Grain and Seed Company, Toronto, Ontario.

Attest.

L. B. D. LAPIERRE,
President.

Per GEO. S. WARD,
Secretary.

ALEM. R. KELLY,
Purchaser.

12. Now, I think you say that they agreed to purchase so much wheat back. They told you that the wheat was Red Lion and an exceptionally good kind? How did you find the wheat?—I found it mixed with at least two samples, white and red, both. It was sent out for investigation and I believe there were six samples in all that some people got; but I did not examine any more than my own and I got out the white wheat.

13. In some cases there were six kinds?—Yes.

14. Did they come round to buy your wheat from you?—I sat right down and notified the company and asked them if this man was their agent.

15. What man?—Perry. They said he was not only one of their agents but he was one of the company and whatever transaction I had with him they were responsible for.

16. Perry was not the man from Dereham?—No; Elliott was the man with him. They did not acknowledge Elliott at all; but they said Perry was not only one of their agents but one of their company. I have the papers from him but they are in St. Thomas since the time they arrested him for conspiracy.

By Mr. Wood (Brockville):

17. This man is under arrest?—Perry I understand is a Yankee.

18. He is under arrest?—He is indicted, but he is in the States.

19. Out on bail?—No. Hewett the manager and the secretary are under bail.

20. Will Hewett be tried in June?—Unless they settle with him. I have heard some such report as he had settled it. J. L. Pierce said so.

21. How long after you signed this bond did you get the wheat; was it at the same time?—I think it was 8 or 10 days afterwards.

22. Was it delivered by the same party who induced you to sign this bond?—They delivered it at the station; that is the company sent it to the station at Hamilton. It was to be shipped free of all charge.

23. You examined it?—Yes; I examined the sample and notified them to take the wheat away.

By the Chairman :

24. Did you object to taking the wheat away?—I objected to taking it at all, and Perry told me—I was in the office in London myself—he told me to keep it until warm weather came and he would come and take the wheat away. I have several letters from the secretary of that company stating that Perry would be at my place at such a time until he ran away.

25. Have you any of those letters with you?—Yes; I have one, but the others are in St. Thomas.

By Mr. Carpenter :

26. Did you keep that wheat?—It was sowed last fall. You will see by this letter how they blindfolded us until they got away.

The CHAIRMAN.—I will read the letter, which is as follows:—

“ *Notice of Removal.*

“ OFFICE OF THE ONTARIO GRAIN AND SEED COMPANY,
“ LONDON, ONT., 16th May, 1887.

“ To ALEM P. KELLY, Alberton.

“ DEAR SIR.—At a meeting of the Board of Directors of the Ontario Grain and Seed Co., held at this office on May the 7th, 1887, it was decided to remove the head office to 45 Queen Street East, Toronto, Ont., as our charter provides for our having our offices either at London or Toronto and as Toronto is a more central location for our business.

“ All communications in future you will please address to 45 Queen Street East, Toronto, Ont., and where we shall be pleased to see you at any time.

“ Yours respectfully,

“ ONTARIO GRAIN AND SEED COMPANY.

“ Per G. S. WARD.

“ P. S.—Mr. Perry will be at your place as soon as he is able.”

WITNESS.—You will understand it was only a few days until they were all gone, and he was out of the country.

27. This was evidently confusing. The correspondence you had was to the effect that Mr. Perry would be at your place. Did you ask them to give you back your note?—Yes, they said they would take away the grain and give me back my papers.

28. Did they say that in letters?—No; Perry so agreed. They sent him back as soon as I wrote to them that I had heard bad reports about the wheat. He came back and said he would take this wheat away as soon as warm weather came. I went to London on business, as under the arrangement in which they said they had this cash deposit I could have arrested them for fraud; and I went for that purpose. He said in every letter that he was coming to take this wheat away as soon as possible.

By Mr. Carpenter :

29. Then he agreed verbally to take the wheat away?—Yes; I got my note when I paid Roaf for it.

30. Were you sued?—No; we went and paid.

By Mr. Welsh :

31. Have they any deposit in Ontario?—No, not a cent nor yet a dollar paid in.

32. Not on the capital stock?—Only Hewitt gave his obligation.

By the Chairman :

33. Who held your note?—Mr. Roaf.

34. The lawyer?—Yes.

35. Was it put in his hands to collect?—He said he had bought the notes. Peter Wood bought the notes first—Peter Wood, of Brantford. I followed the notes right to Brantford as soon as I heard he had them. I asked him if it was a *bond fide* sale, and he said it was. He wondered people was so foolish as to give their

note, and said they might have known they would never redeem their bond; and yet he swore in the court he was an innocent holder of these notes.

36. Did he have your note in his possession then? Yes; I saw lots of notes and followed them. The whole of them must have known something about it because when I came down from Toronto and saw Dennis, of Parkdale, I asked him about them. He denied knowing anything about them; but, by-and-bye, I found out he was the man who bought them and fetched the list out and showed me it. Then Roaf swears he bought them from Dennis.

37. From Peter Wood who did they go to?—To Mr. Wishart. He was in the same office they had at Toronto because I took them right down to find the fellow.

By Mr. Mills (Annapolis):

38. What was the amount of the note?—\$180.00.

By Mr. Carpenter:

39. You paid some interest?—Yes.

By the Chairman:

40. Did you understand that Roaf bought these notes from Wood?—Yes; he claims he bought them from an innocent man. He said Wood; and Peter Wood admitted to me that he knew all about them.

41. How long were the notes given for?—The bond would state that.

42. But it does not state how many months? (No answer).

43. I understood you to say that they were willing to apply their percentage against this note. Of course they would have to leave time enough for the grain to grow and the note must therefore have been for a considerable time?—It would not be until a year that the notes would become due; because it was February when they sold to me. When the wheat was in the ground they were to come and take up these notes.

By the Chairman:

44. You have not made it clear with respect to their agreement about taking back so much wheat at a large price. Supposing you had kept their wheat, were they in the country, so that you could have been able to deliver it?—No.

45. They were not in the country?—They arrested the agent and a few days after that they had cleared the country. That was done to silence us.

46. Shortly after this, 16th of May?—Yes; they sold their stock for about 85 cents per bushel.

47. That they had been charging farmers \$15.00 a bushel for?—Yes; and left the country. That letter is from the secretary, the same secretary who signs the bond.

By Mr. Welsh:

48-9. Did you understand him that he was going to buy all the wheat you grew?—No; he could take what he liked.

50. Because I understand by this that you could sell all the wheat you grew at \$15.00 per bushel and you were to give them one-third of the price?—They exacted that commission.

51. They did not take any responsibility to buy that wheat?—No; it is only a blind.

52. They took no responsibility?—No.

By the Chairman:

53. At the same time they clearly intimated to you that they would take it from you?—Yes; every bushel we could raise.

By Mr. Welsh:

54. The confidence you had was based on the only reason you can give for signing such a note, that you believe this \$35,000 was with the Ontario Government and you could get at it?—I was anxious to see a seed company like this. If you were a farmer you would know that we are very fond of getting a change of seed, and in starting any of these institutions you have to give out something. I will tell you one thing—that I offered the Government that if they would give me a detectiveship for two months I would put every man in the gaol and warrant evidence to convict

them and keep them there. I went to London myself to arrest them on my own responsibility, when that resolution was moved in the Ontario Government to make them come forward and show all their papers up. I would have arrested them on my own responsibility as there was not a bit of capital stock in it.

By Mr. Cochrane :

55. I would like to ask this gentleman if he knew at the time he signed this bond that they were not bound to take his wheat?—To take double the quantity of wheat.

56. Did you know that it did not bind them to take your wheat from you?—I did not.

By Mr. Carpenter :

57. You understood that bond to bind them to take 24 bushels from you?—I did.

By Mr. Welsh :

58. It does not say so in the bond?—Well, of course, I am not a lawyer.

59. Did you read it?—I did; and I thought they were personally responsible if they were good for anything at all and that the bond would make them take the 24 bushels.

By the Chairman :

60. Will you give us some suggestions. This Committee is formed for the purpose of eliciting information, and, as a result of its investigations, legislation will probably be enacted to prevent these frauds?—I understand that very well.

61. In this document it is not clear when one looks into it, that they were bound to take your wheat, while you tell us in your evidence that you understood they would take 24 bushels?—Yes, I thought the bond would hold them to that.

By Mr. Cochrane :

62. Let the witness tell us what he understood that bond bound the parties to do for him?—I understood it simply bound them to take double the quantity of wheat from me.

By the Chairman :

63. Will you state that again, Mr. Kelly?—I took from the reading of the bond that the parties bound themselves to take double the quantity of wheat from me that I bought from them. That would be 24 bushels.

64. In talking the matter over, did they intimate that that was their intention?—Yes, that that was their intention.

By Mr. Welsh :

65. Will you read that part of the document in which you understood it to say that if you wrote the bond they would take so many bushels. From what part of the bond did you draw the conclusion?—They credit the sale of so much wheat to me, and would take 24 bushels of my wheat (A. R. Kelly's) at \$15 a bushel.

By Mr. Wood :

66. Did you understand it in that way when you signed it?—I understood it in that way.

67. We want to get at the swindle if there was one. You understood that they agreed to take the wheat from you and sell it to responsible parties?—Yes.

68. And you took the notes of responsible parties?—Yes.

69. So that you did not understand they were going to buy it from you themselves?—I stated it in that way. I would as leave take a man's note as a bill. What difference would it be if I bought with a good man's note or a bank bill?

LEVI TURNER, of Trafalgar, Halton County, called and examined:—

By the Chairman :

70. In as short a manner as possible, Mr. Turner, will you tell the Committee your story?—My case is quite different from the other case. A man came to my place last fall, his name was Rymal, and I found out since he was from Parkdale.

Rymal came to my place, representing that he was an agent for selling or distributing a spring wheat of a variety which we had not in Ontario.

By the Chairman :

71. What did he call it?—He called it the “New Defiance,” a hybridized wheat, hybridized by an American scientist in the township of Collingwood, at great expense. It was represented to be a mixture of White Fife and Defiance.

By Mr. Carpenter :

72. The two varieties were hybridized?—Yes; and formed a new variety of wheat. He was going round, he said, to see if farmers would try it. He would give a man four or five bushels, but no man more than six bushels. He said he wanted one man to take charge of this wheat for the farmers who would take it. Supposing he put out 30 bushels in one neighborhood, he wanted some man to take charge of the wheat. The farmers were to sow the wheat on good land, harvest it, thresh it, and deliver the wheat back to the farmer they received it from. The wheat was all to go to one farm, that is the 30 bushels, and this farmer who had charge of it would distribute it, and after it had been grown and threshed, one-half of the yield would be returned to him. In the fall, say November, the original seller would go to the farmer who was acting as their agent and obtain from him one-half of what was returned from the farmers who had grown it, while the agent would retain the other half, which would be a quarter of the whole. Rymal showed me some orders from the best farmers in Trafalgar for two, four or six bushels, and he wanted me to take charge of the handling of the wheat. He wanted me to team it from the station and give it out to the farmers when they called for it, and then receive the product back from them in the fall.

By Mr. Carpenter :

73. Then you acted as the agent?—I signed an agreement that I would do so.

By Mr. Welsh :

74. Have you the agreement with you now?—I have only one card. All the other documents are filed in court at Milton.

By the Chairman :

75. You can tell us what the agreement was?—The agreement was as I have told you. I was to take the wheat from the station, the firm giving me envelopes addressed to them stating what they had agreed to do. I signed the order, I think it was in September, and about the 7th December along came another man by the name of T. Hope, of Brantford, and he brought a shipping bill with him and the agreement from the farmers. The shipping bill was for me to go and get the wheat. I said: “Is this wheat the wheat your agent said it was, a wheat hybridized in the Township of Collingwood?” He said it was. He read over the agreements the farmers had signed and the letters in printed form addressed to them to go and get this wheat. The orders were signed something similar to this. (A card put in.)

The CHAIRMAN.—This is a card, gentlemen, at the head of which there is lithographed a head of wheat. It reads:—

“County of _____, township of _____, lot _____, Concession _____
I hereby agree to sow _____ bushels of spring seed wheat, one bushel to the acre,
on good land; harvest and thresh and to deliver one-half of the wheat produced
therefrom to the farmer I receive it from, on the first day of November, 1888, at
lot _____, concession _____, township of _____, county of _____
“Dated this _____ of _____, 1888.
“P. O. _____”

76. This is not signed by anybody?—No.

77. This is the kind of bargain you entered into?—Yes. When I signed the order to act as their agent and deliver the wheat to the farmers, Hope produced these cards to me. Now, he says, I am giving you good and valuable security, but I have no security from you. I have put these cards into your hands. I therefore asked him what security do you want. He said I want a note for \$240. So, foolish as I was, I gave him the note and he went off with it. The next day when I went to look over the orders I found three were simply addressed to parties never signed

by them at all. Then I saw I had been swindled. I thought it was a swindle anyway. I accordingly went to Milton and consulted a lawyer, and in about a week Hope was arrested. He stood his trial at Milton this spring, and was acquitted, the judge not allowing the case to go to the jury. The other man came forward and swore he passed the orders round on to Hope as good, and although they were not signed by the men at all, the farmers' wives had agreed to take the wheat. Hope produced an order in court signed by me for \$240 which I had never signed, and which I swore I had never signed, for the order I did sign was in pencil, and the one produced was written with ink.

By Mr. Welsh :

78. You never signed with pen and ink?—Never.

By Mr. Fisher :

79. Did you sign the note with pen and ink?—Yes.

80. And this was an order?—Yes.

81. What was the order?—That I had agreed to take 30 bushels of wheat at \$8 a bushel.

82. And this was afterwards to be distributed by you to the farmers?—Yes.

83. And he apparently gave you orders from different farmers for 30 bushels?—Yes. One farmer, however, in the course of his evidence, swore that his name was forged to it, but Rymal swore the farmer had signed it.

By the Chairman :

84. They were not signatures to an agreement of some kind and afterwards cut off which made it a note?—They were agreements on a card similar to that just put in that I agreed to take so much wheat and deliver it back to the farmer I received it from.

By Mr. Fisher :

85. Did you afterwards see the farmers?—Yes.

86. What did you learn from them?—I found that four whose names were on the cards never agreed to take the wheat at all. That they had never seen Rymal, but Rymal comes forward and swears that in two cases the mothers of the farmers agreed to take the wheat.

87. The orders were not signed?—The orders were addressed to them but not signed by any person.

By the Chairman :

88. Some of the orders were not signed at all? One.

By Mr. Fisher :

89. When you received the orders, did you not look them over? No. I cannot read writing very well, I took the man's word for it and especially in a case of this kind where he read it out in printed form that they had agreed to take this wheat.

By Mr. Carpenter :

90. If I understand the case, it is this: Thirty bushels of wheat were to be distributed amongst the farmers. They were to retain half the product themselves, and the other half was to be returned to you; in turn, you were to hand over half of what you received or 25 per cent. to the company. You returned 25 per cent. to the Company?—Yes, and—

91. And the 25 per cent. you retained was for your trouble? Yes. They wanted to introduce this wheat in the proportion of about 30 bushels in one neighborhood.

By the Chairman :

92. The wheat was delivered?—It came to Streetsville.

93. Was it tested?—When it came to Streetsville I asked the station agent if I could see the wheat? He said I could, it had been lying there from the 15th November. He said the vermin had gone pretty well through it. I scooped it up from the floor, and as far as I could judge it was Manitoba Spring Wheat.

By Mr. Welsh :

94. Did you take it?—I never touched it.

95. Not a bushel?—No, sir.

96. Have you to pay the note?—It is not due until the 7th of next December.

97. Who has the note?—It is in court.

By the Chairman :

98. Who placed it in court?—When I had Hope arrested he brought the note to court, and before he could get bail the county judge had the note. When before the judge at the spring court, he wrote across a part of the note "this note obtained through fraud," and he advised his counsel to get an order from Hope to give up the note to me. They refused to do it and the Judge advised me to enter an action to restrain them. I have done so.

By Mr. Fisher :

99. What inducement was held out when Mr. Hope came to you to make the bargain?—It was on the strength of the agreements with the farmers.

100. I would like to understand thoroughly what advantage you were to get by doing this work for the company?—I was to obtain one-half of the wheat that was returned.

By Mr. Wood (Brockville) :

101. How much would that amount to?—I never made an estimate, because I thought if it were a good variety of wheat—a hybridized wheat—it would be pretty valuable. Any farmer knows when a scientist is employed to inoculate two kinds of wheat, such wheat is looked upon as valuable.

By Mr. Welsh :

102. You said you were to get half of one-half that was returned? 25 per cent.?—Yes.

103. You calculated you would make 25 per cent. from the wheat produced from that seed?—Yes.

By Mr. Wood (Brockville) :

104. I want to try and get at this:—What were you going to make out of the whole transaction yourself. I do not think it possible that you would sign a note for \$240, unless you were going to get paid something for it. Tell me in your own way how much you supposed you were going to make out of the transaction; because you were going to make more than your neighbors?—I never made any calculation on what I would make.

105. Put it in another way: You were to get one-fourth; how much did you suppose that was to amount to?—I cannot say that I supposed anything, for spring wheat in our county is an uncertain crop. We do not live in a spring wheat county; that is, Halton is not a spring wheat county. It is a county where we maybe do not get more than one crop in five years; or more than one crop at best. It is a fall wheat county.

By Mr. Fisher :

106. You sowed one bushel to the acre?—Yes; the order said a bushel to the acre, but verbally they said they left it with the farmer.

107. What is the practice there?—We calculate on a bushel and one-half.

108. That would have seeded 20 acres. What is the usual return?—You might estimate it at 18 bushels, in a good year.

109. That was to be brought to your barn and threshed there?—No; it was to be brought there threshed and cleaned.

110. You were to get the product of those 30 bushels sown all cleaned and ready for market?—Yes.

111. How much was to be given to the farmer who brought it?—They were to have half of what they grew; they kept that at home.

112. They were only to bring you half?—Yes.

113. Of that half you were to deliver over to the association all but your quarter of the whole?—Yes.

114. What expectation was held out to you that you would sell half?—They held out that it would be worth \$5.00 per bushel.

115. I think you said there would be about 360 bushels grown altogether and of that you would get 90 bushels at \$5.00. That would be \$450?—I made no calculation.

116. This was held out to you however?—Yes; he mentioned it to me over and over again.

117. And in the hope of getting that you signed the note for \$240.00?—I told you why I signed the note. If these orders that he produced were genuine, which I supposed they were and that if the farmers did not take the grain I would not lose a great deal anyway. If they never came to get their quarter and I had the half I could not lose very much. You can see that.

118. It was a speculation you went into?—Yes.

119. And you gave your note to secure the speculation?—Yes; but when they put those bogus orders on to me I saw it was a fraud.

By the Chairman:

120. You went in on a certain statement made to you?—Yes.

JOHN MACPHERSON, of Southwold, County of Elgin, called and examined:—

By the Chairman:

121. I understand you have had a deal in some implements by which you were victimized. Kindly tell the story of your experience?—It was in the fall of 1885, some time about the first of December, that two men drove in a rig to my place. One had a plated model of a hay fork and horse hay elevator. He represented himself as being a farmer, residing in the Township of Whitby, and that this Dominion Horse Hay Elevator and Carrier Company had employed him to become their agent. He said they sold him one fork and he found it giving satisfaction. He represented it to me as being good, and that the company had dealt fairly with him and had induced him to work for them. That was his story. He told me his name; I remember his name, but that is all. I do not remember his first name, but his last name was Colter. He made a proposition to me that he wished me to allow him to put a hay fork up in my barn, for exhibition to parties who might wish to see it in operation, so that they might be induced to buy a certain number that he proposed to leave at my place to be sold on commission. He said there would come a man in a short time—in a few days—to make further arrangements with me, and to put up the fork. He was not putting up the forks himself, as they had not arrived. He said to me it would be necessary for me to sign an order for the shipment of these forks to the station. “You will have to get the forks with your team,” he said, “and it is just for the shipment of the forks to you, and they are to be left with you to be sold on commission.” That was the arrangement we made verbally. They drove up in front of my driving house as if to illustrate, as I supposed, how the fork should be put up, but not as he supposed, as I afterwards found out the dodge. We went to the barn; it was cold weather but the cattle were around, and I closed the doors after me so that the cattle should not bother us in the building, and we went into the centre of the building to explain how the fork would be put up. It was there that he induced me to sign the order for the shipment of these forks. He presented a printed form. There was some fine print and some that was coarser, and I did not have my glasses. I was just beginning to use them then, and it was not quite light enough for me to read it readily, and he made himself officious in taking the order from me once or twice to read it for me. When I would come to this finer print he would say: “I have read it a number of times and I understand it fully.” This was in a very gentlemanly way, and he said it two or three times. I wanted to read the order myself. Latterly he made himself so officious that I took it for granted that it was all right; at any rate I understood it was for the shipment of these forks for me; that one fork was to be put up, and I was to receive that fork gratis for the trouble of showing it to farmers who would come to see it. Then he told me that there would come a man in a short time to make an arrangement with me—to conclude the arrangement and put up the fork. Then he left. He left in company with this other stranger who had driven up with him. This stranger sat in the rig while we went into the driving house. Then sometime in a couple of weeks—or maybe not quite so much—there

came another two men. One was an aged gentleman, heavy set and of a reddish complexion. He represented himself as E. E. Jones, the senior member of the Horse Hay Elevator Company of Toronto; and he asked me whether I had received notice of the shipment of the forks or had obtained them. I told him no; that I had received the notice from the Grand Trunk station, but I had not gone for the forks yet. Then he proposed that we should go into the house and complete arrangements. Then he handed me a copy of the original order with my signature attached—not my signature, but a copy of my signature. It was a copy. He handed me that to read. It was in the evening and I had a good light and read it. I told him this order was not as I understood it; because it was for the actual sale of these fifteen hay forks. I told him that was not as I understood it. He said no doubt this man had misrepresented the order; that he had done it before, and he could not get his men to do as he wished. He was a man that you would take for a business man, and a very rich man. He wore diamonds and was very rich apparently. He said no doubt the agent had misrepresented the order, but he would make it satisfactory to me. Of course if I had taken the extra precaution I should have taken, I should have demanded him to give up the original copy, and so on. However, I understood that my name was to this order and if it was just as this copy read, that I was bound to honor my order, seeing it was a fraud on the other parties. He said to me: "We will enter into an agreement and make it as he agreed to you, and we will make it satisfactory to you"; and he took a sheet of paper and began to write the agreement out. I have it here; a copy of the agreement. It is in the examination. He wrote out the agreement and it was much the same as this first man had arranged with me verbally. He said to me, after finishing the agreement: "We do not know you, and in case of death, it is necessary for us to secure ourselves for these forks. You may sell them and dispose of them in various ways and not satisfy us. It is necessary for us to secure ourselves by taking your notes for the time being, and this agreement shows that all remaining unsold we will give you credit for on the notes. You will in no way be responsible for the notes. We will hold the notes, and as many as remain unsold we shall give you credit for on the notes." This was verbal; and they should be returned at the express office where the notes were payable. That part of it was in the agreement.

By Mr. McMullen:

122. Did they say in the agreement that they should be taken back at manufacturers' prices?—Yes; at manufacturers' prices. The agreement is here. I was in no way responsible for the notes as I would receive credit for all those that I sold and take my commission, which was \$5.00; or whatever I sold I was to take the farmers' notes for them and they would take those notes as cash for the forks that had been sold. He induced me to sign two notes for \$150 each, one at nine months and the other twelve months from date. The notes were drawn "or bearer." I read the notes and was about to draw my pen through "bearer" because I saw that was not proper to have "bearer" in; but he said "no, no; it is necessary because the express agent could not collect it. It is necessary to have that in so that the express agent can collect it." With that he induced me to sign it just as it was. In a short time, in less than two weeks, I heard of other cases of hay fork swindles. Some neighbors told me it was actual swindle and the men never came to put up the forks as agreed.

By Mr. Fisher:

123. Did you receive the forks?—Yes. I went for them after Jones had been at my place. The men never came to put up the forks as they agreed verbally, and then I judged certainly that it was a swindle from all I could gather. I therefore consulted my counsel and presented to him all the facts of the case, and we came to the conclusion we would arrest this E. E. Jones. A few days afterwards he was arrested at the Albion Hotel, Toronto, and kept over night in the police station there. A man named Balston, from St. Thomas, was sent for and Jones was given into his charge. Balston was not a very temperate man, but probably I should not

say anything about that, however, the two went into the hotel together and this E. E. Jones wished Balston to allow him to get something in the next room. Of course Jones skipped out then and that was the last seen of him.

124. Was Balston a bailiff?—Certainly. A short time afterwards Mr. Fuings, of St. Thomas, sent me a telegram to return to St. Thomas as a man was there to arrange this matter with me. I do not know who he was, but he was from E. E. Jones' counsel in London, Macdonald & Ives. He proposed that I should receive back the notes if I would pay costs. I told him I would rather face the note than pay any costs. I would not pay a cent of costs. He said that that was the last offer I would get. I told him all right, I did not want to take any offer from him if that was his last one. He then went away. Next day he sent to my counsel another offer of \$25.00—that they would pay \$25.00 on account of costs and give me back the notes. I asked my counsel whether that would pay. Of course, seeing that E. E. Jones had escaped, I thought it was a dull sight for me, and I had forgotten Colter's name until I saw it on the back of the note which re-called it to my memory. I thought it was a dull sight, as I have said, Jones having cleared off, that I would not get my notes. I accordingly asked my lawyer if \$25.00 will pay the costs. He said it would take about \$10.00 more to get the notes. I had determined from the first not to be a cent out by the transaction. I did not accept their offer of settlement and the notes were withdrawn and the money sent back to Macdonald, of London. These notes are now deposited with Peter Wood, of Brantford, and as sure as you are there they must be paid unless you take them now. I determined I would advertise the notes, and being out of his hands, I understood that much about law that Peter Wood would not be the *bona fide* holder of the notes. We examined Peter Wood in court.

By Mr. Mills :

125. Wood seems to have taken all these notes?—Wood took a good many of these notes which were obtained by fraud. I did not hear from Jones for a length of time. He was at Buffalo, and then we came to the conclusion we would examine Peter Wood regarding these notes. We examined him and he denied that the notes had ever been out of his possession. He said six or seven times that no mortal man ever saw the notes out of his possession until they were presented at the express office for collection.

By Mr. Wood :

126. Did he swear to it that they had never been out of his possession?—He did. He said also that no one ever told him the notes were obtained by fraud.

By Mr. Carpenter :

127. Did Mr. Macdonald show the notes when you were in London?—They were sent to my counsel; I did not see them.

128. Did you know the notes were there?—My counsel had them.

129. Did your counsel say he saw them?—Yes. Some time afterwards John A. Colter was examined. He was the party that came to my house in the first place with the completed model. After Wood's examination, Colter and Jones went to California to operate in the same line of business, and they were both arrested in California. He admitted in his examination before Judge Jones that he was in gaol there some weeks, and that E. E. Jones was also in gaol there for the same offence. I should have said that John A. Colter returned to Canada, and as soon as we found this out we had him arrested for uttering forged paper.

By Mr. Fisher :

130. Has he been tried for this?—Yes.

131. Was he condemned?—No; the judge acquitted him, because he said there was not sufficient ground for conviction.

132. Is the judgment of that trial here?—No; I went into the witness box and I proved to the court that this man, John A. Colter, gained his point on me by fraud and misrepresentation, and that they both acted in conjunction, one acknowledging the other as being in company. The judge decided I had no case, and would not allow it to go to the jury, because there was nothing proven against John A. Colter.

By Mr. McMullen :

133. Where was the court held?—At St. Thomas.

By Mr. Fisher :

134. Was there any evidence to rebut yours?—I had a number of other witnesses there to prove that these men were acting fraudulently—going through the country doing a like business. One Tuck, of Watertown, if he had gone into the box, would have given most specific evidence of fraud and misrepresentation. I had a large number of witnesses, but the judge would not hear their evidence.

135. What reason did the judge give for this?—The reason was, as I have said, that I did not make out a case.

136. Will you tell me whether there were any witnesses examined on the other side?—Yes, there was.

137. Before the judge gave his judgment?—There was F. O'Rielly himself.

138. Was he the only one?—He was the only one I think.

139. Did he rebut your testimony?—In some ways.

By Mr. McMullen :

140. Was O'Rielly a little red faced man?—Yes. I had evidence there on the spot to show to the court that this F. O'Rielly in dealing with these other men represented himself to be one Petty and signed his name as Petty. Witnesses were there to identify him as Petty.

By Mr. Fisher :

141. And yet with all this the judge simply dismissed the action?—He simply dismissed the action.

By Mr. Barron :

142. (Reading from brief put in) "In this action for personal reasons I will refuse to hear it or to have anything more to do with this action." Signed, D. J. Hughes, Judge.

143. Is this a criminal action you are speaking of?—Yes, but it was dismissed.

144. Excuse me; but you have been to Mr. Fisher about an action where this man Colter was tried for issuing forged paper?—Yes.

145. The judge could not have dismissed that. Who sued you?—Peter Wood.

146. Did that case come to trial?—Yes.

147. Where?—Before Judge Hughes, of St. Thomas.

148. Was the civil action tried?—Yes; that was tried, but it was presented in such a way that—

149. Never mind that. Judge Hughes refused to try it on some personal ground?—He refused to try it.

150. Who did try it?—It is not done with yet.

151. The criminal case is what I wish to draw your attention to. Who was the man brought up, Colter?—Colter was the man brought up.

152. Who prosecuted him?—He was arrested in Brantford on my complaint. He was tried and acquitted. That is the way I understood it then.

153. Who was the Crown counsel engaged in that case?—Mr. Donohue, of St. Thomas.

By Mr. Cochrane :

154. When they got this order, do you tell us that you did not understand that it was an order that you were giving?—No; I did not understand it as being an order for the sale of the forks.

155. When the final arrangement was made with you did the agreement contain in it the statement that they were to put up the hay fork for you when you had given your note?—They agreed to put up the fork. No; I think the agreement of putting up the fork was in the original agreement. That was a verbal part of it.

By Mr. Barron :

156. Do you remember telling us that when this agent came he told you that the reason the word "bearer" had to be inserted was in order to enable the express agent to collect the notes?—Yes.

157. Then you knew the notes would be collected?—I knew that there would be a certain part of them collected. You see the agreement read that they would

give me credit for as many as remained unsold, and as many as I sold the notes would be collected for that much.

158. But when you wanted the word "bearer" struck out he said that the notes would go into the hands of the express agent to be collected. You knew you ran the risk of having these notes of \$150 each collected?—No; because I thought these forks would be given as a credit.

159. On this \$300 for whatever sales were made?—Yes; and I would not be responsible for only as many as were sold.

By Mr. Fisher :

160. Was there anything about that in the agreement?—No.

By Mr Barron :

161. Was this the agreement, it reads as follows:—

AGREEMENT.

To whom it may concern :

Whereas John McPherson signed a printed order to us the 26th November, 1885, for sixteen horse hay elevators and carriers, and said goods are delivered at the station as directed in order, said McPherson now executes his notes as payments for said goods with understanding in case he cannot sell the machines that the company are to take them back at manufacturers' prices which is \$20 at express office, or any part thereof remaining unsold at the time said notes become due and give said McPherson credit upon such notes as we should hold according to the above stated price. This providing said McPherson makes reasonable effort to sell goods and cannot do so we further agree to accept of farmers' notes in payment for goods. The notes not to be more than one year's duration from time notes are made.

DOMINION HORSE HAY ELEVATOR AND CARRIER CO.,

Per E. E. JONES.

It is understood that one of the machines are not to be returned or placed in account, there being 16 machines total number. It is presented free of charge.

D. H. H. E. Co.,

E. E. J.,

Witness D. O'RIELLY.

162. That was the agreement?—Yes. This agreement was forced upon me because he held this order. I would not have entered into this agreement only that he held the original copy.

163. Is the original agreement here that you made with Colter?—That was an order.

164. Is there a copy of it here?—When I signed the notes the copy of the order and the original order were then destroyed.

By Mr. Fisher :

165. Did you see the original destroyed?—Yes.

166. Then practically the only thing that held you was this agreement?—Yes; and the note.

167. The original order you saw destroyed?—Yes.

168. Did you see it destroyed?—Yes; certainly I did. The original order was gone; but I never would have done it only that he held that. He compelled me to under this agreement.

169. Did you really read this agreement?—Yes; I compared both together. I read the copy with glasses at this time. I had a good light and I compared both and they were identically the same. The idea in not presenting me with the true copy was that if I had obtained it in my possession I would have torn it to fragments and told him to go.

170. You said you had it in your possession?—No; this arrangement was entered into first before he let me have the original. He let me see it then.

171. It was really as he said?—Yes.

By Mr. Barron :

172. Here is a copy of the note : " Nine months after date, for value received, I promise to pay E. E. Jones, or bearer, one hundred and fifty dollars, at the express office at Port Stanley, Ont. Witness, F. O'Rielly." Who was F. O'Rielly? He was the witness who changed his name from Petty to F. O'Rielly. It is endorsed on the back " John A. Colter."

ANDREW MITCHELL, of Winterbourne, County of Waterloo, called and examined :

By the Chairman :

173. Will you kindly state your grievance?—I have made out a sketch of the particulars.

174. I will read Mr. Mitchell's statement which is as follows:—" In the fall of 1885, two agents came to my place and asked me if I had a hay fork. I said I had not. They then told me they were agents for the Dominion Hay Fork Company, 145 Yonge Street, Toronto, and they wanted the privilege of putting one up in my barn for an advertisement if I would sell some for them. I said I would not. I said the boys, perhaps, would sell some for them if they made arrangements with them. They were to have \$5 for each one they sold; so he wanted me to sign an order for 15. I would not do that. I signed an order for one and he agreed to come back in a week to erect one in the barn for advertisement. They never came back. About ten days after two other fellows came and showed me an order he said I had signed for fifteen hay forks. I told him I never signed for fifteen, I only signed for one. He showed me my name on the order for fifteen which was a forged order. He said they were shipped to Elora Station to me and I had to take them, and if I did not pay for them or give my note he would sue me on the order. So I said I would give him notes on the conditions he said, namely, that he was not to dispose of the notes and that he was to take all the forks back that were not sold at a certain time and allow coat price, the amount to be deducted from the notes of the ones sold. He made out the notes payable to one Colter. I asked him who this Colter was and he said he was treasurer and one of the company at the same time. I had to notify the company before the notes came due, so that they would not send them for collection. I did so, and the letter was returned from the Dead Letter Office. There was no Dominion Hay Fork Company on Young Street, Toronto. However, the notes were sold to one Peter Wood of Brantford."

By Mr. McMullen :

175. Did you pay the note?—No, not yet.

176. Are the notes due? There was a suit over it in Berlin and the jury disagreed about it. It is there yet and all the papers. I could not get the agreement as I had too short a time.

177. It was sued in Berlin?—Yes.

178. Who was Wood's lawyer?—It was one Nesbitt.

179. Who was yours?—Mr. King, of Berlin.

By Mr. Fisher :

180. Did you ever see the order for 15 hay forks?—Yes, he showed me the order with my name attached.

181. Was it in the same shape and form?—No, it was not in my handwriting.

182. Did he read the order for you?—He read it for me and I recognized that my name was attached to it.

183. Did it look like the same paper?—I guess it did.

184. Do you think it was the same paper with the alteration from 1 to 15 or do you think that your signature was bogus?—It was the same order.

185. Do you think it was the same piece of paper on which you had written your name with the slight change of one to fifteen or was it an entirely new order?—It was a new order, I am satisfied of that.

186. The signature you saw there was not the one you wrote?—I do not know but what it was my signature.

187. You tore the order up?—He did so, he tore it into fragments?

188. When was that?—Just after the notes were given.

By Mr. McMullen :

189. Did you notice whether in the body of the order the fifteen was written or in figures?—I do not recollect.

By Mr. Fisher :

190. Did he let you see the new order when he brought it?—I never saw it.

By Mr. Cochrane :

191. Did you read the order or did he? He read it over for me.

192. The 15 might have been in the order. Did you read it?—I was looking on.

193. Did you take his reading of the first order or did you read it yourself? I was looking on when he was reading, but I had not my spec's at the time.

194. Could you see?—I could see it.

195. If the 15 had been in it could you have seen it?—There was a "1" in it. He might have added a 5.

By Mr. McMullen :

196. Was it a figure one?—It was a figure 1.

By Mr. Fisher :

197. Why did you think it was not the same order?—Because it was not my signature at all?

198. You examined the second order?—Yes, after he had gone I picked up the fragments and patched them together.

199. Has the trial gone on?—Yes.

200. And in that trial you proved it was not your signature?—Yes.

By Mr. Barron :

201. Was the order produced at the trial?—Yes.

By Mr. Cochrane :

202. Why did you not let him see your signature? Why did you not see the order was in his hand?—I had not my spec's with me and I did not think of it.

By Mr. Barron :

203. Was the case heard in the Division Court or the County Court? In the County Court.

204. Do you know what question went to the jury? Was it as to whether Wood was a *bona fide* purchaser?—I recollect that in the judge's address to the jury he said all they had to find was whether this note was obtained by fraud or false pretences and whether Wood was an innocent purchaser. The jury agreed on the fraud, but they differed on the other point.

Mr. TURNER re-called.

By Mr. Cochrane :

205. There is an impression among the Committee as to whether or not you said that 18 bushels of wheat would be an average crop of spring wheat in your section of the country?—I think it would be an average crop or a little over the average.

206. I understood you said spring wheat was not a certain crop?—Yes. We may get a good crop one year and nothing next year.

207. If you get a good crop you might get 18 bushels?—Yes.

The Committee then adjourned.

14th May, 1888.

Committee met; Mr. BROWN in the chair.

Mr. CHOQUETTE, M.P., made the following statement: Three men would come to a farmer and would say, "We are coming to buy oats; how many bushels have you?" The farmer says: "I have 200 bushels." Then these men say: "We will buy your oats." This would be in May or June. "We will buy your oats and pay you 80 cents a bushel. We will take it after the crop, about October; but please sign this contract." This contract would be on a large piece of paper of saying that the signer agreed to sell to such a man 200 bushels of oats at 80 cents a bushel. They put this contract in favor of one, and the two others signed it as witnesses. After that they took the note away, and by cutting away the top and bottom the centre was a promissory note. Some of the people were sued, and when a man denies the signature he has to file an affidavit. These parties swore that it was their signature, but they said they had never signed a note. They said they had given a contract for so many bushels of oats, but it was on a larger piece of paper, and they had never signed that which was a promissory note. The cases were dismissed. It was not made payable to order, but to bearer, and the third party received it in good faith. One man was Marsan and another Blais. (*For this contract, see Exhibit A.*)

Mr. HUDSPETH, M.P.—The first experience I had in matters of this kind was with the hay fork swindle. These parties selling the hay fork went about the country and on coming to a farmer would say: "Here, I want to appoint you an agent for the sale of this hay fork." He would show him how it works and then say: "I don't want you to buy it; I will leave it with you. You can take orders and make so much on each fork." He would take from the farmer an agreement. He would read it over and the farmer would sign it, and the result was that in some cases, perhaps, a dozen forks would come down, the agreement being that he was only to pay on such forks as he sold. A few months afterwards the farmer would get a letter from some one else claiming \$200 or \$300 on promissory notes. I defended three actions of this sort in which suit was brought on these promissory notes. The notes would be transferred to innocent holders for value. I had three cases come on at one assize, and this case that I will read you saved the farmers from being made to pay the notes. First of all, the judge would not listen to me. He said that there could be no possible defence on a promissory note, which was a negotiable instrument. The parties had actually signed the note, for by tearing apart this agreement it became a promissory note. They had a great variety of means of getting it, but the result was about the same. By fraud they obtained the signature. I argued, of course, that the man never having signed a promissory note knowing it to be such, but having been fraudulently induced to sign this which he supposed to be an agreement and represented to him as such, he in law never signed a promissory note at all. Shortly before this there was a case decided in England which satisfied the judge that I was right. That case is to be found in the Council of Law Reports, Common Pleas, No. 4 of 1868-9, page 704. I will read it:—

FOSTER vs. MACKINNON.

*Bill of Exchange—Indorsement obtained by means of a Fraudulent Representation—
Misdirection—Negligence.*

The defendant was induced to put his name upon the back of a bill of exchange by the fraudulent representation of the acceptor that he was signing a guarantee. In action against him as indorser at the suit of a *bond fide* holder for value, the jury were directed that "if the defendant's signature to the document was obtained upon a fraudulent representation that it was a guarantee, and the defendant signed it without knowing it was a bill, and under the belief that it was a guarantee, and if he was not guilty of any negligence in so signing the paper, he was entitled to the verdict."—Held, a proper direction.

Action by indorsee against indorser on bill of exchange for £3,000 drawn on 6th day of November, 1867, by one Cooper upon and accepted by one Callow, payable six months after date, and indorsed successively by Cooper, the defendant, J. P. Parker, T. A. Pooley & Co., and A. G. Pooley, to the plaintiff, who became the holder for value (having taken it in part payment of a debt due to him from A. G. Pooley) before it became due, and without notice of any fraud.

The pleas traversed the several endorsements, and alleged that the defendant's indorsement was obtained from him by fraud.

The cause was tried before Bovill, C.J., at the last spring assizes at Guildford. The defendant, who was a gentleman far advanced in years, swore that the indorsement was not in his hand-writing, and that he had never accepted or indorsed a bill of exchange; but there was evidence that the signature was his; and, Callow, who was called as a witness for the plaintiff, stated that he saw the defendant write the indorsement under the following circumstances:—Callow had been secretary to a company engaged in the formation of a railway at Sandgate, in Kent, in which the defendant (who had property in the neighborhood) was interested; and the defendant had some time previously, at Callow's request, signed a guarantee for £3,000, in order to enable the company to obtain an advance of money from their bankers. Callow took the bill in question (which was drawn and indorsed by Cooper) to the defendant, and asked him to put his name on it, telling him it was a guarantee; whereupon the defendant, in the belief that he was signing a guarantee similar to that which he had before given (and out of which no liability had resulted to him), put his signature on the back of the bill immediately after that of Cooper. Callow only showed the defendant the back of the paper; it was, however, in the ordinary shape of a bill of exchange, and bore a stamp, the impress of which was visible through the paper.

The Lord Chief Justice told the jury that, if the indorsement was not the signature of the defendant, or if, being his signature, it was obtained upon a fraudulent representation that it was a guarantee, and the defendant signed it without knowing that it was a bill, and under the belief that it was a guarantee, and if the defendant was not guilty of any negligence in so signing the paper, he was entitled to the verdict.

The jury returned a verdict for the defendant.

That was the decision by the full court upon the ground that the man's mind never went with his act. He never intended to sign a promissory note and in point of law he had not. He had no more signed a promissory note than if he had signed his name in the fly sheet of a book and somebody had gone and torn out the sheet and written a promissory note over it. I am defending some one else now in a similar suit. Every year someone goes about the country, and until you can teach farmers a little common sense they will go on until the end of the chapter. It will be shoddy goods one year, hay forks another, seed wheat another and every year there will be some new nostrum. The only thing I think you can do is to make it a criminal offence for any of these parties by fraud to obtain from any person his signature to a document intending thereby to make it a valuable instrument, whether it was so made or not and let that man be made amenable and have him punished. You can do nothing more than that. You cannot prevent people making contracts as you would strike at the root of all mercantile transactions if you did so. It must be founded upon cheating and obtaining from persons something for which they really give no value. Lots of our county court judges make these unfortunate people pay these notes over and over again. Where the amounts are small they are sued in the Division Court and there is no appeal from that tribunal; and in our county where the judge is a very fair lawyer he has given judgment time and again against these persons. I told him he would very likely have trouble. They are now going about selling pumps.

By the Chairman:

208. Where is that done?—It is just a pipe such as they might use in boring oil wells. They drive this thing right down into the ground and make these unfortunate people believe that by doing so they can have an everlasting supply of water. I know people who have paid \$150 and \$200 for these things.

By the Chairman :

209. Do they go round selling one just as with the hay forks?—No it is not like the hay fork transaction. The hay forks are usually sold on commission, but in this case they actually go to the farmer and make him believe by taking this pump it will have the effect for all time to come of taking off the surface water. Anyone with common sense knows that that is impossible. I merely mention this as one of the many things which people are inventing.

210. It pays these men to go on even if they lose some cases. They make money on the others?—Yes.

The Committee then adjourned.

May 15th, 1888.

The Committee met; Mr. BROWN in the chair :

Mr. T. AMYRAULD, Sweetsburg, P.Q., sworn and examined :—

By the Chairman :

211. I believe, Mr. Amyrauld, you have defended several cases of attempted frauds on farmers. Will you please give the Committee your experience?—Three swindles came within my knowledge.

212. Will you please give them to us?—I have before me the record of the Circuit Court for the District of Bedford, in the case where a man by the name of Napoléon Hudon had been sued for the recovery of a note purported to have been given by him to C. B. Mahon & Company of the Empire Works, for the sum of \$182, payable 12 months after date. The plaintiff was a man by the name of Gilmore who alleged that he had acquired that note for value before maturity. The defendant who was a trader and hotel keeper of Lawrenceville, pleaded first forgery, and secondly he stated that about the 1st September, 1881, a man, represented himself to be an agent of C. B. Mahon & Co., manufacturers of agricultural implements, came to his place of business at Lawrenceville and requested him to act as the agent of that company for the introduction and sale of agricultural implements supposed to be manufactured by Mahon & Co. He offered him excellent terms, including commission for the work and representing to him that he had no risk to run. He said that Mahon & Co. would send him implements to sell and if he did his best to dispose of them would get commission on what he sold. He said further that if Hudon wished to give up the agency they would take back from him all he had on hand. He accepted this offer and a duplicate contract embodying these conditions, of which he kept one, and the other, Hudon says, was handed by him to the agent.

By Mr. Moncrieff :

213. One was signed by the man?—He says that in this contract referred to was an order for a certain quantity of implements which Mahon & Co. were to forward to him for sale, amounting in value to about \$182. He said these were the only papers he ever signed; that Mahon & Co. never sent him any implements of any kind to sell; that Mahon & Co. had never obtained a note from him, and that the note produced must have been obtained through some fraud or artifice.

By the Chairman :

214. Do you remember what the fraud was?—I will come to that presently. It came to light in the course of the trial to a certain extent.

By Mr. Carpenter :

215. Did Hudon never receive any implements at all?—No.

By Mr. Moncrieff :

216. I think you said the contract was in duplicate?—Yes.

217. And the farmer took one and the agent the other?—Hudon said so.

218. But that was the fact that each one had a copy of the agreement?—It is a fact as appears in the records. Personally I do not know of it.

219. But so far as you know being his solicitor, it was so?—Yes.

220. There was no fraud in the one not being a copy of the other?—The other duplicate was never seen, they did not produce it.

By the Chairman :

221. Here is the contract with N. Hudon in reference to the note of \$182. They acknowledge receipt of this note. This was the duplicate which they left with him?—Yes.

By Mr. Smith (Ontario) :

222. They admit having received his note?—Yes, I may premise here that Hudon also said that the contract was made in English, a language with which he is not familiar at all. I do not think he speaks English, or if he does very little. Hudon further says in his plea that this note was passed into the hands of the plaintiff after maturity without any consideration, and that the plaintiff is simply an instrument in the hands of Mahon & Co. The parties went to proof. The answer was filed to this, maintaining that the plaintiff was in good faith, and I presume the plaintiff did give good value for the notes and was cheated himself.

223. What value did this man give for the note?—He did not prove he gave anything, but I know by private conversation that he had given good value; that he had bought a large quantity of these notes at a large discount. I forget the amount but it was several thousand dollars.

224. Do you know what the discount was?—I do not.

By Mr. Carpenter :

225. But he gave something?—There was a consideration of some kind.

By the Chairman :

226. That something was a large discount?—Yes. This note of Hudon's was one of many that he had, and having failed in this suit, the other was not pressed.

227. Can you tell the Committee the ground of failure?—Yes. First the plaintiff pushed the plea of forgery. He examined witnesses and experts in handwriting and closed his case without proving that he, Gillmore, had not given any consideration for the note. Whether it was an oversight or not I don't know, but he never touched the point. Then the defendant brought his witnesses and tried to show that the note was a forgery, and further, the defendant established the fact beyond a doubt that he had never received a single implement from Mahon & Co., on the contract. That was the only fact proven in the case. The judgment of the learned judge, Mr. Justice Buchanan, is here. He said he considered that the plea of forgery had not been made out; that Hudon had actually signed the note. He gave his reasons as follows: "Considering that it is not established that the signature of the defendant as maker of the promissory note, which is the basis of this action, was forged; considering that by law where fraud or illegality or strong suspicion of fraud or illegality is proven by the defendant to exist in the inception of giving of a promissory note, that the *onus probandi* that he was a holder for value and in good faith is then shifted to the plaintiff; considering that it is established herein that there was at least a strong suspicion of fraud on the part of the payee, C. D. Mahon & Co., in the taking of the promissory note from the defendant, and that it was obtained by such payee by false representation and without value, under such circumstances as not to entitle the plaintiff to recover, it was his duty as the alleged *bona fide* holder before the maturity of the said note, to prove such allegation that he was a holder for value, and that having failed so to do he cannot recover, and that the said action is consequently dismissed."

By the Chairman :

228. Now what is the next case respecting which you have some information? The next case that came under my notice and which created a considerable sensation in our part of the country was that of H. Beldon & Bros.

229. What was it about?—It was about the publication of an artistic work known as Picturesque Canada. In November and December, 1880, an agent of the Art Publishing Company, of Toronto, passed through our section of the country and through the Eastern Townships taking subscriptions for a work which it was under contemplation to publish, called Picturesque Canada. He showed some samples and obtained a large number of subscriptions among people of different classes, farmers, traders and professional men. It was represented that this work

was in process of being published and would be delivered in monthly parts, at the rate of 60 cents a part, the number of parts being limited. It was said they would not exceed a certain number, 36 I believe. In order to obtain subscriptions in a number of cases where the people were reluctant to subscribe to a work of considerable expense without knowing more about it, certain conditions were entered upon the subscription paper. I should have said that the agent was armed with two documents. One was in book form containing the heading and undertaking to subscribe and receive the books, and at the beginning of the book the signature would then be taken page after page and sheet after sheet until the book was filled. Besides that there was another contract embodying the same conditions as printed at the head of the book on a small oblong piece of paper. That small piece of paper was what the agent called the contract, and in order to secure as many subscriptions as he could the agent was perfectly willing to vary the terms of subscription and to make conditions that would satisfy the subscriber. A number of these subscribers have informed me that various conditions were entered. In one case a man said: "Well, I do not know whether I shall like that book or not. I will take one copy and will continue further if the book suits me," so across the order would be written "I am only obliged to take the first copy and more if I want to;" others would receive other conditions to suit their fancy. In two instances, at the village of Granby the agent wanted to have some prominent name at the head of his list in order to introduce himself among the people, and he approached a notary by the name of Dozois and an old gentleman by the name of Cowie. They did not want to subscribe to the work, but admitted that it was a fine publication and deserving of encouragement. He thereupon requested them to sign the book and that he would give them a writing certifying that they were not subscribers, but of course they would always be at liberty to take the book if they wanted. He was to give them a certificate that they were not subscribers and he simply wanted their names so that he might go to other people and say so and so have taken the book. They did so. In another instance the agent had agreed to take part of the payment for the book in truck, in fact he was willing to make any kind of conditions. Six years elapsed after that without these parties hearing anything from the Art Publishing Company.

By Mr. Carpenter :

230. And they did not receive any copies of the work in the meantime?—They never received any copies of the work at all.

231. Had they given any notes?—No, there was simply that contract. Six years after two men representing themselves to be the agents of Beldon Bros., who pretended to be the Art Publishing Co., came into the Eastern Townships with Picturesque Canada all complete. They went from house to house unloaded the bundle and called for the money which amounted to quite a sum. Well, those people had forgotten almost everything about their having subscribed for the work—it was so long ago. A great many did not like the idea of taking the whole work at once, contrary to the conditions of the contract. Still some took the work and paid for it, possibly it was worth the money; others said "we will not take the work as a whole we never agreed to do so and we refuse to take it." Others said "produce the contract we have signed; we are willing to pay according to the terms of the contract," but those contracts on square pieces of paper were *non est*. The men had only the signatures which appeared on the book.

By the Chairman :

232. They proceeded in that?—Yes.

233. And what was the result?—A large number of these people were sued. I defended ten of them. The plaintiffs produced the books, but I called upon them to produce the original contract or to establish the existence of such a thing. I produce some of the contracts which had been given up to the parties who had paid. I also pleaded that the publisher had not in good faith offered to perform the contract within a reasonable time. We went to proof and all the cases in my charge were dismissed on the ground that the performance of the contract was not tendered by the Art Publishing Co. within a reasonable time.

By Mr. Cochrane :

234. Did those parties who defended the suit object of the books?—No.

235. They would not receive them?—They never received any. In some places these agents forced delivery on these men. I believe in every case they left a book on the premises. They would go to a house and say: "Here is the book, where is the money?" The occupant would thereupon say: "I will not accept it, take it away." They wanted to force delivery.

By Mr. Moncrieff :

236. What was the fraud?—The contract that they signed both on the book and on the square piece of paper had something printed upon it in small print to the effect that the agent was not authorized to make any change or modification on the conditions of subscribing in any way whatever, and the agent without calling the attention of the people to these conditions had accepted any modification to those contracts.

By the Chairman :

237. The agent made a contract without calling the attention of the subscriber to its conditions?—Yes. But there was another case worse than this, about the same time. Two or three rogues, I cannot call them anything else, put their heads together to see how they could defraud the unsuspecting farming community. That would be about the year 1881 or 1882, I am not exact as to the date. What they devised was this: They thought a good way to defraud the farmer would be to obtain the genuine signature on some kind of plausible contract which could afterwards be altered into something else quite profitable to them. I think they operated mainly between Three Rivers and Quebec, and below Quebec, and made contracts with all the farmers they could get. They represented themselves to be members or agents of a large house purchasing grain—not selling it. They secured contracts from all the farmers they could get by which the farmers pledged themselves to deliver at stated points a certain quantity of different kinds of grain, so many bushels, within a certain time. The name of the farmer was obtained to that contract and signed before witnesses. The price offered was quite remunerative, so large indeed as to tempt a good many and a large number of signatures were obtained to the contract. This contract had been so written on a large oblong sheet of paper, in a very incorrect and crude language, that by cutting off one end of the paper on each side, say two-thirds, leaving the centre part alone you had there a promissory note, without any condition, to pay a stated sum of money in favor of these parties.

By Mr. Moncrieff :

238. They tore away the two ends and left the note in the middle?—Yes. A man whose reputation was not over good and who was certainly a worthless fellow, came to me at Sweetsburgh with a large sum of money in these notes. He had these notes endorsed by another worthless fellow living in the district of Bedford, and he wanted me to sue on the two parties—the endorser and the maker upon these notes. The very appearance of the notes in some places, the pen having evidently gone outside of the paper, and the very fact that I could not understand how a man like the one who came to me could be in possession of such a large sum of money represented by the notes rendered me suspicious. I made enquiry and about the same time the whole fraud was exploded at Quebec and I at once fell on the track of the mode of operation. Of course I would have nothing to do with the matter. Some three or four of these notes were sued by another attorney, but the cases were abandoned. The object seemed to have been to obtain these notes by fraud in the first instance and to get them indorsed in some distant part of the country so as to give jurisdiction to the court to bring these people several hundred miles from their homes to defend the suit if they had the courage to do so, with the hope that rather than submit to the annoyance and expense of going a long distance to defend they would either pay or compromise. I believe they obtained considerable sums of money in that way. Another case of fraud that came under my observation pertained to the sale of pruning knives. The signature of a man by the name of Irwin, of Granby, was obtained to two promissory notes on the device of his signing a contract to act as agent for

some firm to sell pruning knives. A young man had been there who represented that he could make a good profit out of it. A contract was read out to him on a printed form and his signature was obtained to what he thought was a contract. Within two hours two notes apparently signed with his signature were discounted in the village and in the same afternoon the man who had discounted the notes from the stranger commenced to have his suspicions aroused. He accordingly drove to Irwin and asked him about them. Irwin said he had not signed them and threw them into the stove. The man who had brought the notes threatened to prosecute him and Irwin paid him the money. The same day he came to ask my advice but I could not do anything for him.

PETER WOOD, sworn.

By the Chairman :

240. It has come before the Committee that you have become possessed of notes for seed wheat and other operations which farmers have given on alleged fraud and I think if you would be good enough to tell the Committee anything you know about these notes that have come into your possession we would be glad to hear about them?—Yes; I bought several of these seed wheat notes given to the Ontario Grain and Seed Company. The main papers are in the hands of the court at St. Thomas, but I have a copy of the conditions upon which I bought these notes with me. It is as follows:—"Sold the above fourteen notes to Peter Wood, Brantford, for 90 cents on the dollar and received cheque on the Standard Bank for one thousand dollars and to receive a further cheque of one thousand dollars by the 3rd of May, balance to be paid when the above notes are collected; in the event of any of the notes not being paid in full or any loss being sustained in collecting the same to be deducted from the balance due, 20th April, 1887." Now that is my bargain with the men. This was on the 20th of April, 1887.

By Mr. Barron :

241. You provided against loss in that case?—Yes.

242. Then you had some suspicion about these notes?—No; no further than I thought all joint stock companies were not very safe, although they endorsed the notes.

243. Is that your habit of providing against loss?—Sometimes in that way and sometimes by an indorsement.

244. When you did not provide in that way you took an indorsement?—Yes; I take a man I am acquainted with if he is good; but I generally calculate to take an indorser.

245. Did you know these parties before you bought any notes from them?—I knew Hewitt.

246. What position does he hold in this company?—I do not know.

247. What position did he hold in this company?—I do not know.

248. Why do you connect Hewitt's name with the company?—Because Mr. Hewitt came to my place with Mr. Perry with the notes.

By Mr. Cochrane :

249. Did you know anything about this until he came to your place?—No; he left the notes about six days before I consented to have them.

By Mr. Barron :

250. Did you enquire about them in the meantime?—I only enquired about the standing of the parties. I did not enquire anything about them, because I had them on the map.

251. Why did you take that six days?—To see whether these men were good or not.

By Mr. Marshall :

252. You knew Hewitt before?—Yes; I did not know him connected with this grain business, but I was acquainted with him before.

By Mr. Carpenter :

253. These are principally Wentworth notes?—Yes; of farmers on the mountain or close by. Mr. Kelly was one of them. He was the first man to come to my place and give me any information.

By Mr. Barron :

254. You thought the parties were good but you took this extra precaution?—
Yes.

By Mr. McMullen :

255. What length of time had the notes to run?—The principal part was due on the 1st of January, 1888.

256. When did you buy them?—The 20th April, 1887.

257. Then they had about 8 months to run?—Yes.

258. Did they bear interest?—Yes; some of them I do not know, but they all bore interest. I would not say; I know some of them did.

259. These that were brought here were all bearing 8 per cent. interest?—Yes; I know some of them did.

By Mr. Barron :

260. That is 18 per cent. you got?—Yes; but not a very big thing. If I go to a lawyer it costs me 10 per cent. to collect.

261. You buy notes on the expectation of having to collect them?—Yes; as a general thing we do. If I had one against the chairman of course I would not expect to.

262. There was a contingency providing you were to collect them?—Did you ever know a quantity of notes of that kind that were all good?

By Mr. Cochrane :

263. You are answering a question by asking another?—That is my experience, that you do not get a lot of notes that are all good.

By the Chairman :

264. It is a very unusual thing for a man buying notes to make contingency that if they are not paid, or if the balance is not paid that you would not be responsible?—I have no faith in joint stock companies.

By Mr. Moncrieff :

265. What was the first you heard about this joint stock company?—I cannot tell. I did not hear of any fraud directly until I saw Mr. Kelly, and I do not know that he said it was a fraud then.

266. Had the company been in existence long before you bought the notes?—I cannot remember.

267. How many deals had you with these parties?—You can call it all one deal. I took a number of notes on the 7th, and a number of others on the 20th.

268. Of the same month?—Yes.

269. Did you have any arrangement to cash these notes prior to the 7th of the month?—I never knew there was such notes.

270. The first person who spoke to you about buying them would be Hewitt?—Hewitt and Perry.

271. Did they tell you what the notes were for?—The notes told themselves.

272. Did they tell you?—The notes told.

273. Did they tell you?—I do not think so. They would not need to, because the notes read themselves that they were for seed grain. I do not know as I asked them at all. I might have.

274. The 7th of what month?—April, 1887.

275. Were these notes on a printed form?—Yes.

By the Chairman :

276. Is that the kind of note (producing Exhibit marked B)?—I should say that was the same form, although not filled up.

277. The note marked "52" was to the best of your belief the form used?—
Yes.

278. That does not express what the consideration of the note was. It says it was payable to the Ontario Grain and Seed Company. Now did that tell you what the consideration of the note was? What they gave for it?—I do not think so.

279. Did you ask them?—I do not know. I might have, but I do not know.

280. They amounted to a large sum?—Yes.

281. Several thousand?—Yes.

282. How many thousand?—About \$14,000.

283. Do you mean to tell me as a business man that you refrained from asking them?—I may have. I do not remember the conversation.

By Mr. Cochrane :

284. Will you say you did not?—I would not say I did not; but I should imagine from the common conversation that I would know.

By Mr. Moncrieff :

285. You had no idea of the price the wheat had been sold for?—No; I had not.

286. You did not ask what they were getting for this wheat?—Oh, no.

By Mr. Barron :

287. I presume you read over the note?—The notes were left in my hands.

288. You read over the notes before you bought them?—Why, certainly.

289. And you have no confidence in these chartered companies?—I saw these notes were payable to the Ontario Grain and Seed Company, and finally I spoke about the indorsement of the notes.

By Mr. McMullen :

290. How long have you been in the business of purchasing and selling notes?—35 years.

291. Do you keep a regular office for that purpose in Brantford?—No, sir. I have an office in my house, but not for that purpose.

292. Have you ever had any other difficulty in this connection; that is, in the the seed note business?—I had no difficulty with them.

293. Have you ever bought notes in which there was difficulty in the collection of them?—Yes.

294. In what connection?—Lightning rods sold in bundles, and hay forks.

295. You have been unfortunately mixed a good deal in this business?—No, I was not mixed up in this seed grain business much.

296. You have bought lightning rod, hay fork and seed grain notes? You have been generally known, then, as a man who speculated in these things?—I have bought horse notes too.

297. You have been mixed up a good deal with them?—Naturally a little.

298. You bought lightning rod and hay fork notes?—Yes.

299. And seed grain?—Yes, certainly. He wants to put the impression that I was dealing in a class of notes that were illegitimate.

By the Chairman :

300. We want to get at the facts. A great fraud has been perpetrated on the farmers of Canada in lightning rods, seed wheat and all manner of things. We want to get at the true inwardness of these transactions from the top to the bottom; and what we are now seeking to know is the position in such cases of the so-called innocent holders of the notes on which the farmer is sued?—Just so.

301. The questions are being put properly, and I hope you will answer them?—I shall, but I do not want them to cast reflections.

By Mr. McMullen :

302. We are merely wishing to say that unfortunately you have got mixed up in these notes?—Yes, I have bought a considerable number of notes, and many of them have been these lightning rod, hay fork and seed grain notes.

303. Have you made the same stipulation with other notes as you have made with these seed grain notes?—If the indorser is good I do not do that.

304. Have you usually got the same rate of discount as on these seed grain notes?—Yes and more. I have got more.

305. Do you on the general line of business get that rate?—Yes; the general business is from 12 to 18 per cent.

306. In this case you got over 20?—That is one way of looking at it.

307. The greater risk you run the higher is the rate of interest?—That would be reasonable. It is the general rule.

308. A man comes along to you that you know is perfectly good and you are satisfied that it is his signature, would you discount that note for less than you would in the case of a man not looked upon as so good?—Yes.

309. You say the general rate in this business is from 12 to 18 per cent.?—Yes, the general rate.

310. But in this case you got 20?—Well?

311. How do you explain that?—I explained it before.

312. What reasons do you give for having taken 20 per cent. in this case while the general run is from 12 to 15?—I have no cast iron rule in taking notes. If you bring me a note for \$100 I might charge you \$5.00 or I might charge you \$15.00 and if you did not like it you could go to some one else. I do not consider I got any more than these notes were worth. I have known \$20.00 and \$25.00 to be paid on a \$100 note.

By the Chairman :

313. In the case of the seed wheat notes you bought you said you went over the map and found the men good?—Yes, I did.

By Mr. Barron :

314. If the men were good you still would hold the promise to pay of this seed wheat company?—Some of them were not paid.

315. The makers of the notes were, in your judgment, good?—Do you think 90 cents on the dollar was extravagant?

316. According to your agreement here you gave \$1,000?—\$2,000.

317. And on a certain condition of the non-payment of the notes you were not to pay any more. Many of these men have resisted the payment of these notes?—Yes.

318. The men were good, however, according to your own showing, and you were safe according to that agreement that you read?—In order that they may understand the whole thing,—but I do not suppose they want to go into accounts between me and the seed company. If they do, that is all right.

By the Chairman :

319. Perhaps I may make Mr. Barron's and Mr. Moncrieff's question plain. He sold the above 14 notes for 90 cents on the dollar, according to this agreement:

"Sold the above 14 notes to Peter Wood, Brantford, for 90 cents on the dollar, and received cheque on the Standard Bank for \$1,000, and to receive a further cheque of \$1,000 by the 3rd of May, balance to be paid when above notes are collected. In the event of any of the notes not being paid in full or any loss being sustained in collecting, the same to be deducted from the balance due." Now, that leaves \$1,555 on \$3,555 on which you were not practically responsible. You agreed positively to pay \$2,000, and nothing more if there is any of that not paid. What I want to get at and what the Committee wish to know is, that on your own statement men were believed by you to be good and yet you kept back \$1,555. You must have had some reason for that?—The reason is this: I do not think any man dealing in notes can have too much security, and after what has taken place in collecting these notes I see that several of them are not able to pay now.

320. Why?—Because they haven't anything to pay with.

321. Is there any other reason?—I do not know that I have any other reason.

By Mr. McMullen :

322. You said some of these men lived in Beverly?—Some lived on the mountain and some down here. Several I did not know anything about. There were three notes that I did not know anything about, and there was Mr. Currie who was made postmaster; there was \$450 gone.

By Mr. Moncrieff :

323. Had you ever any dealings with Hewitt before? Had you bought any notes from him?—I have not.

324. He had been in the lightning rod business?—He is a manufacturer.
325. Had you any dealings with him?—I had some dealings. I think I bought some two or three notes against him.
326. That would be his individual notes. You never bought any notes from him?—No.
327. Did he ever act as agent in selling any notes for anyone else?—No.
By Mr. Marshall :
328. Did any of his agents?—I do not know who his agents were.
329. In lightning rods?—I say I bought any quantity of lightning rod notes.
By Mr. Cochrane :
330. Before this wheat business?—Yes; thousands of dollars' worth given to agents for lightning rods.
By Mr. Smith :
331. Are you in the habit of buying sale notes?—Yes.
332. Do you in such cases take the same precaution?—Yes, the same precaution, unless the party is perfectly good to have the notes indorsed and then I may give them the amount in full.
By Mr. McMullen :
333. In buying from your customers do you buy out in full?—Yes, when I know the indorser to be good.
By Mr. Moncrieff :
334. Can you refer to any case where you have made a similar contract to this within the last five years?—Perhaps not exactly on the same basis. As I told you I have no cast-iron rule. I have had as high as 50 per cent., the same as any other man in the business. I will give up my business very cheap.
335. I mean notes on the same principle as this?—By keeping back money? I can refer you to several.
336. That is an answer to my question then. In this particular case you had obtained a large portion of the money not to pay it over unless you got it?—Not such a terribly large portion—\$1,500.
337. \$1,500 for \$3,500; is not that pretty near half?—It was a considerable sum.
338. In this case you got back \$1,500 out of \$3,500?—What of it?
339. And to make yourself sure you were to pay none of those over that sum unless you collected it yourself. Have you purchased any batch of notes within the last five years and securing yourself by keeping back one-third or one-half in that way?—Yes.
340. What one?—The Comebach sale notes.
341. Farm sale notes?—Yes.
342. In buying lightning rods and other implement notes that you spoke of did you adopt that plan?—Not with lightning rod notes.
343. Was it the Hewitt company lightning rod notes you had bought before?—Not that I know of.
344. How long had you known Hewitt before this particular deal?—I may have known him 4 or 5 years.
345. Was he a man whose business transactions gave you a great deal of confidence in his honesty?—I had no reason to believe that he was not honest. I have heard of nothing that was dishonest.
346. When he would bring in a large quantity of notes would his character be such that you would be satisfied they were satisfactory and honest?—He had never brought a large quantity of notes to me. Hewitt came with Perry and Perry was the secretary-treasurer of the company.
347. He was secretary?—I so understood.
348. They would introduce themselves as such to you?—I think he was introduced by Mr. Hewitt.
349. Did any one come to tell you that they were coming in to sell these notes?—No; I did not know that they had a note to sell.

350. Did they have the notes to sell when they came?—They had this batch of notes as I told you before.

351. Did you know you were to be offered these notes?—No.

352. You did not expect anyone connected with the company would come?—No.

353. Did you ever speak with any of the company before?—No, not in reference to notes.

354. Who, of the Seed Grain Company, had you conversed with prior to the time they came to sell you the notes?—I never had any conversation.

355. Not with any of the company?—Hold on. Let me rectify that, Mr. Breslau spoke to me about the seed grain business. He said he was on the road selling seed grain or going on the road to sell seed grain.

356. This was some time before this?—Yes; probably a year before.

By the Chairman :

357. Did he tell you about the prices?—No; he was a lightning rod man and told me he was going to quit that and go on the road to sell seed grain.

358. Was he an agent for selling the notes?—I think he was an agent for selling lightning rods.

359. Lightning rods and seed wheat seem to come together?—Lightning rods in a legitimate way is a legitimate business; but bundles of lightning rods are a great swindle.

360-1. That is leaving them at farm houses?—Judge Jones put that about as fair as I think it can be put. They buy the lightning rods expecting to make money out of them and when they find they can't sell them they squeal.

By Mr. McMullen :

362. Who is Judge Jones?—County Court Judge in Brantford.

By Mr. Moncrieff :

363. Who was Breslau selling seed grain for?—I cannot tell you.

364. Did you know that there was such a company before you got these notes?—Yes; certainly.

365. You had heard of them?—Yes; I had heard of the company. Another thing they had a great big seal on a great big paper signed by the Government.

366. Where was the head office then?—London.

367. How did you happen to see their big seal?—They brought it to me. I might have heard that there was a company of this kind.

368. Did you hear anything in relation to the satisfactory character of their dealing with the farmers?—No; not at the time I bought the notes.

369. You had no suspicion that anything was wrong?—I think farmers are a very foolish lot of people to go into these things. I do not think so much about wheat as other things not in their line.

370. As a matter of business they should stick to their farming?—That is the idea. I could not think the farmers would be cheated over a bushel of wheat and I was surprised that such men as Kelly and Reid, should have gone into a transaction without being conversant of what they were doing.

371. Who is Mr. Ward? Was he connected with the company?—I do not know whether he ever was or not until after I bought the notes. I have seen him since.

372. How long was it after you had bought the notes that you found the affair was a swindle?—The first intimation was from Kelly himself.

373. Who was this Kelly?—Alem Kelly, of Ancaster. He has been here before you.

374. He explained the transaction in regard to the note?—Yes.

375. What would your course have been if you had had any knowledge at all that these notes were for wheat at \$15.00 a bushel. Would you have bought them?—If I had known I would not have bought them.

376. It was too absurd for consideration?—I should think a farmer was certainly crazy to give \$15.00 a bushel for wheat. The man that does that ought to

have the franchise taken from him and a commission appointed in every municipality to look after such.

377. Can you suggest anything to prevent people making fools of themselves?—I do not know that I could do so. I would like to assist you if it were in my power. I suppose the best thing you could do would be to make them wards of the government.

378. Before you entered into the transaction with regard to the notes you had a week to consider. During that time did you make any enquiries or try to find out anything as to the consideration these men had got for the notes?—No.

379. You devoted yourself entirely to finding out if the parties were reasonably good?—I took the map of the county of Wentworth and looked over the whole thing. A number of the parties I knew and some I did not know. I came to the conclusion I would make the offer that I have told you and when I made the arrangement it was accepted.

380. Is the character of Hewitt and that of Perry lower in your estimation now than it was at the time the transaction took place?—They never had any character in my estimation before or since. They were Americans I believe and I knew nothing about them.

381. If Hewitt and Perry came to you with a batch of notes \$5,000.00 or \$10,000.00 worth, would you take them without consideration?—If Perry came with any more notes I do not think he would get out of Brantford easily.

382. Was Hewitt with him?—Hewitt had nothing to do with the sale.

383. Was he not one of the company?—I do not know whether he was one of the company or not, but I understand he had something to do with it.

By Mr. Barron :

384. You knew Hewitt?—Yes.

By Mr. Moncrieff :

385. You did not know Perry?—No.

386. Hewitt was really the leading man in the company, and Perry was the secretary treasurer?—Perry was secretary treasurer.

387. They had the seal of the company with them?—Not that I know of. Mr. Hewitt came into my place and introduced Perry and left the notes with me. Six days afterwards Perry came back. I do not know whether Ward or Hewitt was with him.

388. How were the notes indorsed?—They indorsed the notes "The Ontario Seed and Grain Co."

389. Did you know the president's signature?—I did not.

390. Did you make any enquiries about the signature?—No, I knew the banks took the cheques.

391. You knew the bank took the cheques because you got the cheque back again?—I got it back.

392. How was it indorsed?—By Perry.

393. You did not know that Hewitt had nothing to do with the sale of those notes. Did you not look upon him as one of the principals?—I did not look upon him as a responsible party. I merely say that Mr. Hewitt came to my place and introduced Mr. Perry.

394. You knew he was one of the company?—I understood him to be so.

395. When two men come to you with notes, you think you are dealing with the two of them?—You might put it in that way.

396. You knew Hewitt was one of the company?—I understood so.

397. And the other was secretary-treasurer?—I understand so.

398. Well, I ask you now the question, is your opinion of Mr. Hewitt in the transaction such as would make you careful in buying notes from him in future or would you buy them just in the same way?—I would not buy seed wheat notes as readily but I would buy notes from Mr. Hewitt to-morrow if I got the chance.

399. Notwithstanding that he sold you these notes?—I do not know that he did, although he was connected with the company.

By the Chairman :

400. What did you understand Hewitt to be?—I understood him to be a director.

By Mr. Moncrieff :

401. You believe the company to be a swindle?—Certainly.

402. And everyone of these notes were all a humbug and a swindle?—All a humbug and swindle.

403. And Mr. Hewitt knew it?—I do not know whether he knew it or not, a man may belong to a company and not know what goes on in connection with it.

404. Is your respect for Mr. Hewitt's honesty increased or decreased?—I do not know anything about my respect for his honesty, but if he came to me to-morrow with a batch of notes I would buy them.

405. But you would enquire about them?—I would enquire about them.

406. You would enquire if they were honest notes?—Yes.

407. Did you sue on any of these notes?—The wheat notes—no.

408. Are any paid?—I understand all but three are paid. I do not know that of a fact, but I understand so. This was like a good deal of many other speculations and farmers went into it like other men.

By Mr. Cochrane :

409. How do you know that?—I know that by observation. This Mr. Reid was witness on a great many of my notes and Mr. Kelly told me he went from farmer to farmer's man to sell the wheat, and Mr. Reid himself did so.

By Mr. Barron :

410. Before or after you bought the notes?—Before I bought them. As I said, Mr. Reid was witness on a great many notes, and Kelly witnessed some.

411. Do you know Mr. Sherwood?—No.

412. You know Oliver Perry?—Yes.

413. Do you know George S. Ward?—Yes, he is a farmer.

414. And Thomas Hewitt?—Yes.

415. And ———?—Yes.

416. I understand you saw the by-laws of the company?—No.

417. Do you know when you got the notes how much they were selling the wheat for?—No.

418. Do you know now?—Only from what I have heard them say.

By the Chairman :

419. Do you know how many bushels of wheat the notes represented?—No.

By Mr. Barron :

420. You were not shown the constitution and by-laws of the company?—No.

421. Have you seen the constitution lately or since you bought the notes?—No.

422. Nor its by-laws?—No.

By Mr. McMullen :

423. Did you consult any lawyer in Brantford before purchasing the notes with regard to the notes or the trouble you might possibly have?—No.

424. Did you consult the judge?—No.

By the Chairman :

425. In the case of the notes you have got you are proceeding against all the makers of the notes who are refusing to pay, and the men who have been swindled in this seed wheat transaction will be made to pay the courts of law, while you get scot free?—Of course we have not told all. In the course of Mr. Irving's enquiry I was examined in Hamilton. The margin on the \$14,000 worth of notes would be about \$6,000, which were left in my hands. They sold the four to a man in Toronto. It went to a lawyer's office, and was sold and made legal in every way. After it was sold I thought there might be some trouble about it, seeing that it had got into a lawyer's hands and that they take more out of the farmers than the swindlers do.

By the Chairman :

426. Never mind that, tell us about the bond?—The bond was made legal. The man came back and said he had the bond and wanted me to buy the balance of the notes. This was after hearing that there was something wrong. I said I would not

touch the notes any further, that I had as much interest as I wanted. Well, said he, will you sell me yours, the balance of your interest. He then went away and was absent nearly a month when he returned and wanted to know what I would take. I told him after talking the matter over that if he would give me \$1,000 he might have them. He accepted this. I went down to Toronto, took the notes with me and delivered them over, receiving my cheque in return.

427. How much did you receive out of that?—Well, you can judge of that.

By Mr. Cochrane:

428. We cannot judge at all, we want to know what you got?—I got \$1,000 for my interest over and above what I paid.

By Mr. McMullen:

429. Did that cover interest and everything?—It covered every thing.

430. How much did you advance?—Eight thousand dollars.

431. When was that?—I advanced it on the 7th of April.

432. And when did you get paid?—I do not know.

433. Before the notes were due?—Yes.

434. The notes were due in eight months?—About eight months.

435. You were paid before the notes were due?—Yes.

By Mr. Carpenter:

436. He gave you a thousand dollars and you got out?—Yes.

By the Chairman:

437. The margin which you held, was transferred to another for \$1,000 and if you had had to sue the farmers for pay such would now have to be done by the party to whom you transferred the notes?—Yes.

438. But you make \$1,000 by the transaction?—Yes.

By Mr. McMullen:

439. How near were the notes from being due before they were taken from your hands?—Probably a couple of months.

440. And there would be 6 months' interest on them?—There might have been that.

441. If there were six months' interest on them that would be about 30 per cent. you got for your money?—I should want all that, but I never figured it out.

By Mr. McMullen:

442. Did your bond not provide that upon the payment to you of the \$8,000 and the interest thereon at a stipulated time you were to hand over the note?—Yes.

443. What was the note?—You have heard it read twice. I took them at 90 cents on the dollar. I paid them a certain portion and the balance was to be paid after the notes were collected. The other man got the bond and I took \$1,000 for my interest.

By the Chairman:

444. When you did that you knew the state of affairs with reference to this company?—Oh, yes; I began to get suspicious because Kelly told me.

445. After Kelly told you the position of affairs you sold your interest. Who bought the notes?—Mr. Dennis bought them. I offered them to Wincher who told me to take them down to Toronto, and they were sold to Mr. Dennis, and afterwards taken over by Mr. Roaf.

446. You got all the money you had given on the notes and the \$1,000?—Why certainly, including my interest and expenses it was a very small amount.

By Mr. McMullen:

447. Did they pay your expenses to Toronto to deliver up the notes?—No; I paid my own expenses.

By the Chairman:

448. When the transfer took place you were aware of the swindle practised on the farmers?—I do not know that I was.

449. But did not Kelly tell you?—He did not tell me that it was a swindle, he told me he believed the company was going to fail or going out of business, the books having been transferred to Toronto. I asked him whether he intended to pay and he wanted to pay his.

450. From what Mr. Kelly said were your suspicions aroused?—I did not sell the notes on the ground of what Kelly told me. I sold them on the ground of Wincher getting the bond and the law suit arising out of it. I wanted to get out.

By Mr. Barron:

457. You had no faith in the company?—No.

452. And you relied altogether on the maker of the notes?—I relied on the maker.

453. Who was Wincher?—I do not know who he was.

454. Was he a stranger when he came to you?—Yes.

455. Did he approach you as an agent of the company?—No.

456. How did he approach you?—I cannot say what he said. He came there in the evening and wanted to know if I was Mr. Wood.

By Mr. Barron:

457. You knew that Perry was one of the company?—Yes; he was secretary-treasurer.

458. You had dealings with him after that?—No.

459. Sure?—Yes.

460. Mr. Hewitt says so?—Let's hear it.

461. "After he had resigned he had dealings with him" that is Hewitt's evidence before Mr. Irving. He said that afterwards you had transactions with him?—This is the only deal I ever had with him.

By Mr. Moncrieff:

462. In what way did Mr. Wincher approach you?—He came and said he had bought the bond.

463. He bought the company's interest in that bond?—Yes.

464. Did he make you an offer of the same?—No; he wanted to know whether I would buy them. I refused and that was as far as it went.

465. He wanted you to buy the company's interest in the balance of the bond?—Yes.

466. How much money would have been coming to the company if everything had gone straight?—There must have been about 30 per cent.

467. \$4,000 or \$5,000?—Yes, I should think about that.

468. That was what he wanted you to buy?—Just so.

469. Then you would not buy them?—I would not buy them.

470. You had heard rumors about the company at this time that things were not straight?—I do not know that I had up to that time any more than I have told you.

471. You had them bought then? You did not need to buy them?—But they wanted me to buy the company's interest in the balance.

472. The company had no interest in the balance. All the interest they had was that you should hold the money until the payments came in?—That was their interest and they sold that to Wincher.

473. Did they make you any offer?—Not at that time.

474. When did you get down to figures?—He came to my place afterwards and said he had a chance to sell them, and said he would be swindled out of considerable and wanted me to let him have them.

475. Did he represent himself as one of the company?—No; he had been victimized by this bond I understood him. It was by some other things I understood afterward.

476. He told you he had found a purchaser for the notes?—He did.

477. You told him you would take what?—It wound up at \$1,000, I wanted more.

478. Do you remember what you wanted first?—I do not. I warrant you I wanted enough.

479. Did you want Hewitt to indorse them?—I think not.

480-1. Sure?—I think not.

482. Did not Hewitt refuse to do it?—I do not know but he did. I might have asked if he would indorse them; but I would not swear I did. I think it would be very natural that I should.

483. He declined?—He did not do it anyway. He did not indorse them.

484. When you made your deal with this man for the notes you did not know who was going to give you this \$9,000?—Put that again?

485. Did you know who was going to pay you the \$9,000?—No.

486. When you took the notes down you handed them over to whom?—Dennis.

487. And got your money?—I got the cheque.

488. And got it cashed?—I got it.

489. Have you had any further dealings with the company since then?—No.

490. When you told me all the notes had been paid with the exception of three of them I did not know at that time that you had disposed of the whole of them?—I understand.

491. The answer to my question was that you did not get paid by any of the parties?—No.

492. None of the makers ever paid you?—No.

By the Chairman :

493. I suppose you are aware that some of them are contesting the notes?—I understood the jury had disagreed on one.

494. You knew then they were contested?—Yes; but a great many were paid.

495. Wincher was a man you never knew before?—Never. He came and brought the bond with him.

496. Do you know whether he is the man who has charge of all the company's books now and is in the office of the company?—I do not know. I understood the books were all given over to Wincher and any stock they had on hand, advertisements and other things they had on hand, with this bond. That is what I understood.

By Mr. McMullen :

497. What does Wincher do in Toronto?—I do not know what you would call it. He gets these things from Germany—these pictures for advertisements for the different firms that get them by the thousand and send them round. I do not know really what you would call them.

498. Chromos?—Yes, that, I think, is his business.

By the Chairman :

499. To what extent may you have bought notes in these deals we were speaking about—lightning rods, seed wheat, &c.?—I have been asked that question once or twice in court, and I have never taken the trouble to make it up. In fact I cannot tell; but throwing out the seed wheat altogether, I presume I have bought as high as \$20,000 worth.

500. That would be about \$34,000 altogether?—Yes.

By Mr. Cochrane :

501. Was this last \$14,000 all for seed wheat?—All.

By Mr. McMullen :

502. Was that Kelly, who is mixed up in seed wheat, the same man who was mixed up in hay fork transactions?—I do not think he has anything to do with hay forks here. He was a seed wheat man, and is a good decent farmer.

503. It is O'Rielly I am thinking of?—He is witness to a great many of the notes.

504. Where is he now?—I do not know where he is.

By Mr. Barron :

505. Did you ever buy any "Excelsior Pump Company" notes?—No.

506. Quite sure?—I do not think so.

507. Did you ever hear of them?—I do not know them by that name.

508. What name do you know them by?—I do not know them by any name.

509. You have had lightning rod notes?—Yes; for the last 20 years.

510. Plough point notes?—No.

511. Book agents' notes?—I shun them entirely. I think they are the greatest windles of the lot.

512. What is your experience?—I never bought a book from them.

513. You brought action against Mr. MacPherson?—Yes.

514. What on?—Hay fork notes. I got two notes of his from a man named Coulter. Two for \$150 each.

515. Who is Coulter?—He keeps a livery stable in Brantford—Coulter & Hunt.

516. You have known him for some time?—Yes.

517. He had these notes?—Yes; and sold them to me.

518. Did he indorse them when he sold them to you?—Yes.

519. Did you protest them when they came due?—No. I sent them up to St. Thomas or to that village and there was no protesting parties there.

520. Did you instruct them to protest them?—Yes.

521. You wanted to secure Coulter?—Yes.

522. Did you ever notify Mr. Coulter that you expected him to pay the notes?—Yes.

523. How?—Verbally.

By Mr. McMullen :

524. Did you ever collect the hay fork out of Coulter?—I never had occasion to.

525. He was an indorser on more notes than these?—Yes, but the notes were paid.

By Mr. Barron :

526. But you have sued on these particular notes?—It is not decided yet.

527. Why don't you sue Coulter as well?—I had two reasons. I cannot sue him on one note as my lawyer misled me. He advised me to sue in the County Court and wait until the second note became due. I did so. Don't you see Coulter was not protested and I cannot sue him on that. Putting the two together, I think I need not delay the action in St. Thomas where the man lived.

528. When Coulter came to you what did he tell you about these notes?—These MacPherson notes? I do not know that he told me anything.

529. Do you recollect the conversation?—No.

530. You knew John MacPherson?—No.

531. Who was the note payable to?—E. E. Jones.

532. Did you know Jones?—I did not.

533. Did you make no enquiry about him?—No.

534. How was the note payable?—What do you mean?

535. To bearer or order?—Bearer, I think. I am sure.

536. Why are you sure?—Because Jones did not indorse it.

537. Did you make any enquiries as to what these notes were for?—Not what the notes were for; but I made enquiries as to the standing of the men.

538. About John MacPherson?—Yes; he told me—that is, Coulter told me, that he was a farmer and lived in a brick house and that he was good.

539. Did you hear him tell about what he got it for?—I think he said he had sold Jones a rig; a horse and buggy. I cannot particularize the things.

540. And Jones gave Coulter MacPherson's in payment?—Yes. When Mr. Coulter was put in the box in court he said he took the orders for these forks and that he got \$60 for taking the orders for these forks or for any \$300 worth of forks.

By the Chairman :

541. What did you give Coulter for these notes?—The face value less 12 per cent. per annum.

By Mr. Barron :

542. What was the extent of notes you bought from Coulter?—Now I cannot tell that. I bought a great many from Coulter of different kinds.

543. Of this particular kind of hay fork note how much did you buy?—\$4,000 worth, I should think. It might have been more.

544. There were considerably more hay fork notes than MacPherson's?—Yes.

545. Did you know this was a hay fork note?—I might have known; it is a long time ago.

546. You would not like to say you would not know?—No.

547. Did you not know that Coulter was in the hay fork business with agents?
—I never knew it.

548. It seems to me you so stated it here?—I should not have stated it if I did. I never knew he was in company with Jones; but I knew he was taking orders for Jones.

549. At the time you bought these notes from Coulter?—Yes.

550. You saw Jones' name in the note?—I saw it in the note.

551. Did it not occur to you that possibly inasmuch as Coulter had been taking orders for hay forks that this was a hay fork note?—No. I say it might have occurred to me. I say I might have imagined it was a hay fork note.

552. Was this before or after the seed grain business, this purchase of the hay fork note?—Before.

553. Long before?—Yes. It was three years since I got that or something near that.

554. You did not know where John Coulter got the notes from?—I understood he got them from Jones.

By Mr. McMullen:

555. Is this Jones any relation to Judge Jones?—I do not know him. But I should not imagine he was.

By Mr. Barron:

556. Coulter was arrested was he not?—Yes.

557. How did he come to be arrested?—He came to be arrested by MacPherson denying one of the notes—the making of one of the notes.

558. How soon after his arrest did you hear of it?—Very shortly.

559. How long?—I cannot tell.

560. A week or a month?—No; the same day.

561. Did you go to see him?—Yes.

562. In the police station?—Yes.

563. What did you go there to see him for?—To see what the matter was.

564. You and he were pretty friendly?—Yes.

565. You went to see him simply on account of friendship?—I would have gone to see you in the same way if I had bought a note from you.

566. You cannot assign any reason for going to see Coulter in the police station?—Nothing more than I would any other man.

567. You have a great many other friends in Brantford?—Yes.

568. Have many of them been in the police station?—Certainly.

569. Do you go to see them all?—No; not all.

By Mr. McMullen:

570. How many hay fork suits have you had? How many notes have you had to collect in court?—Up to that time I had sued one.

571. What was that one?—A hay fork note.

572. Who against?—A man by the name of Edy.

573. Where did he live?—In the north part, above Toronto.

574. What time was that?—Probably two years ago.

575. How many have you had since?—Since that I have only had three that have come off.

576. Who were they?—One a man whom I saw by the paper was here—Mitchell. He got it by his boy swearing he did not sign the note and the judge gave a verdict in his favor although there is a new trial. The other was in Hamilton and the other I do not know.

577. Where did the other man live?—Somewhere in Waterloo County.

578. Hadn't you a suit with a man by the name of John Campbell?—No.

579. Don't you remember seeing me in Brantford about this suit?—I don't remember having a suit against him.

580. I was there in Brantford and attended the suit. You had this O'Riley there too?—Campbell? I never sued him.

581. John Campbell, of Egremont, we fought it out before Judge Jones in Brantford?—That was not a hay fork note; that was a lightning rod note.

582. No. We made application to have the case tried in Mount Forest and filed affidavits that Campbell was not able to attend court that far; yet Judge Jones would not transfer the case. We had to go there and fight it out in Brantford. There was a young nephew of mine came down from Woodstock to fight it out for us?—I think that was a lightning rod case. It is like a dream to me. I do not remember having any suit but this one.

583. It was a hay fork note?—It might possibly be; but I have forgotten it.

By Mr. Barron:

584. You say you held Coulter to be the indorser of these notes of Macpherson's?—Yes.

585. And you looked to him for payment in the event of MacPherson not being good?—Likely.

586. Did you give the notice to Coulter?—Yes.

587. Was that a business-like transaction?—It is a business transaction when you have confidence in a man.

588. Would you give up to MacPherson in the same way?—Yes.

589. But you had no confidence in him?—No.

590. You had confidence in the other?—Yes; I believed he was a straight-forward man.

591. You knew that Coulter had been arrested several times before that?—I never knew it.

592. Had you not heard that he had been in gaol in California?—I have heard since.

593. But prior to that?—I never heard it.

594. Had you not heard that he had been imprisoned for fraud?—I knew nothing about that.

595. That was the man's reputation?—I have been acquainted with Coulter for five years and I thought him to be an honorable man.

596. He relied upon you to give up the note to him?—Yes.

597. Why did you give it up to him?—I have understood since why I was to give it up. I gave it up on the condition that he came there and wanted to get MacPherson's notes, and I was to have them back in a day or two or else the money.

598. Evidently he thought of disposing of them?—Yes; selling them or disposing of them in some way or other. He wanted to use them and he would either return me the notes or the money in a few days.

599. In what way did he use them?—I do not know.

600. He could have sold them?—I suppose he was going to sell them without indorsing them.

601. And give you back the money?—And give me back the money.

602. He had some interest in them?—It was accommodation for him. He wanted to get his name off the back of them.

603. Did he tell you that?—I supposed that. He came to my place in a great hurry and was not in there more than a minute or so and said he had to be in Paris in 30 minutes to catch the train.

ALEXANDER DAVIDSON, of Mount Forrest, sworn and examined.

By the Chairman:

604. Will you please state your grievance to the Committee?—Three men came to my place, fourteen or fifteen years ago—I do not remember the year. They had a hay fork with them and said I had been recommended to them by the Hon. George Brown, of Toronto, to be their agent. They put the hay fork up in my barn. I did not care much about having anything to do with them, but a few of my neighbors were around and saw the hay fork and they insisted upon my taking the agency.

The price of the fork was \$12, and every one I sold I had to send \$6 to the Company and keep \$6 myself. An agreement was made out, but I could not tell you what the agreement was, it is so long ago. However, I was bound to do certain things and they bound themselves to certain things. It was a pretty big sheet of paper, all printed, and I had to sign my name as their agent. I had no suspicion at the time that there was anything wrong. I wanted them to leave the fork with me but they said they could not do that as they were appointing agents throughout the township but they said they would send me a fork in two weeks. My friend Mr. McMullen there told me afterwards that the whole thing was a fraud. I was agent for the *Globe* at the time and I accordingly wrote down to Mr. Brown and told him the whole thing, and he published it in the *Globe*. When it was published a friend of mine in Guelph wrote me and said he thought I was too late as he had seen a note in circulation with my name attached and he was afraid it would be collected.

By Mr. Moncrieff :

605. Did you give the men the note?—No, it was an agreement which I signed.

606. Did you get the hay fork?—No, I never got a fork.

By the Chairman :

607. Some friend of yours saw a note in Guelph, signed by you?—The agreement which I signed turned out to be a note?

608. Were you sued upon it?—Yes. I had to pay it and I had to borrow money from Jim McMullen there to pay it.

By Mr. McMullen :

609. How many suits had you over it?—The lawyer would never allow me to be present, but there were three suits altogether.

By Mr. Cochrane :

610. What was the value of the note?—Eighty dollars.

611. How many forks was the order for?—As many as I liked, but I did not get any. I was to send them \$6 and keep \$5 for myself for every one I sold.

By Mr. Moncrieff :

612. You understood you were taking the agency for selling the hay fork?—Yes.

613. And you agreed to accept that agency?—Yes.

614. And you signed something which you understood was the agreement for that agency?—

615. And it afterwards turned out to be a promissory note?—That is the whole thing.

616. When you were filling up this document, did they read it to you purporting it to be an agreement, or did you read it over yourself?—They read it over—binding me and binding themselves.

617. And you believed what they were reading?—Yes.

The Committee then adjourned.

16th May, 1888.

Committee met; Mr. BROWN in the chair.

L. B. D. LAPIERRE, sworn and examined.

By the Chairman :

618. Will you kindly tell the Committee in as short a way as you can when your connection with this Seed Grain Company commenced and under what circumstances?—It would be a pretty long story.

619. Take it shortly?—I would like to have the privilege of putting myself in a proper light. I live at Paris. Do you want to know of the very first thing I heard of the company or when I bought the grain.

620. Tell us briefly what you want to give?—I bought the grain about the 25th June, 1886. I bought 30 bushels of wheat about that date.

621. What did you pay for it?—I gave my note at \$15 per bushel. I was the first man as I understood that bought. I wrote my own note. My wife would not allow me to sign it as she was opposed to my doing so. They were there the first day.

By Mr. Moncrieff :

622. Who is the they?—Mr. Perry and Mr. Sherwood. The first day I wanted to consult my wife. They wanted to go in with me but I said: "No; I will go in myself." I did not say anything until night at bedtime and she was opposed to me giving my note. The next day they were there six hours; but I told them there was no use. I said when they came: "There is no use tying your horse up because my wife is opposed to me giving my note." Anyway I gave the note in the afternoon—about 4 o'clock in the afternoon. Then I had nothing more to do with it in no shape. I had given the note and it would be the first Saturday in November that I was in Brantford. I went to the Kirby House for dinner. I was director of the Globe Mutual and I met Mr. Perry and Mr. Hewitt there. Mr. Perry showed me that he had an arrangement for selling seed grain throughout the States at \$7 or \$8 a bushel. He showed me that they sold a common variety out there for that. Hewitt said he wanted to see me and I asked him what he wanted and he said he would not tell me until he saw me at my place. I said I could not go home until late and he said he would come on Monday. On Monday he and Mr. Perry came in the forenoon and there was nothing said about me going into the company until dinner. At dinner time they told about how they could sell the grain and said they wanted some farmer in to grow seed grain for them. At dinner time Mr. Hewitt said he would like to make me a present for buying the first grain but he said that I wouldn't let him. I said try me. They gave \$500 of stock in the company and after they had given me the stock they said they wanted me to go to London at a meeting and make me a director. My wife asked Mr. Hewitt about it being all right and Mr. Hewitt said it was, that he was the manager and everything was through him. I went to London on Thursday and I was elected a director. I did not object it is true; and then they told me that Mr. Sherwood had got drunk and it would not do for him to be in the company. They asked me to take Mr. Sherwood's time out. I did not want to be away from my farm in the summer; still I was the president until the 13th of April. No matter what comes out of it that is correct—from the 11th of November until the 13th of April. I suppose I am still a director. I do not know; I suppose I am. Would you let me tell you about that day? That day Mr. Hewitt resigned. I wrote out my resignation and Mr. Hewitt wrote out his afterward but the secretary read his first. No; it was handed to me and I could not read it. I can read writing but I hadn't my glasses with me and it was different from my writing. I cannot write like some business men. Mr. Hewitt read the resignation and I supposed he resigned as manager. He gave his reasons and said I knew his reasons. He showed me a big contract he was getting for lightning rods from the Government. Then it turned out that Mr. Hewitt who read his resignation just as manager had resigned everything, sold his stock out and was out of the company. That is as short as I can put it. I do not want to put anything on to Mr. Hewitt or anybody else.

By Mr. Welsh :

623. What did you do?—I stayed there, and am there yet I suppose. I was there that day, and there was nothing more done. They elected a president.

624. You did not give in your resignation?—Yes, as president.

625. But held on to the directorship?—Yes.

By Mr. McMullen :

626. Why did you resign as president?—On account of my farm.

627. How much did you get from November until April?—I got \$5 for three different times I was there. I also got a fur cap that cost \$9 as a present; but that is charged to me.

By Mr. Amyot :

628. How did the company proceed as to the selling of seed?—I cannot tell you that, as I never saw a note only my own.

By the Chairman :

629. Did you not know how they proceeded?—They were not selling the grain. It was to take up the bond of what they had sold. That was the business. They had sold about 700 bushels, as near as I could learn, of grain. I signed the bond, it is true. I signed them there the same as I am here at the board.

By Mr. Carpenter :

630. Did you not discuss the mode of operation?—No; they had their mode. There was their charter.

By Mr. Welsh :

631. Did you know where the grain came from?—From the States. I do not know personally, only what they told me. They had the oats there in bags.

632. Where was the wheat?—The wheat had been sold then. They were then going to take up the bonds.

By Mr. McMullen :

633. What came of your note that you signed?—I have never paid it. I wrote my own note. I said I made it payable to Mr. Hewitt, but Mr. Hewitt says I am mistaken and that I made it payable to the Ontario Grain and Seed Company. I swore that before Mr. Irving.

634. Who has the note?—I do not know; I have not seen my note.

635. Is it due?—Yes; long ago. It is not a negotiable note. I know that; there is no "bearer" in it.

By the Chairman :

636. Why did you make it payable to Mr. Hewitt instead of the Grain and Seed Company?—My wife knew that I had been pulled into the dry-goods business and lost about \$6,000 of my money and she was frightened.

637. Still after this you became president of the company?—Yes.

638. The company to whom you would not make the note payable on account of your suspicions?—That made me more satisfied. If every farmer had done as I did there would have been no fraud.

By Mr. Marshall :

639. Where did the seed wheat come from?—From Michigan. Lapierre I think.

By Mr. Cochrane :

640. Did you think it was an honest transaction?—Yes, I did, and I think Mr. Hewitt did. He told me from the first he did not want much grain bonded. They were to work with the surplus grain. It was always represented to me in that way and I cannot help believing that it was so.

By Mr. McMullen :

641. Who is Hewitt?—T. C. Hewitt, of London.

642. Is he there yet?—Yes.

By Mr. Amyot :

643. Where did you intend selling the surplus grain?—In the States.

644. Had you any special terms?—They had the \$5.00, the third.

By Mr. Welsh :

645. How much wheat did you buy?—30 bushels.

646. And you gave your note?—Yes; for \$150.

647. And you have not paid the note?—No.

648. You have no defense for the note; you will pay it?—No.

649. Why, you received the wheat?—I put a proviso in my note that when the bond was taken up I would pay the note to Mr. Hewitt.

650. What bond?—The bond they gave me.

By Mr. Rowand :

651. This bond bound them to take a certain amount of the produce of the wheat?—Yes, that is it.

652. And until then you would not pay the note?—No. Understand me, I would have given my note but I wrote three or four to suit my wife. I write my own notes. I would not have the note trucked around the country, because I had bought grain before at high prices.

By the Chairman :

653. You gave these notes with all these guards yourself. Now when you became president did you guard other farmers?—No; I was not with them to tell them.

654. If you considered it so necessary in your own case to be so very careful with the doubts that you certainly had, did it not occur to you that dealing with a large number of farmers it was your duty to see that the same protection was afforded them as you had taken for yourself?—Certainly.

655. Because there have been large transactions in grain after you were made president. Mr. Perry was vice-president?—Yes; but I do not think he was legally vice-president.

656. Did he have the name?—Yes.

By Mr. McMullen :

657. We would like to have an answer to that question. That is before you became president of the company and you had considered it necessary to surround your note with protection for yourself and subsequently that you became president of the company. Will you tell the Committee why you did not see that other farmers took the same precaution?—When I went into the company the work was that of taking up the bond. That is, for the wheat they had bonded. Mr. Hewitt was manager.

By the Chairman :

658. But why after you became president did you not see that hundreds of farmers were guarded in the same way as yourself?—I had every confidence that the thing would be carried out.

659. Why did you guard yours?—From the very fact that the notes were to be kept until the bonds were redeemed. That was the promise that was given to us.

By Mr. Henderson :

660. Were there any notes taken while you were president?—Yes.

By Mr. McMullen :

661. Did you indorse any notes as president?—No.

By Mr. Smith :

662. Would you have signed their note but for your wife?—I would.

By Mr. Moncrieff :

663. What kind of feeling would actuate you to give \$15.00 a bushel for thirty bushels of wheat as a sensible man?—They had \$5 per bushel for taking up the bond. That was a big thing. It was represented to us in that way, and I knew it was a speculation. He told me that; but the \$5 a bushel that they got for taking up the bond was a big thing itself. I was sure they would take up the bond.

664. That would leave you \$5 a bushel for your wheat?—Yes.

665. You would be getting \$600 for the \$450 note?—Yes.

666. Was it the golden future that led you in?—I am always buying grain. I bought Norway oats at \$11 a bushel, and they did so much better than others that they paid me.

667. Was that a swindle?—No. I never bought anything of this before, except these oats.

By Mr. Smith :

668. Did you issue circulars about seed grain?—No.

669. Of oats?—I have not sold but very little seed grain to my neighbors for years, because I found out that because the grain winter killed they turned up their noses. I told these men that I would not sell it; but it was fine grain and I wanted it.

By Mr. McMullen :

670. On the whole you are the only man who made money out of this arrangement?—There was no money in the wheat?

671. You got thirty bushels of wheat?—Yes.

672. For which you paid nothing?—I don't know, but I understood that there are others who have not paid.

By Mr. Henderson :

673. Did you sow this wheat?—Yes.

674. How did the crop turn out?—I had 240 bushels of wheat out of the seed I sowed on 21 acres; but our wheat was very badly winter killed. I sowed 35 acres, part Rogers and part Bonnell, and from that I only had eight bushels to the acre. Our wheat was almost totally killed out last year. This was very fine wheat. I heard a man say in Paris that if they would sell him ten bushels of this wheat he would give them \$5 a bushel for it; but he did not want it in the way they were selling it.

By Mr. Barron :

675. It was at your house that they talked about giving you \$500 worth of stock?—Yes. That was in November.

676. Then they wanted to make you a director in the company?—No; they wanted to have a farmer who would test their seeds. They were going into the seed business altogether and they wanted me to test all their seed grain.

677. Was it proposed to you then that you should accept the presidency?—At the table I said: "I think you ought to make me a present of a gold watch for buying the first wheat." He said: "We are going to make you a present, but you won't let us." I said: "I will very soon let you." After dinner we were in the other room, and he said for me to grow the seed it would be necessary to have some stock.

By Mr. Welsh :

678. Did you get the stock?—Yes.

679. Have you it?—Mr. Irving has it.

680. What did it represent?—\$500 paid up.

681. You are a capital hand for some of these fellows to come on to. Do you think you are liable?—No.

682. For swindling these men?—I do not think so.

By Mr. Amyot :

683. Can you tell us whether the other members of the company had any settled plan of making money out of the farmers?—They were going to sell their surplus grain.

684. To whom?—To the Americans.

685. Had they a fixed price?—They said they could sell it for \$7 or \$8 a bushel.

By Mr. Moncrieff :

686. When they made you the present of this \$500 of stock, it was paid up stock?—Yes.

687. Didn't it seem odd that someone would make you a present of \$500 worth of paid up stock?—It was as Mr. Hewitt said, I was the first one who bought the grain. I cannot tell anything more than that.

By Mr. McMullen :

688. What township do you live in?—South Dumfries.

689. What was your municipal position when they came to you?—None.

690. Had you been in any municipal position?—I had been warden.

By Mr. Wood (Brookville) :

691. Did you understand that this stock was given to you to qualify you to a directorship?—Nothing was said about being a director until afterwards. Then Mr. Hewitt said that when they had a meeting I must go.

692. Did it occur to you that you would be liable on this stock?—No.

693. Did you ever ask anyone if you could be held liable for the deeds of this company by being a stockholder?—I believe I have.

694. You did inquire?—Yes.

695. What answer did you get?—They told me in case it was paid up stock, I was not liable.

696. You got this stock and you were told you would not be liable for it?—I want to tell you the truth. Mr. Macdonald, the lawyer, was there at the time and I asked him when I got this, if everything was all right.

697. Who was he?—Solicitor for the company.

698. Where does he practice?—In London. More than that, I asked Mr. Hewitt what Mr. Macdonald was there for and he said so that everything would be all right. After this thing happened, I went to see Mr. Perry to know what was the meaning of it.

By Mr. Barron :

699. You resigned?—Yes.

700. Why?—Because my farm work was coming on and I was only temporarily president to fill out Mr. Sherwood's time.

By the Chairman :

701. Had you any misgivings in your own mind as to the trouble that was coming?—No.

702. Did you believe everything was fair and square?—I never believed anything else. It nearly killed me; I never want to be that way again. They told me they had \$1,500 or \$1,600 deposited at London, and they said the stock was paid for.

By Mr. Henderson :

703. Did they not tell you that they had a large sum deposited with the Government?—No.

By the Chairman :

704. They told you they had a charter?—Yes.

705. Did you see it?—Yes.

706. What did the charter say?—I cannot say, it was a great big instrument.

707. Did you hear \$35,000 mentioned in connection with the charter?—They said the capital stock of the company was that amount.

708. Did they say that amount was deposited with the Government?—No.

709. Did you know whether Mr. Perry or anybody else ever exhibited the charter for the purpose of influencing farmers?—I think they showed the charter to Mr. Thompson, a neighbor of mine, but I went to Brantford to see it. My brother bought thirty bushels of their wheat.

By Mr. McMullen :

710. You heard of Peter Wood being mixed up with the company?—Yes.

711. Do you know him?—I am not personally acquainted with him.

712. When did you hear of Peter Wood becoming president?—Not until after Mr. Perry had gone away.

713. You went to see him?—Yes, I went to Detroit, but I wrote him first. I also went to London to see Mr. Hewitt. My wife was sick at the time and the trouble was likely to kill us both. I wrote to Mr. Perry and when I went to him I found out the notes were sold, so many to Mr. Wood, so many to some one else.

714. You say you went to Detroit?—I did.

715. After Perry went away?—Yes. I wrote to Flint and some time after I got a letter telling me where Perry was. Accordingly on the 21st of June, Queen's Jubilee day, I went to Detroit and was with him about two hours in the forenoon. He telegraphed me he would meet me at Detroit and I went by the very next train.

716. What passed between you in Detroit?—I asked him why he went away, and he said he had gone because the farmers were kicking up such a muse. Things had got to such a state that he could not do any business. One thing or another had upset him so he ran away.

717. What did he say further? Did he say the company was got up to hoax the farmer?—No.

718. Did this happen after you resigned as president?—Yes, he ran away after I resigned.

719. And you went to see him simply as a director?—Just as much for myself as for anybody else.

720. Who paid your expenses going to Detroit?—I paid them myself. I may say I have been to a great deal of expense in connection with this company.

By the Chairman :

721. Did it come to your knowledge when president that various troubles existed between the company and certain farmers?—No, except that one man by

the name of Heed had written me. He was a lawyer in Brantford. I mentioned it to Hewitt, but he pooh-poohed the matter and said that it was his business to see to it.

722. There was only one case of discontent while you were president?—I cannot say that I heard of discontent, but they were all uneasy until they got the grain. These men did more than they agreed to do. They led us on if it were leading on. Everybody said we would not get the grain after we had bought it. We gave our notes and took just a year for the grain and left it to be cut afterwards. Many said we would never get it, but the grain came all right and that gave us confidence. Then they sent us a little bag of flour to try it. I do not know whether they all got it but the flour was sent to us round there.

723. While you were president do you know whether Mr. Perry went along with anybody to sell grain to the farmers?—He did.

724. You are aware of that?—I believe he went to sell grain.

725. You knew that was the business he was about?—Yes.

726. Did you ever tell Mr. Perry of the necessity for the case which led you to give a different kind of note to that which he was getting from the farmers?—No. I offered at one time to pay my note. This was in winter time. I told Perry I was going to sell my wheat. I had about 800 bushels. Perry said he did not want me to sell, until he got the whole bonds up. I lent the money to a Mr. Marshall who failed.

727. While you were President, the vice-president, Mr. Perry, was going around the country with one and another selling this grain and taking notes. Now I want to know why, as president, and knowing that Perry was doing this, you did not tell him that the farmers should be guarded in the granting of the notes, the same as you were?—I did not know that that was my business.

By Mr. Cochrane :

728. If it had not been for your wife you would not have bought the wheat?—Yes.

By Mr. Amyot :

729. Are you a French Canadian?—My father was born in Montreal, he spoke worse English than you do. I do not speak French; I wish I could.

PETER G. DUNTON, of Britannia, Peel County, sworn and examined.

By the Chairman :

730. Will you please tell the Committee your case?—Mr. Perry and Mr. Sherwood came into my part of the country to sell wheat. Two neighbors of mine bought. One took 15 bushels and the other 20. They told me they thought it was a good thing and I went into it. I did not own anything of my own as I am working at home with my father. I gave a note for \$345. It was presented on the first of January and I could not pay it. They asked me why, and I said because I had not the money. The note stands against me yet.

731. How much did you pay a bushel for the wheat?—\$15.

732. What did they bargain with you?—To take twice the amount.

By Mr. Moncrieff :

733. Who came to make the sale?—Perry and Sherwood. If the Ontario Government had not chartered the concern, I do not think I would have gone into it.

734. Did they show you the charter?—They did.

735. They had a big charter with them?—Yes. I thought if the Government chartered anything it would be sound.

By Mr. Smith (Ontario):

736. You got the wheat?—Yes, and sold it again to my father.

By Mr. Cochrane :

737. Was the wheat sown?—Yes, it is in the ground now. It looks well.

738. It was sown last fall?—Yes. It is better than any wheat I have sown. I have sold it for \$23.

By Mr Barron :

739. The whole lot for \$23 ?—Yes. I got \$1 a bushel for it. I did not think it was worth any more than that.

740. How did you find that out ?—Wheat was only selling at 80 cents. I consulted a lawyer about the matter and left the wheat at the station for three months. He told me to sell it to my father or else the railway company would get it. He said I might have trouble and if I took it, it would help to pay expenses.

By the Chairman :

741. Who holds the note ?—James Roaf, of Toronto, and Dennis.

By Mr. McMullen :

742. How much is the note for ?—\$345, bearing interest at 8 per cent.

By the Chairman :

743. Have they sued the note ?—They have sued it, but I do not know whether they got judgment or not.

By Mr. McMullen :

744. You do not seem to care whether they do or not ?—No, I do not care much about it.

By Mr. Barron :

745. Did you get any card from them with the representation of a sheaf of grain on it ?—No.

746. It would appear as if this company had operated differently in various parts of the country. In my county they operated differently and it is the same company ?—It is likely.

747. I do not understand the system you have mentioned, but these men have small cards, nicely decorated with sheaves of wheat. These are given to the farmer and he signs. It is some arrangement between him and his brother farmers ?—He gave me a card to fill out and sign when I got the wheat, but when I got the wheat I was too mad to fill it out.

748. You were mad at the quality ?—No, at the men.

By Mr. Smith :

749. You thought you had been gulled ?—Yes, I thought I was gulled straight.

By Mr. Moncrieff :

750. What occurred to make you think you were gulled ?—Because Perry and Sherwood skipped out before I got the wheat.

751. And you thought the bottom had fallen out of the company ?—I thought it had gone through.

752. How many of your neighbors were caught ?—Four, including myself.

753. Have they paid the notes ?—Yes.

754. Did they want to get your father into it ?—They never saw my father.

755. He was not at home ?—No, neither was I, when I went into it. I happened to be at one of my neighbors and they said they were going over to see me.

By the Chairman :

756. I suppose your idea was to sow the wheat on your father's land, and if there had been any profit you would have shared with him ?—

By Mr. Smith :

757. Were they to take any wheat from you ?—Yes, half the amount.

By Mr. McMullen :

758. Did the other parties pay the notes before being sued or after ?—Before.

759. What was the amount of them ?—One was for \$360, another was \$240 and another was for 15 bushels. As soon as I got home and told my father about it, he said he would not be responsible, so I sat down and wrote a letter to the company in London, saying that I was not responsible and that my father will not have anything to do with it.

760. Did you ask them to take the wheat away ?—I asked them to cancel the order. One of my neighbors saw Perry in Brampton and he said they would give me my papers back, but they did not do it.

761. They sent the wheat on, notwithstanding your letter?—The wheat was at the station then. It came before the time to sue.

762. They expressed their willingness to give back the papers?—Yes.

763. Had there been any proposition then from the company in connection with your matter?—No, and I have not heard from them since.

By Mr. Moncrieff :

764. How many do you say had gone into this transaction?—Four. I was the last.

765. Before you went into it had you a consultation with the rest to see if it were all right?—Yes.

766. Who were these farmers?—They were three brothers named Gardiner.

767. Had they different farms?—Yes.

768. You went to see them about it?—The agents were in Gardiner's.

769. And you went over there?—Yes.

770. They told you they had gone into it?—Yes.

771. Did you agree then and there to go into it?—No, I told them I would not go into it. The men showed me the Government charter.

772. What did they tell you about it?—They said they had \$35,000 worth of stock. I do not think, however, that they said they had it deposited.

773. But the stock was subscribed?—Yes.

774. What did you understand by that?—I understood it was all right. I thought they had the money invested somewhere.

775. How long was it after that before you fell into the trap?—It was the same day.

776. Later on the same day?—Yes.

777. Did they go over to your father's place?—No, it was done right there.

778. You had not left at all?—No.

779. Then they talked you into it?—Yes.

By the Chairman :

780. When they showed you the charter with the \$35,000 of stock, was it conveyed to you to give you an idea of the strength of the concern?—It was.

By Mr. Moncrieff :

781. So then right there, at Gardiner's place, you gave that note?—Yes. I gave them the note, but I do not remember signing it at all, only my neighbors said I signed it.

782. The four of you were all in the same boat?—Yes.

783. Had you any suspicion that there was anything wrong?—Yes.

784. How long was it afterwards that you became suspicious?—As soon as I got home.

785. Who put you on the track?—My father. As soon as I told him about it he said it was a swindle, and that he would not have anything to do with it.

786. How long was it after that before you got the wheat?—It came in April, I think.

787. When was the note given?—On the 15th March.

788. Was it between those dates about a month's time that you found out that the whole thing was a swindle?—I found it out before I took the wheat away from the station.

789. Did you hold the wheat over until this season?—I put it in last fall. It is growing now.

790. Was it before you took the wheat that you found the bottom had gone out of the whole thing?—Yes, long before I took the wheat. I got advice from a lawyer in Brampton, and he said it made no difference whether I took the wheat or not.

By the Chairman :

791. Have you offered to pay them for the wheat?—I offered to pay \$100 to settle.

792. What was the object of that?—To get the note back.

By Mr. Moncrieff :

793. To whom did you make that offer?—To Mr. Roaf.

794. He would not take it?—No.

By Mr. Cochrane :

795. You expected that the conditions of the bond would be carried out?—I did.

By Mr. McMullen :

796. Did you read it over?—I read it over twice.

By the Chairman :

797. Did they tell you there would be no trouble in selling that quantity of wheat?—I was to sell it to them. They were to take double the quantity of wheat back; I was to get the note and \$125.

By Mr. McMullen :

798. According to this bond you were to become agent for the company?—Oh, no.

By the Chairman :

799. According to the bond they sell you so much wheat, and they in turn agree to sell so much wheat for you?—Yes.

800. They agreed to sell for you, which is a different thing to agreeing to take it from you?—That is the way they put it. They said they would come round and take the wheat. They said further when they took the wheat they would pay over \$125 and my note. That would leave me clear of the note altogether.

By the Chairman :

801. You understood they would keep the note until such time as the return wheat came in?—Yes.

The Committee then adjourned.

THURSDAY, 17th May, 1888.

Committee met, Mr. BROWN in the chair.

FELIX MARCOTTE, of Portneuf, sworn and examined.

By Mr. Amyot :

802. What is your occupation Mr. Marcotte?—I am bailiff and secretary treasurer of the schools.

803. Where?—In Portneuf.

804. What information have you to give to the Committee?—In 1882, an individual named Vincent came to me. He was a total stranger to me, I had never seen him before.

805. What did he propose?—He boarded two days with me and had papers with him concerning agricultural implements. He asked me if I would take the agency of the company which he represented: that if I would I would receive a percentage of 15 per cent. The price at which the implements were sold by the company was fixed, but to that price I was to add 15 per cent. and this was to be my profit. He then asked me to sign a note for \$324. He then made a written agreement for me which detailed the agricultural implements that would be sent to me. That written agreement is now in the hands of my lawyer in Montreal. It was in the same printed form as the one now exhibited to me and which reads as follows:

OFFICE OF THE EMPIRE AGRICULTURAL WORKS,
PROPRIETORS OF THE GRANITE MOWER AND REAPER,

Manufacturers and Dealers in Agricultural Implements, Iron and Wood-working Machinery.

Manufactory: Common and Dalhousie Streets.

Office: 27 Dalhousie Street.

MONTREAL, 18th January, 1882.

This is to certify that we have this day duly appointed Victor Bélanger agent for the sale of our implements and have sold to him the following on the conditions

hereafter mentioned, the said effects to be forwarded to him according to the instructions which he will give us:—

| | | | |
|--------------------------------------|------|-------|---------|
| 2 Buckeye mowers..... | \$55 | \$110 | \$70 00 |
| 2 Ploughs, No. 7, chilled | 10 | 20 | 14 00 |
| 2 " " 8, steel..... | 10 | 20 | 14 00 |
| 2 " " 6 " broad..... | 8 | 16 | 11 00 |
| 2 " " Imperial, No. 30, steel..... | 11 | 22 | 15 00 |
| 1 Harrow..... | 11 | 11 | 15 00 |
| 2 Ploughs, No. 34, iron ploughs..... | 11 | 22 | 15 00 |
| 1 " with hillers..... | 8 | 8 | 11 00 |
| 2 " No. 3, Canadian | 7 | 14 | 10 00 |
| 1 Corn sheller..... | 7 | 7 | 10 00 |
| 6 Horse rakes..... | 20 | 120 | 28 00 |

Received payment by note due the first of January, 1883, without interest, payable at the Quebec Bank, in the city of Quebec.

We bind ourselves with the said Victor Bélanger that if, after reasonable effort, he cannot sell the above-mentioned implements before the first of January, 1883, and notifies us by letter or otherwise before the time mentioned, we will then send an agent to assist him in selling the implements. If then neither our agent nor the above named person can succeed in selling the implements above mentioned before the first of December, 1882, we will take them back again and credit him with the amount that he has been charged for them with all the money he has paid in freight on the same goods.

We reserve to ourselves, however, the right to make a few slight changes in the style or quality of the implements forwarded under this contract, which we may judge necessary to give to the said Victor Bélanger, substituting implements which will be more saleable in his market.

This contract must be renewed or continued for at least one year if the said implements are not sold during the current season.

All the above mentioned implements must be well stored and cared for all the time.

All implements found to be unsaleable in the locality may be exchanged for any others that will be saleable.

C. B. MAHON & CO.,

Proprietors.

I, the undersigned, accept the terms of the above engagement. I pledge myself to all the conditions herewith, and accept the said implements in all or in part when they will be sent to me. I will dispose of them in good faith and to the best of my ability and in the same manner as if this contract had not been made.

VICTOR BELANGER.

The promissory note which I gave he said he would leave it with the postmaster of the parish, and wherever I sold any implements I was to give the money to the postmaster who would send it to the company and the company would send me a receipt. I never received any of the implements at all. When the note was about due I went to the post office to see if the promissory note was there, but the postmaster did not have it. Subsequently I received a letter from a man named James Baxter, telling me that a note had been transferred to him asking payment of the same.

806. What did you do then?— I did not answer that letter and some time afterwards I was sued. It was in 1882 that I made the agreement with the man Vincent. After being sued I compromised by paying \$250 in full payment. I got the receipt which I now exhibit to the Committee, and which I have no objections to leave in the Committee's possession. It is as follows:

(Copy).

Notes, bonds and mortgages bought and sold ;
Money advanced on securities.

JAMES BAXTER & Co., 120 St. FRANCOIS-XAVIER St.,
MONTREAL, 24th November, 1883.

A. THIBADEAU, Esq.,

DEAR SIR,—In the matter of suit of Exchange Bank of Canada vs. Antoine Langlois, and the same vs. Felix Marcotte, we have paid the costs and the suits are dismissed.

Yours, &c.,

JAMES BAXTER & CO.

That \$250 was a dead loss to me, and I consider that I spent about \$50 more for travelling expenses and legal advice.
The Committee then adjourned.

EXHIBITS FILED WITH THE COMMITTEE.

(Translation.)

(EXHIBIT A.)

Contract by Ross, Ewin & Co. of New York.

By the provisions of this contract, between François Lamande, farmer, County of Montmagny, District of Province of Quebec, and the City of New York, in the United States, dated at St. Pierre, 8th Sept., 1881, I François Lamande pledge myself to deliver within Two months from this date One hundred bushels of oats, more or less, which I, François Lamande, and said Company binds itself to receive there and Promise to pay to Ross, Ewin & Co., or to the pur-chaser or bearer One hundred dollars current money Canadian currency, value acknowledged by said Co. or agent as having been received

of the Parish of St. Pierre, and Ross, Ewin & Co., of it is agreed between us, and at Saint Pierre Station declare to be of good quality François Lamande agent legally appointed thereof and whose receipt will be payable by the aforesaid Co. satisfactory having been duly

R., E. & Co.

F. LAMANDE

Ross, Ewin & Co.

The contractor having declared to be unable to sign, has made his mark before us witnesses.

Witnesses



No. 347.

(EXHIBIT B.)

\$.....
P.O. Address, Date 188 .
On or before the first day of 188 , I, the undersigned,
residing on Lot , Con. , Township of , in the County
of , Province of , promise to pay to the Ontario
Grain and Seed Company, or bearer, the sum of
dollars, with interest at 8 per cent. per annum, after
at the Bank of London in Canada, at
London, Ont., for value received.

..... }
Agent must re-write signature plain on above line. }

(EXHIBIT C.)

JARVIS, 14th May, 1888.

Mr. BROWN,

HON. SIR,—I have heard by Dr. Langrill that you were investigating the actions of one Mr. Hope, who has been swindling the farmers with spring wheat. The same Mr. Hope came to my house in January of 1887, stating that he had a new kind of spring wheat, called the Blue Mountain Defiance, that yielded from 30 to 45 bushels per acre. He would not sell the wheat at any price, but wanted the farmers to take it on shares, the farmers to sow, reap and thresh, and give them half the increase. He said he was a farmer himself and wanted to get it through the country. He said he would do better by letting it out than selling it. I got two bushels, and then he wanted to know if he could bring all the wheat here and leave it for the farmers to get, as I lived near the station and in the centre where he had let the farmers have it. He wanted to let out 30 bushels. I said he could. In March his son came to me and said the wheat was at the station, and left the cards we had signed with me. He told me when the men brought the wheat back in the fall I was to give each man back his card. He said then he wanted me to sign an agreement to keep the wheat that was delivered here until they came for it in November, so I could not make away with it, or if anything happened to me before that time they might have trouble getting it with the heirs or executors. I signed an agreement. Now they have my name on a note for \$240, which I never signed. I refused paying it, and the parties who got it sued it. It was to have been tried last December. For some cause, which I could not find out, it was laid over until June next. The cost already is nearly as much as the note, and if I have to pay it, it will sacrifice my home I have worked so hard to get.

ALPHONSO BEEMER,
Jarvis P.O.

If you wish my evidence I would only be too glad to go there and give it, if it would be of any use to break up the fraud that is going on.

(EXHIBIT D.)

BLOOMSBURG, 14th May, 1888.

MR. ADAM BROWN, M. P.

DEAR SIR :—I saw a notice in the *Western Advertiser* stating that there had been a special committee appointed by the House of Commons to investigate hayfork, farming implement, seed grain and other alleged swindles. I am one of the unfortunate ones that was swindled out of \$327 by the Ontario Grain and Seed Company of London. It was incorporated by Act of Parliament, 10th June, 1886, and on the

19th day of November of the same year, Oliver Perry, Vice President of the Company, and acting as agent, also accompanied by James Tisdale, of Simcoe, came to my place, and sold me 20 bushels of White Star Oats at \$15 per bushel, the oats to be delivered in Simcoe in December, 1886, and they gave me a bond agreeing to take 40 bushels on the 1st of December, 1887, which they were to give me at \$15 a bushel, I allowing them 33 $\frac{1}{3}$ per cent. on each bushel of oats they sold. Perry and Tisdale both positively affirmed that the Company had deposited \$35,000 with the Government as security, and they said further that if the Company failed to carry out their agreement the Government would send a man to take up the bond and pay the claim. I gave my note for \$300, at 8 per cent. interest, due on the 4th day of January, 1888, which I paid when due, for which I received as remuneration only the 20 bushels of oats.

L. B. Lapierre, President, Oliver Perry, Vice-President, Hewitt, of London, Managing Director, Geo. S. Ward, Secretary; the above were officers of the Grain and Seed Company.

Yours respectfully.

W. P. SKIRROW.

Please address, Bloomsburg Post Office, Ont.

(EXHIBIT E.)

DURHAM, 12th May, 1888.

ADAM BROWN, Esq.

DEAR SIR,—I have just observed your advertisement in the *Globe* this evening, soliciting ideas or suggestions to be brought before the special committee of which you are chairman, having for its object the protection of the farming community from being gulled by designing and irresponsible agents. A case has just come under my observation, the particulars of which might be of some service to your committee. A man named Campbell has resided in Durham for the last two years or thereabouts. His occupation was that of an agricultural implement agent. Besides selling his machines for cash, he also sold on time, taking a note therefor. He did not confine himself to selling for cash or on time, but largely adopted the practice in his selling of accepting in part pay a horse, cattle or some worn out implements or machines, and the balance in cash or on time as may be arranged. At last Campbell considered it advisable to join the Canadian colony across the lines, leaving his country for his country's good, but at the same time leaving his creditors to mourn his loss. As soon as it became known that Campbell had skedaddled, the different factories he had represented had agents here at once trying to find out where any machines had been sold to farmers, and the notes drawn out in favor of T. W. Campbell instead of the makers of the machines; also where sales had been effected and cattle, horses, or other implements taken as part pay, and the balance paid in cash. They found out a number of cases where the system of barter had been adopted, but in each case the machines were settled for in full. In five different cases of the last mentioned, seizures were effected under a writ of replevin and the different parties sued at the same time. One of the parties settled by handing over \$40 in cash, rather than be bothered with litigation. The other four fought their cases out, each electing to have a jury. They succeeded in winning, but only to be brought in for further costs, as the cases have all been appealed against, the contention of the solicitor representing the manufacturers being that the manufacturers have a written agreement with T. W. Campbell, binding him to sell their machines for cash or on time by the note being drawn in their favor, and that sales effected in any other way were illegal and contrary to statute. Now, if this contention is correct, it simply leaves the unsuspecting machine purchaser that at any time the agent does anything wrong, they may be called upon to pay the second time, provided that in the sale the legal requirements have not been complied with.

I would suggest that the law should be changed so as to make the manufacturers responsible for the acts of their agents, or that there should be a place in each riding or municipality, where, at all times, a copy of the agreement between the manufacturer and his agent could be examined on payment of a small fee.

Yours respectfully,

GILBERT McKECHRIN.

(EXHIBIT F.)

ONTARIO OIL WORKS,

W. S. WILSON,

LONDON, 4th May, 1883.

DEAR SIR.--I have noticed that you have taken an interest in these seed wheat and other swindles that have been perpetrated lately; and have some motion of enquiry before the House in respect of them; I send you a copy of a number of our daily paper published to-day, in which you will see that the perpetrators have settled with the farmers who prosecuted them civilly, and propose to try and get rid of the criminal charges pending. It seems to me that that is a case of fraud that should not be allowed.

There is a deal too much of that sort of thing going on, and when the criminal law is invoked (which is seldom enough) the party, if guilty, in protection of society at large, should be punished, and the Crown officers should be instructed to push for conviction stronger; because the defendant has settled the civil suit, that alone is the strongest moral evidence of guilt; what does this defendant care for the disgrace of being indicted, he has the money of lots of others who did not prosecute.

Yours truly,

W. S. WILSON.

(EXHIBIT G.)²

Extract from Canadian Live Stock and Farm Journal.

"A brace of swindlers are at present engaged in scouring the counties of Ontario picking up spoil in the shape of notes taken from the farmers for seed wheat, which they are selling at the rate of \$15 per bushel. They give a bond to take twice as much of the first crop from the farmer at \$10 a bushel, and the poor foolish farmers are greedily catching at the bait, and those of them which they have caught they are using in turn as bait to catch others, by referring to sales made by them, and in other ways. They are garnishing their villainy by using the names of respectable farmers whom they distinctly designate, representing them as leading officers in their company. Now, in all coolness we desire to ask what guarantee have the farmers that the wheat sent shall be of the same kind as the sample shown, which consists of about one-third of a teacupful kept in a bottle? Where is the guarantee that the soulless men will fulfil the terms of their bond? The farmers, once their name is committed to paper, must pay the last farthing when the notes mature, but what assurance have they that the organized robbers will redeem their bonds? Where is the assurance that the so-called variety of wheat is new, or that it is one whit better than the commonest variety in the country for milling purposes, or indeed, that they will get the same variety as the sample at all? Where is the assurance that the wheat will ever become popular with the farmers? It may prove itself to be a fair variety in a land where it is as yet untried, but it may not, and like the Bohemian oats of regretful days, it may turn out inferior to ordinary wheat, both in the quantity and the quality of the yield.

“That story of a Government charter with a capital stock of \$35,000, and bonds deposited with the Ontario Government, is the siren song that catches the ear of the farmer, and so bewitches him that he becomes a running ‘Amok.’ We have good authority for saying that the latter part of it is an infamous falsehood, that they have not one cent deposited with the Government as bonds. And so the farmers who have been caged will find to their sorrow when pay day comes, let them believe it or not as they please in the meantime.”

(EXHIBIT H.)

AYLMER, ELGIN CO., ONTARIO,
11th May, 1888.

DEAR SIR,—My attention has just been called to your notice in the newspapers, in respect of those who have suffered from hay fork, &c., swindles. We have just had a case of that kind. A man named Colter, from Brantford, went to a respectable farmer named Isaac Brown, of Corinth, Ont., who could neither read nor write, and under the pretence of getting an order for a hay fork to put up in his barn for exhibition to the neighboring farmers, got his two notes for \$150.00 each, which duly found their way into the hands of Mr. Peter Wood, of Brantford. One of the notes purported to be made by Isaac Brown, and endorsed by John A. Colter and Thomas Colter, the latter lives in Toronto, and Brown was sued there this winter and through me defended strenuously, and the defendant swore positively he never wrote his name in his life and never authorized any one to sign this note for him. The Judge (Morgan) disbelieved him and has given judgment against Mr. Brown, and has refused a new trial, and the defendant will now be obliged to pay this note with its attendant costs. The other has not been sued yet.

We acted with Mr. Aylesworth of Toronto for Mr. Brown on the defence, and give you some of the bare facts of the case without comment, in answer to your notice.

If any plan can be devised for protection from those swindles it will certainly be a good thing for the farmers, who do not seem able to protect themselves from these men.

Yours respectfully

ADAM BROWN, Esq., M.P.,
House of Commons, Ottawa.

JNO. CRAWFORD,
CRAWFORD & HAINES.

(EXHIBIT I.)

CULLODEN, 11th May, 1888.

DEAR SIR,—I observed a notice in the daily *Globe* of the 10th inst., in regard to farmers being swindled.

I gave my notes for \$300 to the Ontario Grain and Seed Company for 20 bushels of Red Lion Wheat to be delivered on the first of last September. I received none of the wheat. The agent of the company gave me a bond binding the company to purchase from me double the amount of wheat that I had purchased. The bond is not redeemed. I gave my notes on the 20th of May, 1887, payable on the first of April, 1888, which I have had to meet. The company sold my notes in a few days after coming into their possession, so I was swindled out of my money. I think it is about time a change was made in the law so as we could get a hold on these sharpers. I know of several persons who were sued on their notes and judgment was given against them.

Yours respectfully,

JAMES RYAN.

To ADAM BROWN, M.P.,
Ottawa, Ont.

(EXHIBIT J.)

TORONTO, 14th May, 1888.

ADAM BROWN Esq., M.P., Ottawa Ont.

DEAR Sir, * * * * *

On Saturday last, I, acting for the County Crown Attorney of the county of York, obtained a conviction against Mr. T. Hope for obtaining the promissory note from George Hollingshead by false pretences, and subject to a case reserved by the judge as to whether certain evidence was properly admitted, Mr. Hope's career as a "seed wheat" philanthropist is likely to be interrupted for some time to come.

"The excelsior force pump," the "hay fork," the "lightning rod," the "plough point," the "book agent," the "seed wheat" and other schemes have all had a fair share of success in this county, and more or less I have had to advise in cases in which these frauds had been perpetrated. In nearly every case of fraud I find the perpetrator aims at one object, namely, to get the farmer's signature to a promissory note which he then as expeditiously as possible sells to an "innocent" purchaser for valuable consideration. In my opinion the *innocent* purchaser is usually the father of the whole fraud, and the perpetrator is merely his agent in the business. The purchaser however possessed of a *face of brass*, and a *conscience of leather*, swears each transaction through as it comes along, has no memory for any other transaction than the one that is before the Court, and as his victims are scattered they seldom know of the other transactions where he has purchased promissory notes of a similar character in equal *innocence*. The county of York can boast of at least one such purchaser who is now worth probably upwards of \$200,000. I have frequently come across his name in transactions of this character. Latterly he has discounted the notes at the banks, and the banks have brought the actions claiming to be the innocent holders for value.

* * * * *

Very truly yours,

JAMES S. FULLERTON.

(EXHIBIT K.)

SOUTH MIDDLETON, 14th May, 1888.

Mr. ADAM BROWN, M. P.

DEAR SIR,—By request published in the weekly papers that all farmers that have been swindled to report: I for one have been swindled to the extent of \$165 by the London Iron King Pump Company or their agent. They wanted the liberty to place a pump in my well for a show and wanted me to sell some pumps for them and I signed an order as I suppose for one pump (as I cannot read without glasses) but instead of one pump the order was for one dozen, and when they came none of these pumps had any piping excepting the ore to be put in the well, then I signed an order to let my son sell pumps for them and this proved to be a note to the amount of \$165. Hoping this is all the information needed.

Yours truly,

THOMAS RODWELL,

South Middleton P.O.

P.S.—Agent, Frank Waters, and Delivering Agent, J. Brown.

(EXHIBIT L.)

CANADIAN LIVE-STOCK AND FARM JOURNAL, 48 JOHN STREET SOUTH,
HAMILTON, CANADA, 15th May, 1888.

ADAM BROWN, Esq., M.P., Ottawa, Ont.

DEAR SIR,— * * * * *

The methods of the men were singularly cunning. They showed me an advertisement in the Hamilton and London papers of their business. They thought I should accept this as conclusive that their business was legitimate. They also showed me locals of their annual meeting of their business transactions. Being a newspaper man of course I could not be imposed upon in that way, but I can readily see how the farmers could be fooled. They used Mr. _____ of _____ as a bait. They first sold him wheat and then paid his expenses to Paris and London to examine into the affairs of the company, and then got a letter from him testifying that all was right. This letter they used as a blind with other farmers.

* * * * *

Yours truly,

JAS. W. SHAW.

(EXHIBIT M.)

BEVERLY, 16th May, 1888.

Mr. ADAM BROWN, M. P.

DEAR SIR,—I noticed in the *Times* that all those that were swindled by those sharpers that were going around swindling the farmers with seed wheat and hay forks, should notify you. I take this opportunity to state the way they operated with me. Two men by the name of Sherwood and Elliot came into my house on March 10, 1887, and wanted to sell me seed wheat at \$15 a bushel, that it was a very superior kind, and they called it Red Lion. I said to them: "You are a couple of swindlers." They said they were not, that they were working under the Government, that they were a chartered company by the Government, that they had \$35,000 deposited in the Government, the Government was security to that amount, and they showed their bond with the Government's seal, and they had papers with Mr. Mowat, the Premier's, name to them, and I thought they were doing a legitimate business, and they showed me a printed list of about sixty different farmers through counties and townships that had bought the wheat and they were well pleased with their investment, and I was foolish enough to believe them and took fifteen bushels of the wheat. The company were to come in December of the same year, pay me \$10 a bushel for thirty bushels of my wheat, and the next harvest to come and take all my crop at the same rate. I gave my note for \$225, due the 4th January, 1888, and I paid the note, and I suppose I am swindled out of it. I don't know that I need write anything more about it.

I remain yours,

PETER DECKER,

Flamborough Post Office.

(EXHIBIT N.)

VALENS, 16th May, 1888.

Mr. ADAM BROWN, M.P.

I notice that you are appointed chairman of a committee to investigate seed wheat and hay fork swindles. We the undersigned have passed through the hay fork business. If it lies in my power to assist you in any way to stop such swindlers as E. E. Jones, of Toronto, and Colter, of Brantford, I will gladly do so. I will merely

state to you how they did with us. No. 1 came to my farm with a small sample of a hay fork, explained how finely it worked. I distinctly told him we would not buy it. He said he did not wish us to buy it if we would only act as agents; he would send a man to put up a fork in my barn free of charge to show to the neighbors or intending purchasers; he himself would advertise that they were here for sale and would supply us with fifteen forks for which we were to charge not less than \$25, for which we were to give him \$20 for each one sold. He would again send a man in the fall to collect the unsold forks and twenty dollars for each one sold, leaving us the one in the barn for our trouble. Next he produced an order for us to sign, which he said was only to let the next man know where we lived, lot and concession, &c., &c. In a few days No. 2 appeared saying the forks were at the station, and we must settle at once, either by cash or note, for \$300, payable in three months. He claimed to be the manufacturer, giving us his card and address in Toronto. We found in a short time there was no such establishment there. At this time we had not yet seen the forks; when we got them and examined them we found they were only good for old iron. We had him arrested in Toronto and brought to Hamilton and tried for obtaining money under false pretences, but he had one dozen rogues as big as himself prepared to swear anything. The consequences were we were beaten and had to pay out our hard earned money, receiving no value for it. Sir, I know different parties whom he cheated in the same way who have never been able to make it up since. I do trust you will be enable to get a bill passed to stop those frauds, as I think it is a noble cause you have taken up. Hoping you will succeed,

I remain, sir,

Yours very respectfully,

JOHN A. VALENS,

WM. ROBSON,

Valens P. O., Ont.

(EXHIBIT O.)

(Extract from the Shelburne Free Press).

An adroit swindler has been working a quiet game by which he has reaped a rich harvest. He circulated among the farmers and bought cattle, for which he paid in cheques which were *bona fide* and were honored by the local banks where the sharper had money on deposit. But he never called for his cattle. On the contrary, about the time the farmers were looking for him to come after them, they received notice that the little receipt they signed when their certified cheques were handed them, had grown into notes about five times as large as the cheques.

(EXHIBIT P.)

(Copy.)

OTTAWA, 12th May, 1888.

To B. B. OSLER, Q. C., Toronto

Are criminal proceedings against Hewitt likely to be abandoned?

ADAM BROWN.

LONDON, 12th May, 1888.

To ADAM BROWN.

The prosecutors' solicitors have withdrawn and asked Attorney-General for leave to drop the charge.

B. B. OSLER,

(EXHIBIT Q.)

GLANFORD, 11th June, 1888.

ADAM BROWN, Esq., Q.C., M.P.

DEAR SIR,—On 4th February, 1887, J. M. Tisdale and Oliver Perry came to my house. About two days before they had been to see Louis Lapièrre, and had talked with him about me, asking him where I lived, &c. I knew this Lapièrre to be a well-to-do man, and placed every confidence in him. These men, Tisdale and Perry, asked me if I would not buy some seed wheat which they were selling, and which they said was a superior class of wheat. I told them I did not want their wheat. They then said that they had a Government charter, and \$35,000 invested in Government, so I need not be afraid as it was a Government affair, and all right and straight. They told me that after they had sold as much more wheat they were to deposit so many thousand dollars in the Government again. As they sold the wheat they were to keep depositing in the Government. So then I told them that I would take 30 bushels of the wheat. I gave them my note for the amount. After doing so I asked what they were going to do with my note. This note was dated 4th February, 1887, payable on or before the first day of January, 1888. They gave me a bond specifying that one month before my note was due they would come to me and buy 60 bushels of wheat, fetching my own note back in part payment for the 60 bushels. They agreed with me afterwards before two or three witnesses that if I did not want my money in notes they would go with me to Hamilton and give me the money out of the bank. About two or three weeks after this I began to be rather suspicious, and sent them a lawyer's letter demanding the notes, and saying I did not want their wheat. Tisdale and Perry, accompanied by Elliott and Sherwood, came from London and assured me that it was all right. I then asked Elliott to write to me, as I did not understand this wheat business at all. So he wrote and said the same thing over again, that all was right. This letter I took to Mr. Irving, Q.C. I blame the Government for issuing a charter to such rogues without money being invested in the Government. I also blame Lapièrre and Elliot. I hope and trust that the Government will do something to try and give us back our money.

Yours truly,

JOHN SMITH.

REPORT

OF THE

SELECT STANDING COMMITTEE

ON

AGRICULTURE AND COLONIZATION

OF THE

HOUSE OF COMMONS.

SECOND SESSION, SIXTH PARLIAMENT.

Printed by Order of Parliament.



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1888

TABLE OF CONTENTS.



| | PAGE. |
|--|-------|
| REPORT OF COMMITTEE..... | 1 |
| RESOLUTION—From Toronto Corporation..... | 4 |
| CORRESPONDENCE—In reference to Belgian Immigrants..... | 5 |
| MR. A. F. JURY'S EVIDENCE—In reference to Pauper Immigration | 7 |
| DR. E. PLAYTER'S EVIDENCE—On Tubercular Disease..... | 24 |
| MR. F. B. ANDERSEN'S EVIDENCE—As to Scandinavian Immigration..... | 33 |
| MR. SAUNDERS' EVIDENCE—As to the Experimental Farms..... | 38 |
| MR. FLETCHER'S EVIDENCE—On Entomology and Botany..... | 53 |
| MR. SHUTT'S EVIDENCE—On Chemical Experiments | 69 |
| MR. LOWE'S EVIDENCE—On Immigration..... | 75 |

REPORT.

The Select Standing Committee on Agriculture and Colonization respectfully submit their first and final report.

The Committee divided their investigations into two branches: firstly, with regard to the operations of the Central Experimental Farm at Ottawa, and those of the Branch Experimental Farms proposed to be established in the Provinces; and, secondly, with regard to the cost, extent and character of the immigration during the year 1887.

With respect to the first of these subjects, the Committee examined Professor Saunders, Director of the Central Experimental Farm; Mr. James Fletcher, the Dominion Entomologist and Botanist; and Mr. Frank Shutt, Chemist. The evidence of these gentlemen is reported in full and is appended to this report.

Professor Saunders furnished the Committee with a sketch of the operations already set on foot, and to be undertaken in connection with the Central Experimental Farm and the outlying farm stations, having in view the promotion and improvement of agriculture, including stock raising; and horticulture, including fruit growing, together with forestry.

The statements made by Professor Saunders contained much that is of interest to the farming community. His reference to fertilizers was of particular interest, and the experiments which will be made with the various kinds, when published in the proposed bulletins, will afford practical information to farmers, which they could not otherwise obtain, in the absence of what might be costly experiments not within the reach of all. Special attention was drawn to the fact that large quantities of wood ashes are annually exported from Canada, which, if retained in the country, would be of great value as a fertilizer.

With respect to seed testing, Professor Saunders stated that 187 tests had been made during the past year, and that up to the 15th of March, of this year, 687 samples of grain and agricultural seeds had been received, the samples then daily coming in—a fact showing the growing interest among farmers in this part of the work of these farms, which may save many from severe losses from sowing worthless seed.

He also gave a detailed report of the experiments which have been made in different parts of the Dominion with samples of wheat obtained from northern Russia, latitude 60 degrees north, nearly six hundred miles north of Winnipeg. The results obtained from these samples of grain were satisfactory, and he stated that wheat called "Ladoga," which ripened in Manitoba and the North-West Territories from 10 to 15 days earlier than the Red Fyfe, and which was satisfactory with regard to its strength of growth and yield, and nearly equal to the Red Fyfe in hardness, would probably be found to be peculiarly adapted to those portions of the North-West where the Red Fyfe might fail to ripen. He did not, however, recommend it in preference to the Red Fyfe in those districts where that variety of wheat would ripen. His statement on this subject is worthy the consideration of wheat growers.

With respect to fruit trees, the statements of Professor Saunders were of special interest, not merely to horticulturists, but to farmers generally. The varieties of apples, pears, plums, cherries, &c., adapted to the different parts of the Dominion, will be thoroughly tested, and it is believed that varieties will be found which will prove suitable to the different conditions of climate throughout the Dominion, and more particularly to the northern portions.

The evidence of Mr. James Fletcher, the Entomologist and Botanist, covered ground in some respects more familiar to the Committee, but scarcely less important as regards the lumbering and agricultural interests. The destruction from insect pests is enormous. It has been demonstrated that certain practical remedies may be used as a protection from insect pests, and those which go under the name fungi, which seem to be a low form of vegetable life. Mr. Fletcher indicated several specific remedies of very great importance, which will be found in the evidence appended to this report.

Mr. Fletcher's evidence, with reference to tree planting and also to the insects feeding upon both the fruit and forest trees, was of great practical importance to the large interests concerned. Special attention was drawn to the ravages in the fir forests by the borer, and Mr. Fletcher informed the Committee that he was collecting information with the view of endeavoring to secure some remedy against the damage done by these pests.

Mr. F. Shutt, Chemist of the Experimental Farm, gave details of the methods and processes proposed to be adopted, which can scarcely fail to add to the existing information relating to the improvement of agriculture.

One point in Mr. Shutt's evidence, which might be mentioned as of great interest, had reference to an analysis of specimens of marl, taken from a farm near the Central Experimental Farm. Marl is plentifully found throughout the Dominion, and it is shown by this experiment to possess three qualities: it acts as a direct fertilizer, it ameliorates the condition of clays, and by its action on many insoluble constituents of the soil, organic and inorganic, renders them soluble by plants. This is an experiment which many farmers can try for themselves.

Mr. Shutt thought that much advantage might be gained from the analysis of fodder plants, with a view to ascertaining their value as feeding material, both for the production of milk and fattening purposes. Any definite information which can be obtained on this subject will be useful and important.

Mr. Shutt also described the analysis of fertilizers, and the effects produced by them, which may be turned to practical account. His statement, in detail, will be found worthy of the attention of farmers.

Mr. John Lowe, the acting Deputy Minister of Agriculture, was examined on the subject of immigration. He made a statement of the results obtained during the year, as compared with previous years, from which it appears that the total number of immigrants who settled in the Dominion in 1887, was 84,526.

The character of the year's immigration was reported to be satisfactory. The immigrants were generally of a good class, and the demand for female servants and agricultural laborers was not satisfied during the year. The unsuitable immigrants were found to be a very small percentage of the whole immigration. A noticeable feature of the year's immigration was, that a much larger number of immigrants went into Manitoba and the North-West Territories than during the previous year,—this movement having also set in with renewed activity during the present year, and affording promise, if not checked, of a large immigration.

One thousand eight hundred (1,800) Icelandic immigrants came to the Dominion during the year. These immigrants paid their own steamship and railway fares, and appear to have settled satisfactorily in the North-West. There was also during the year activity in the formation of Scandinavian and German colonies.

It was stated that the Department had determined to discontinue entirely the assisted passages on the 27th of April last, that being the date of the termination of the agreements. The total amount expended during the calendar year was \$313,891 for all services and the cost of all establishments in Europe and the Dominion, as against \$301,774 for the previous year, and \$310,271 for 1885.

It was also stated that all expenditure for inland immigration, transport and meals would cease. An analysis of the expenditure showed that \$60,992 was expended for agencies throughout the Dominion, and \$57,150 for all services through the London office.

\$44,776 was expended for immigration maps and pamphlets. The amount expended for inland transport was \$28,219; and for assisted passages and commissions during the year \$60,850, of which two-thirds were said to be for assisted passages proper, the remainder being for commissions to agents.

The total number of immigration publications during the year was, 3,008,643, of which 231,000 were printed in England, these latter being principally in foreign languages, for circulation on the Continent.

A copy of a resolution, passed by the City Council of the City of Toronto on the 23rd April, 1888, and communicated to the Chairman by the City Clerk, was read to the Committee, and forms a part of this Report. The Resolution stated that many destitute persons had been sent to this country by the Poor Law Guardians of Great Britain and various charitable institutions of that country, in order to relieve themselves of the support of persons unable to provide for themselves in their own country, and that these immigrants necessarily became a burden on the charitable institutions of this country, and help to swell the number of inmates in our gaols and lunatic asylums. These allegations were supported by a statement made by Mr. A. F. Jury, on behalf of the Knights of Labor. They lacked, however, definiteness, no precise information as to numbers being given, and no attempt being made to discriminate between the ordinary poor, always found in large cities, and immigrants of that class.

Dr. Ferguson, M. P. for Welland, also called the attention of the Committee to the undesirable character of the child immigration promoted by Miss Rye and Miss MacPherson, and stated that some of these children, who had come under his observation, had brought with them communicable diseases, incident to the conditions of life from which they had been taken.

On the other hand, General Laurie, M. P., Mr. Trow, M. P., and other members of the Committee, stated that considerable numbers of these children had been placed in their respective localities, and, generally speaking, had done well, and were much sought after by farmers and others.

Mr. Lowe was examined with regard to these allegations, and he stated that the Department had caused inspections to be made, which resulted in establishing the fact that not more than 5 to 7 per cent. of this child immigration had proved unsatisfactory.

The Committee, whilst desirous of promoting the inflow of healthy, industrious immigrants, for the peopling of the country and the development of its resources, are of opinion that the greatest care should be taken to prevent the importation of immigrants, either children or adults, who would be likely to become a burden on our charitable institutions, or become sources of disease; and, with this object in view, recommend that a strict medical inspection and certificate of healthiness be exacted before the children referred to are allowed to land on our shores.

The Committee resolved that the Clerk of the City Council of Toronto be requested to furnish a statement of the nationalities of the persons alleged to have been aided during the past winter, the number of persons so aided, and the length of time during which they have resided in Canada; but this information has not yet been supplied.

Dr. Edward Playter editor of the *Canadian Health Journal* was examined in relation to tubercular diseases, and their communication from animals to mankind.

The whole of the evidence taken before the Committee is submitted herewith, as a part of this report.

All of which is respectfully submitted.

P. WHITE, *Chairman.*

HOUSE OF COMMONS, COMMITTEE ROOM No. 6,
May 18th, 1888.

Copy of a Resolution adopted by the Council of the Corporation of the City of Toronto at its meeting held on the 23rd day of April, 1888.

Resolved, That whereas during the last winter season, and to a great extent for a number of years past, the demands on the resources of the various charitable institutions and of the city authorities for assistance to destitute immigrants have been so great and of such a character that the resources of the civic authorities and others interested in the question of providing relief for the destitute have been seriously overtaxed, and the causes which have led to this state of affairs requires our most serious consideration;

And whereas, according to reliable information received from various sources, and from information obtained in some cases from the applicants themselves, a great many destitute persons have been sent over to this country by the Poor Law Guardians of Great Britain and the various charitable institutions of that country in order to relieve themselves of the further support of persons who are unable to provide for themselves in their own country;

And whereas, we believe that continued efforts are being made by the parties aforesaid to ship to the country during the coming season this very undesirable class of immigrants, to the great injury of this city and the country;

Therefore, be it resolved: That the Council of the Corporation of the city of Toronto enters its most emphatic protest against the continuance of the practice of shipping to this country a class of people so very undesirable and who being unable to provide for themselves in the old country necessarily become a burden on the charitable institutions of this country and help to swell the number of inmates in our jails and lunatic asylums; and that a copy of this resolution be sent to Peter White, Esq., M.P., Chairman of the Immigration and Colonization Committee of the House of Commons at Ottawa, to our representatives in Parliament, to the Governor General in Council and to the Secretary of State for the Colonies in Great Britain.

Certified a true copy.

JNO. BLEVINS, *City Clerk*.

APRIL 25th, 1888.

HOUSE OF COMMONS OF CANADA, OTTAWA, 2nd May, 1888.

EXTRACT from the Minutes of meeting, of this day, of the Select Standing Committee of said House of Commons, on Agriculture and Colonization.

“Moved by Mr. Wilson (Elgin), seconded by Mr. Sproule,

“That the Chairman of this Committee be and is hereby authorized to communicate with the City Clerk of Toronto, asking for definite information as to numbers, source of arrival, &c., of ‘destitute immigrants,’ referred to in the resolution of the City Council of Toronto, of the 23rd April, ultimo, laid before this Committee to-day.—Carried.”

I hereby certify the foregoing to be a true extract from the minutes above referred to.

J. H. MACLEOD, *Secretary to Committee*.

OTTAWA, Wednesday, 2nd May, 1888.

CITY CLERK'S OFFICE, TORONTO, May 4th, 1888.

P. WHITE, Esq., M. P., Ottawa,

Chairman, Committee on Agriculture and Colonization.

DEAR SIR,—I have the honor to acknowledge the receipt of your letter of the 2nd instant, and, in reply, beg to say that the information you seek will be compiled and forwarded to you with all possible despatch,

I have the honor to be, sir,

Your obedient servant,

JNO. BLEVINS, *City Clerk*.

DEPARTMENT OF AGRICULTURE, OTTAWA, CANADA, 16th May, 1888.

SIR,—At the meeting of the Committee on 2nd May, Mr. Jury, in reply to statements read by me from a letter of Mr. J. J. Daley, the Immigration Agent of the Department of Agriculture at Montreal, and a letter of Mr. A. Bodard, the Secretary of the Société d'Immigration Française, communicated to the Committee an extract of a letter from Mr. J. F. Redmond, of Montreal, of the Legislative Committee of the Knights of Labor, in rebuttal, having reference to the Belgian immigrants brought out by Mr. Watelet, stating that while some of these immigrants had found work, others were idle.

In view of the fact of this extract of letter being put in evidence, I asked Mr. Jury if he had any objection to communicate it to me for further Departmental inquiry, which he very willingly did.

As a result I have received further letters from Mr. Daley and Mr. Bodard, furnishing specific information as to the employment of all these immigrants.

I think it therefore well, as establishing the question of fact, to communicate to you these letters.

I have, &c.,

J. LOWE.

PETER WHITE, Esq.,
Chairman.

SOCIÉTÉ D'IMMIGRATION FRANÇAISE, 517 RUE ST. JACQUES,
MONTREAL, CANADA, 11th May, 1888.

Mr. JOHN LOWE, Secretary of the Agriculture Department,
Ottawa.

DEAR SIR,—Mr. Daley handed me to-day your letter for information about Belgian immigrants at 70 Inspector Street. I can personally give you the information, for I know them all.

I will tell you at first that the men mentioned in your letter are exactly the same on which I sent you a report nearly fifteen days ago. I don't know why Mr. Jury made another complaint, for they are all in better situations than fifteen days ago.

There is not very much change to do to my last report.

Victor Pierard and Gedeon Pierard, Pierre Finet and Camille Joudin, moulders, are always at Ives' foundry, as mentioned in my last report. They earn \$1.50 per day, that is the truth.

Nestor Jaffe, moulder, earned at first \$1.25 at Ives' foundry, but not being a good workman he earns only now \$1.

Napoléon Bonton and Félicien Boutan are employed by the corporation at \$1 per day. (Same as in my last report.)

Victor Guimet, employed at first by the corporation at \$1 per day, works now in a foundry with better wages.

Leopold Labien (see my last report) was not a pressman or typographer, is not idle, works as a painter at \$1.25 per day.

Amour Duculot, tinsmith, is always employed at Reed's shop, Craig Street, \$1.25 per day. (See my last report.)

Jules Messelin, joiner, employed at first by Mr. Reed, on St. Catharine Street (see my last report), works now at Mr. Dabruth's store on St. Alexander, \$1.50 per day.

I gave you many informations on these men in my last letter. They don't complain themselves, it is the Knights of Labor who go to them to solicit their complaints, to try to prevent more emigration. These workmen say only that they expected to earn at least \$2 per day, but they are not good workmen enough to earn these wages.

The complaint of Mr. Jury is unfounded. We answered all his remarks. From 3 months about 25 Belgian workmen came from Belgium. They are all employed. That is all. I don't know why Mr. Jury makes more noise for nothing and for the same men than before.

Yours very truly,
A. BODARD.

DOMINION IMMIGRATION AGENCY,

MONTREAL, 11th May, 1888.

SIR,—I beg to acknowledge the receipt of your letter of the 9th instant, and enclose list of immigrants at 70 Inspector Street, Montreal, in reference to the wages of these men.

In reply, I beg to say that I have this day instituted enquiries into this matter, accompanied, as on the previous occasion, by Mr. A. Bodard, Secretary of the French Emigration Society, and found the individuals named in said list at 70 Inspector Street, this city. On being questioned, Nestor Jaffe answered, that at first he received as wages \$1.25 per day, but was reduced to \$1, he being an inferior workman.

Gédeon Perrard, Victor Perrard, Pierre Finet and Camille Gourdin, all foundry men at Messrs. Ives & Co., received \$1.50 each per day.

Amour Duculot gets \$1.25 per day, not accustomed to this sort of work.

Victor Guimet, employed in a foundry the past week, worked before for the corporation at \$1 per day.

Napoléon J. Bonton and Félicien Bonton, on corporation work, and gets each \$1 a day.

Leopold Labien works as a painter at \$1.25 a day; says he is a pressman, but is not.

Jules Messelin gets \$1.50 per day as a carpenter at Reed's marble works, St. Alexander Street.

In addition to above I have met four stonecutters employed on Canadian Pacific Railway works, at new depot, each of whom gets \$2.50 per day.

From what I could learn, it seems to me, these people are contented with their present situations, and receive about the average wages for men of that class at present paid in this city.

It must be remembered that immigrants of the mechanical and farming class have much to learn in the trades here, which are conducted on different methods to those of the old country, and it takes some time to become accustomed to handle the tools and implements in use here with dexterity. They, therefore, cannot expect equal wages to the competent mechanics of this country.

I cannot understand why so much interest is being taken in this particular class of immigrants, and by parties who apparently have no possible interest in the welfare of these men. Where is the grievance? They are all employed, and at fair wages. Who makes the complaint? I don't think it is the men themselves. And what is the object of the complaint? This latter question I am unable to answer.

In conclusion, I hope the foregoing statement will meet the requirements of your letter.

Believe me, my dear sir, to remain yours respectfully,

JNO. J. DALEY,

Dominion Government Immigration Agent.

JOHN LOWE, Esquire,

Secretary Department of Agriculture, Ottawa.

COMMITTEE ROOM, HOUSE OF COMMONS,
OTTAWA, 2nd May, 1888.

The Standing Committee on Agriculture and Colonization met this morning, Mr. WHITE (Renfrew) in the chair.

The Chairman read a memorial from the Toronto City Council with reference to immigration.

Mr. A. F. JURY made the following statement: I would like to point out to the Committee the state of Toronto during the last winter with regard to this class of people mentioned in the resolution, which you have just read. During the whole of the last winter the labor market of Toronto was flooded with a class of people who were brought out we believe mainly assisted by charitable societies, and in some cases we have good reason to believe by the Board of Guardians in the old country, because they could not provide for themselves to come to this country. That class of people has become a burden upon the people of Toronto. If you walk through the streets of Toronto any morning, go to *Mail* office or *Telegram* office where the papers are published and you will see every morning large crowds of this class of people around the newspaper offices waiting for the editions of the papers to come out containing advertisements of situations vacant, showing that the labor market is altogether overstocked with that class of people, people mainly of no particular avocation, men who are looking for any kind of odd jobs.

By Mr. Wilson :

Q. Are they generally willing to work? A. I suppose some of them are willing; some of them are not able. These parties around the newspaper offices looking for advertisements are looking for work. This state of things became so bad in Toronto, the mayor was so bothered with this class of applicants that in the middle of winter before the ground was in a fit state to work he had on his own responsibility, without consulting the Council, to start what is known as the King Street subway sooner than it would have been started on this account, and so great was the supply of people who were looking for work that although they had only \$1 a day, and three days a week of work, the number was so great that they had to put them on every three days and off every three days at \$1 a day and they were working for \$3 a week. The mayor has had far more applicants than he could possibly put on. Now we have reason to believe from the papers that we got from the old country, from telegraphic despatches that have been sent out by the associated press, that the different poor law guardians of England and those who generally interested themselves in providing for the destitute poor in England are seriously considering some large measure of immigration of that class of people. Some of them think that it is the most reasonable solution of the proper problem in the old country, shipping this class of charitable wards out to this country, and as I said just now we know of cases happening of that kind. There was the case of a destitute old couple of Toronto which came under the notice of the charitable people, and it was reported to the mayor and by the mayor to the press. The old couple had been sent out by the poor law guardians to Australia, and the Australian people sent them back to England. They were sent out again to Winnipeg, and the Winnipeg people sent them to Toronto and they had to be kept for the rest of the winter by the charitable people of Toronto. We know another case of a man—a man with a large family, a butcher—who was sent out in the same way. When asked if he was assisted by the parish, he said “not directly.” He was asked were you assisted indirectly, and he said “he had reason to believe that the curate of the parish, from which he came, got some of the money with which he paid his fare from the poor law guardians.” If there is not some emphatic protest entered by the people of Canada at once, this class of immigration will be very large, and I propose to show later on by statistics that we have already had far too many of this class of people. I would like to state that the Rev. D. J. MacDonell, of St. Andrew's Church, in his sermon that he preached a few Sundays ago, said that nearly half his time had been taken up by attending to cases of destitute immigrants, that the number had been so great at the mayor's office that

the mayor had to have a special man at the door to keep them in line and pass them in and out, and see that they kept order. There is one case I would like to bring before the Committee, of some immigrants brought out here by a man representing himself in Belgium to be an agent of the Canadian Government. Though the Canadian Government have repudiated any responsibility in reference to this agent, Mr. Whatenough. He induced a large number of Belgians, principally mechanics—moulders, printers, miners, plasterers, stonemasons—and a few farmers, to come to this country. I have in my possession, which I have shown to the Department of Immigration, letters which he signed on paper, on the heading of which is written the Government of Canada. He signs a written agreement to bring these men out to Montreal, to provide them with work at \$3 to \$3.50 per day. He brought the men to Montreal, and when he got them there he left them. He didn't attempt to procure employment for them. The men are now—some of them—working for half the wages he promised them, and the other half are still out of work. I have the number of the house where they are stopping now, 12 or 13 of them, living altogether in one or two small rooms in a destitute condition. He took about 100 others on to Manitoba. The Calgary authorities were telegraphed to that a large number of farmers, with lots of cattle, were coming there, and the Calgary Town Council sent their mayor and other gentlemen down at the expense of \$100 to meet these Belgians, in hopes that some would settle in their vicinity, but instead of their being 500 wealthy Belgian farmers, there were 106 men, women and children, 46 farmers, a number of miners and some mechanics. The only farm stock they had was one game rooster with a long pedigree. This was the only farm produce they brought to the country. The farmers were taken in charge and taken to Calgary, and those not farmers were left there to provide for themselves. I just wish to show the Committee from these statistics that have been collected very recently in Toronto, what has been the effect of this system of immigration we have been pursuing in this country for some time. The statistics we have collected apply of course principally to the Province of Ontario. I would like to show first the number of prisoners. The committals to the Central Prison during the year, including four hundred and three transferred from gaols, were Canadians, four hundred and twenty-one; English, Irish and Scotch, three hundred and twenty-three; and other countries, one hundred and eighteen, making a total of eight hundred and sixty-two. I would like to point out first that according to the census of 1881, the population of Ontario was 1,924,148. Of this there were 1,493,351 Canadian born. The foreign born including those from the British Islands, were 430,797. You will see the proportion is 430,000 to 1,400,000, in round numbers. I wish the Committee would keep those figures in mind and see what proportion these classes bear to the criminal and pauper community. The foreign born population is one-fourth of our entire population, and yet the foreign born committals were nearly 50 per cent. The province has 51 common gaols and locks up, in which were incarcerated in 1887, males, 9,405, females 1,612. Of these there were born in Canada, 5,134; born in Great Britain, 4,899; born in other countries, 984. Nearly 50 per cent. of all these were foreign born people. The Mercer Reformatory for females had in custody during the year 263 persons. Of these 121 were from the previous year, and of the 142 committed in 1887 there were Canadians 71, English, Irish and Scotch 59, and of other countries 12. The gross cost of their keeping was \$29,783.40. The Province maintains one reformatory for boys, and the total number cared for there in 1887 was 265, at a cost of \$38,636.40. Besides the penal institutions enumerated, Ontario is obliged to maintain no less than 50 public charitable institutions, 21 houses of refuge, 26 orphan asylums and three Magdalen asylums. Last year the 21 refuges gave lodging to 2,026 persons—922 males and 1,084 females—and these were recorded nationally as follows:—Canadians, 390; English, Irish and Scotch, 1,540; other countries, 95. The cost of maintenance was \$94,427.70. The 26 orphan asylums sheltered 3,527 inmates whose nationalities were: Canadians, 2,456; English, Irish and Scotch, 945; other countries, 126. The cost of maintenance was \$111,240.63. The three Magdalen asylums were in 1887 tenanted by 329 persons,

and were maintained at a cost of \$20,976.75. The gross aggregate of the commitals to the Central prison, common gaols and reformatories for the year was 12,407, sub-divided nationally as follows: Canadians, 5,626; English, Irish and Scotch, 5,281; other countries, 1,114; in reformatories nationalities not given, 386. The gross cost of maintenance was \$250,058.36. For the like period there were sheltered in the houses of refuge, orphan asylums and Magdalen asylums, 5,882 inmates, classified nationally as follows: Canadians, 2,846; English, Irish and Scotch, 2,485; other countries, 222; in Magdalen asylums nationality not given, 329, making the total cost of maintenance \$226,645.08. The total number in penal and charitable institutions in Ontario was 18,289. The total cost of maintenance of these people was \$176,703.44. Of 268 persons provided for during the past year in the St. Patrick's refuge at Ottawa no less than 111 were immigrants, while for the 306 cared for in the Hotel Dieu Orphan Asylum, Kingston, 262 are recorded as being English, and that of the 76 in the home for incurables in Toronto there are no less than 57 from Cape Breton. From the 12th December, 1887, to the 19th March of the present year, there were provided for in the House of Industry in this city, 987 persons, of whom 668 were English, Irish and Scotch—aggregating 8,667 nights. In this period there were also given 6,734 breakfasts, 968 dinners and 968 suppers. The families relieved outside were 1,271, numbering from 5,084 souls, of whom about 2,982 were children, to those were given 522 tons of coal, 445 bushels of coke and 114 cords of wood, with 2,922 4-lb. loaves of bread, besides large quantities of sugar, oatmeal, rice, &c., to sick and poor people. From the 20th to the 31st of March, no less than 1,883 casuals found nightly shelter in the refuge, while on the night of Saturday, March 31st, 162 persons sought and were accorded lodging, and on the following Monday some 120 more were accommodated. The average nightly attendance in 1887 was 79, while so far in 1888 the nightly attendance has been about 120 persons. For the quarter ending the 31st of March there were 456 persons obliged to seek and were accommodated with lodgings in the six police stations of Toronto. I also have a letter here I would like to have put in from the mayor of Toronto showing a large number of applicants of men wanting work.

Mr. COCHRANE—It is no disgrace for a man to apply for work?

Mr. JURY—I do not say so. The following is the letter referred to:

MAYOR'S OFFICE, TORONTO, 13th April, 1888.

D. J. O'DONOGHUE, Secretary of the Legislative Committee,
Toronto Trades and Labor Council:

DEAR SIR,—I beg to enclose a letter received yesterday from Mr. Taylor, the relieving officer, which will, I trust, contain the information asked for in your letter of the 2nd inst.

Faithfully yours,
E. F. CLARKE.

TO HIS WORSHIP MAYOR CLARKE:

DEAR SIR,—In accordance with your request I have the honor to report the number of persons applying to you for work during the first three months of the year was very great, reaching up to several hundreds. I have also pleasure to add to the statement asked for that the number of persons supplied with work through the agency of your office was 1,390. The results are, considering the great slackness of work during these dull times, as satisfactory as can be expected. It would be a great boon if the city could supply some species of steady work, as it would be the means of preventing the initial pauperizing of hundreds who are forced in the absence of work to apply for charitable assistance in lieu of the work which every honest man would prefer. The number of persons seeking relief during January, February and March were 719. It is not to be denied that numbers of those who apply for

work and assistance come from other municipalities, and until there is a law by which all the other municipalities are compelled to support their own poor this must continue, as the circumstances of each applicant for help are at the time generally accompanied by special incidents of suffering and distress which can scarcely be overlooked in a Christian community. I might suggest that in lieu of the passage of a poor law, which is so objectionable to so many, the Local Parliament should be led to see the special burdens which Toronto has to bear in these matters, with a view of inducing such liberality of the treatment of the Toronto charities as might to some extent affect the great expense the city is put to in the support of poor from outside. The subject presents great difficulties which I hope your worship may see some way of overcoming. I desire to add, however, that I always consider primarily the right of those resident in the city, and having families here dependent upon them for support.

The CHAIRMAN.—I understand the complaint to be that not only have pauper immigrants come to Canada, but that the City Council of Toronto fears that there is danger of the same course being pursued this year. Mr. Lowe is here from the Department of Immigration, and it would perhaps be as well to hear what he has to say.

Mr. JURY.—The figures in reference to the lunatic asylums are just about the same as the prisons, just about the same proportions.

Mr. TROW.—It is in reference to children is it not, principally the letter from the city council?

The CHAIRMAN.—No; it does not seem to have reference to children. They speak of the great many destitute persons sent over by the poor law guardians in order to relieve themselves of keeping these persons in their own country.

Dr. FERGUSON.—I entirely endorse what Mr. Jury has said in regard to the character of the immigration that is coming to this country, not only the immigrants who are sent here by the poor law guardians and charitable societies of England, but children who are brought here and have in these years been assisted by the Government of this country. I mean the children brought out by Miss Rye and Miss Macpherson. We might just as well import the virus of disease and spread surgeons among our people to inoculate them with that disease. They are brought here—I have examined into this matter closely. The majority of these children are the offal of the most depraved characters in the cities of the old country. The city of London, the city of Edinburgh and the city of Glasgow particularly, where I examined these children; they are brought from the streets, the product of what? A class of people who are mentally and physically diseased, and they are brought to this country and spread around our population. The class of the population coming from these cities, sent out by the poor law guardians of England, are the same class of people only grown up, and I say this country, young as it is, should put its foot upon the importation into this country of that class of people and spread them in the rural parts of the country to intermarry with our sons and daughters.

An hon. MEMBER.—How will you prevent it?

Dr. FERGUSON.—I see the American people are adopting some means. I say it should be taken into the serious consideration of the Government of this country to prohibit and prevent the importation of this class. I don't say how it ought to be done. I have examined these people. I have had some of these children under my notice. I have found them so diseased with the virus of syphilis that I had to get rid of them, and I assure you that the majority of these people that we get in this country if they are not physically diseased they are the product of depraved characters of the old country and are mentally diseased, and they fill our prisons and gaols in this country and asylums as well. And I say the Government of this country ought to put their foot upon it. I have examined them in the town of Galt, I have examined them at Niagara, and I say you might just as well import the virus of that most destructive of all diseases and send surgeons round through the country to inoculate the people as to import these children who will intermarry with the young people of this country.

Lieutenant General LAURIE.—I have had a good deal to do with these children and my experience has not been the same as the hon. gentleman who spoke. Five hundred of these children have passed through my hands and they have not in any sense been any worse than an equal number of the inhabitants of our own country. Some are not intelligent, but take them all in all they are quite as good, taken child for child, as our own. There are bad cases, and bad cases there will be in the population of any country, but I should be sorry to have any hon. gentleman speak so indiscriminately of them or have them all denounced. There have been bad cases among them and there will be, but I do not think all have been bad or will be.

Mr. TROW.—Those who have been brought to our city by Miss Macpherson do not appear to have the character represented by my friend Dr. Ferguson. They are sought for the moment of their arrival and indentured to respectable farmers throughout the country. In fact they are in great demand and I have not heard of but very few exceptions in which they have not proved to be valuable citizens and good servants. The greatest difficulty that I have noticed in the bringing out of these small children, that they leave them in towns unprovided for. No doubt many of them flock to the city of Toronto. If they are in good health—take them in the rural districts—you will find a great demand for them. You will find a demand to-day for 500 such young children in my county, and among the farming community it would be a benefit both to the children and those who take them.

Mr. FISHER.—It happens that there is such a home as that to which Dr. Ferguson has referred in the district where I live. It is located at Knowlton and is conducted by Mrs. Burt, and from 8 or 10 years' close watching of that institution I must say that the children which have been received there are not of the class that Dr. Ferguson has alluded to. As a general rule I understand her system is to take these children from various quarters of the old country. Some of them are from the slums but a great many of them are peculiar cases taken up as a matter of charity, which system of charity I must say is entirely supported by the people of England and to which the people of Canada do not contribute in any way. From my observation of these children coming there I can say safely that they all have the appearance of being healthy, hearty children and I know that there is an instant demand among the farming community of the Eastern Townships for them. They are generally provided by the people in the district of Knowlton with an education or are taken as apprentices, and I consider that this form of immigration into this country is decidedly the best that we can have from the old land. The children are brought here very young, when they have not contracted the habits or criminal inclinations which they are so likely to contract in the large cities of the old land, and in this way they have an opportunity of becoming honest men and women and of earning their living in an honest manner; a condition of life which I regret to say is almost impossible for them in the old country. I think it is questionable, however, in a view of the fact that these children are a drug in the market of England and that the English people are extremely desirous to be relieved of them, whether it is right that our Government should pay or assist them to come out.

Mr. LOWE.—It is not done.

Mr. FISHER.—It has been the case in the past.

Mr. LOWE.—No.

Mr. FISHER.—I can say that Mrs. Burt has received \$1.50 per head.

Mr. LOWE.—That is merely a bonus for their support or protection.

Mr. FISHER.—I do not care what terms are used in regard to the matter, I know that the people of Canada pay \$1.50 a head for every one of these children.

Mr. LOWE.—That will not go very far towards their maintenance.

Mr. FISHER.—I dare say not; but it is so much of a charge upon our people here, and as our expenses are so great, especially upon this immigration policy, I doubt whether it is wise to continue this policy. I did not rise for this purpose particularly but for the purpose of doing what I considered my duty to Mrs. Burt in saying that the children she has brought out have in a general way been pretty satisfactory. I do not mean to say that there have not been bad cases among them; but on the

whole they have been a very satisfactory class of immigration to this country. I consider, however, that it is the duty of the people of England to conduct that immigration and it is their right to pay everything in connection with it. I do not think any burden in that connection should be put upon the people of Canada.

Mr. WILSON (Elgin).—I must endorse to a very great extent what has been said by Dr. Ferguson. I cannot agree with my friend Trow or Mr. Fisher that these waifs brought out by Mrs. Burt or Miss Rye have really been conducive to the best interests of Canada. Those who are brought out by them if not already more or less diseased are frequently the offspring of diseased fathers or mothers and nearly the greater portion of them at least—there may be now and then one that is healthy—are diseased in the manner in which Dr. Ferguson has stated, that is tainted with syphilitic and perhaps may live to 20 or 30 and die of some consumptive disease. My experience is, and I have had an opportunity of attending a good many of them, very unfavorable. There is, however, more than that to consider. Are we not anxious, ought we not to be anxious, that our men and women growing up for the future should be healthy and long lived; and these boys and girls coming out, it is natural to expect that they will marry and intermarry and we will be raising an inferior class of beings to what we have at the present time. As far as they are concerned, I do not think that because a farmer desires to get hold of a child half grown without bearing the expense of raising that child, that they should endanger the future welfare of the country, merely to satisfy the avariciousness of a person who wants to get hold of a child of that description and make a slave of them during the time they have them. The amount paid by the Government by way of bonus of \$1.50 per head is simply to send out boys and girls to intermix and intermarry with our own people and thereby endanger the rising generation is something which I say we cannot stamp out too soon or too emphatically. I can understand my friend Mr. Trow, not being a medical man, not knowing the many ills to which flesh is heir, and having been a very careful man himself, unable to fully understand the condition in which these children are. I must express my thorough endorsement of what has been stated by Dr. Ferguson, and I say it is not only endorsed but it will be almost calamitous to have these children brought to this country to intermix with our families; and I say that any family would be extremely careless and injudicious to allow one of these little waifs to come into the family, because we know that the syphilitic taint, although the child may appear healthy, may be carried to the other children of the family playing with them and they become diseased in the same manner. Therefore I say that any one is running a risk who happens to let in one of these waifs to become a member of the family. I cannot for the life of me see the necessity for it. We know the people of the old country are very desirous of getting rid of this class of persons. They know that they are the excrescences of society there, and the sooner they can get rid of them the less will be the burden. Are you prepared in Canada to be the dumping ground for England, Ireland or Germany? No. We want those who come to be a benefit to us, and therefore it should be the instruction of this Committee to recommend that in the future none of this class should be allowed to come to the country; unless you have an inspector to carefully examine all those who are not fit to become citizens and have them returned to the place from which they came.

Dr. FERGUSON (Welland).—I want to make one explanation to what I said before, it is a fact known to every member of this Committee that these children have no parents at home; that they are the product of illegitimate transactions going on between the father and mother. Such a child is more or less mentally diseased and unfit to go among the people of this country. That is a fact known to every one. When in Glasgow I went to see a couple of the members of the committee in charge of a home such as has been spoken of, one of the ladies asked me: "How do these children take in Canada?" I said: "I do not endorse it myself for reasons I cannot explain; but Miss Macpherson tells us she takes nothing but pure healthy children," the lady replied: "She says here that she takes nobody out of Scotland that will be

of any use to Scotland," at a certain meeting she said, putting her hand on the head of a boy "here is a boy that will be of use to Scotland, I will not take him. Here is a boy you are better without; I will take him." I assume that there could be no stronger evidence that these children who are brought here are the product of illegitimate intercourse and are unfit to be among our people.

Mr. Trow.—If the testimony of medical men will show conclusively to the Government that there are charitable institutions in the old country sending out waifs of an unhealthy caste, it is a matter which certainly requires the attention of the Government, because these medical men should be better judges than others. At the same time I still persist in saying that Miss Rye has brought out over 1,000 children to the city of Stratford within the last 10 years, and, with only two exceptions, I have not heard—and they have been spread broadcast through the community—that they have not turned out well. With regard to disease I have never heard of it until to-day. If there is such it is certainly the duty of the Government to have these parties inspected before they leave the shores of the old country.

Lieut.-General LAURIE.—They are.

Mr. Trow.—What Mr. Jury has been speaking of, that is the worst part of it, to bring out mechanics and artisans where we have a surplus. Also, to bring out aged and infirm individuals and dump them all along the line of the railway is a thing to be deplored. There is no doubt that there are many institutions in the old country who are anxious to get rid of these classes and dump them here. There should be more care taken with regard to these, and particularly the young ones. We have a large country and we are anxious it should be cultivated. What is the use of our millions and hundreds of millions of acres unless occupied by somebody? The greatest difficulty that I notice in our immigration department is that these people are not taken charge of after they arrive on our shores. If taken charge of and planted on some good arable piece of land, and encouraged for a time while amongst us, it would be all right; but they are kidnapped by the Americans the moment they come here, and the result is we lose them after all the expenditure in bringing them out. We want millions of people in this country. We require millions of people in this country, and our land and our country will be almost valueless without a population, and it is the height of folly for anyone to discourage a wholesome class of subjects coming here.

The CHAIRMAN.—Perhaps Dr. Ferguson and Dr. Wilson will say whether their examinations have been sufficient to enable them to declare whether the whole of this immigration is the same as described by them or whether they refer to isolated cases?

Dr. WILSON.—As far as my experience has gone, and my experience has extended over a good many years, I have no hesitation in saying that a large majority of these children are unfit to become citizens of either Canada or any other country. You must bear this in mind: As mother and father so daughter and son, and you must expect that the natural tendency of these children will be transplanted if they mix with other children or if they raise children of their own. Are you desirous of bringing out this class? Do you think it is prudent? Although we may desire a population, I contend that a poor citizen we are better without. We do not want to bring that class here, and I think my experience has been that the majority, a very great majority—I do not say all, but a very great majority—have been such that as a class of citizens we do not desire in Canada.

Dr. FERGUSON (Welland).—My experience, as far as I have examined these children—although I have not had the opportunity that the doctor has had—leaves me to say, that a majority, a vast majority of those whom I have seen, are physically unfit to mix among our people.

Mr. LOWE—How many?

Dr. FERGUSON (Welland).—I say a large majority of those whom I have seen; many; take the town of Welland. The only criminal cases in the court there, season before last, was by these girls blackmailing men and prosecuting them for rape. I can tell you this: I only practiced medicine for four years in this country, but

during those four years I attended two children of these girls. One was six weeks old and the other nine weeks, yet both went to their graves from the effects of this disease, which both had.

Mr. McNEILL—It would be difficult to exaggerate the importance of the matter brought before the Committee. It is of the greatest importance that steps should be taken to prevent the importation into Canada of either young or old people, or middle aged people for that matter, who are unfit to make good settlers. The difficulty I think, as Mr. Trow pointed out, is that we may run the risk of discouraging that immigration which is absolutely essential for the prosperity of Canada. That Canada should be made the dumping ground for the criminal and diseased and pauper classes of the old country, or any other country, is a thing of course which cannot be tolerated. It would seem, however, from what Dr. Ferguson and Dr. Wilson have said that medical men while looking at these children in a cursory manner, can see whether they are diseased, then a careful medical inspection would seem to be the remedy against it.

Dr. FERGUSON (Welland)—But the mental disease you cannot see.

Mr. McNEILL—Yes; but there should be very strong representations made to the Government that a much more strict and rigorous medical examination should be held with reference to the children of this class than we have had heretofore. The remarks which have been made by Mr. Fisher and Mr. Trow, and others, would seem to show that so far as the moral character of these children is concerned, and so far as their physical ability to do good work here in Canada is concerned, they are of advantage to the country, and, therefore, if we could exclude those who are diseased from coming out in this way, and could obtain those who are not diseased, we would be doing a great good to the country. It seems to me that we need a careful medical examination, but as to the mental question, that would apply to any immigrant.

Dr. ROOME—Having listened to Dr. Ferguson and Dr. Wilson I must agree with them to a great extent; but having had a good deal to do with children brought out in this way in the vicinity of London, I have yet to see one who shows any signs of the disease mentioned. Nevertheless it may be running in the blood and may come out in future generations. The only protection we have is the examination of these children before coming out, so that anyone showing any signs of this disease may be sent back, otherwise I think it is to the interest of this country to have them come out; not only to the interest of this country but to the interest of these children. I know many of them who are growing up to be smart, active young men and women, and show no signs of disease. I think this is a subject which should be very well ventilated, and a good deal of good could be done, I feel, by a close system of examination by medical men before these children come out; but it would be a step in the wrong direction to prohibit the importation of these children. Therefore I should like to hear it well discussed.

Mr. BAKER—I only wish to ask the witness (Mr. Jury) if there is more than one object in giving this evidence. Is one of your objects to have this medical examination, which most of the Committee seem to think highly necessary, so as to exclude this undesirable class from coming in, or is it your desire to have a further recommendation not to assist immigration of any kind?

Mr. JURY—I gave the figures in relation to the prisons, asylums, Mercer reformatory and common gaol to the Committee, and the Committee can draw their own deductions. I gave the number of foreign born population and the Canadian born to show the class brought out.

Mr. BAKER—I have asked a specific question and I want a specific answer. I want to get at practically what is the object of giving your evidence before the Committee? What is your object in representing the Knights of Labor or the city of Toronto before the Committee? We should like to know what you desire this Committee to do?

Mr. JURY—To induce the Committee to stop all assisted passages to this class of people.

Mr. BAKER—Do you go further than this: do you want to stop immigration altogether of this particular class, or do you say there should be no assisted immigration?

Mr. JURY—No assisted immigration.

Dr. McDONALD (Huron)—I have had probably a limited experience in dealing with these children brought out from the old country and I must say my experience has not been of a favorable character. I have met quite a number who have come to our settlement affected with chronic skin diseases and a syphilitic tendency. It is said here, however, that we could by examining these children before they leave the old country ascertain whether they had this syphilitic tendency in their system. That is a very difficult question. Unless it has been developed in some way, it would be very hard for a medical man to say whether that child was inoculated or not. Perhaps ten years after coming to this country it may manifest itself. If, however, the source we brought them from is not pure, we may rest assured that the product will not be pure; and if these children are brought from those districts where immorality, crime and syphilitic disease prevail, we may rest assured that most of them will be tainted with the same poisons when brought out here. As to the object which Mr. Jury had, it is perfectly plain to me. He wanted to show that our Canadian people were much purer than those brought out from the old country, and in order to bring this point out he has shown you the number that was sent to our asylums and prisons in comparison with the number that went from the Canadian population. If, then, the proportion is larger of those who go into prisons and asylums from the foreign population, it shows plainly that the moral standing of these parties brought in from other countries is not so high as the moral standing of the Canadian people. Therefore, it is the duty of the Government to get as pure a class of immigration into this country as possible and to draw it from as pure a source in the old country as possible. It is our duty to see whether we would countenance the drawing away from those pauper classes and criminal classes in the old country for the purpose of making future Canadians out of them. That is the object which Mr. Jury had in view, to show that the purity of the Canadian was much beyond these classes from the old country.

Dr. SPROULE—As I understand Mr. Jury it is to have the Committee not encourage immigration at all. That is the conclusion I have drawn from the objects of the association he represents. Whether that may be right or wrong I do not say, but there is one thing strikes me if we have a large proportion of our country which needs to be settled up we must draw from some source. Then it is a necessity that we must support immigration in some way. I do not think there is any force in Mr. Fisher's argument. He goes on to say that the most desirable class is children; that they grow up and after coming to maturity are able to be useful. If we do not want this class we have a right to go against them, but if we want that class which he is pleased to say is most desirable, I do not see anything wrong in giving some little assistance in bringing them in, because I think the earlier children come to this country, other things being equal, the better subjects they make when grown up. I do think that there is something in what Dr. Ferguson and Dr. McDonald say. I have met several cases of skin diseases in the children who have come out to this country. There are cases of syphilitic taint and some of skin diseases, but not many. There is a great demand among the farmers for this class of children. Large numbers of them have settled in our sections of our country and as a whole they have turned out a very desirable class of settlers. Farmers have felt the benefit of them and are applying for them in increasing numbers every year. I think there is a good deal in the contention that a rigid inspection should be made by a competent medical man before these children leave the old country. The taint of syphilitic disease that has been inherited, although we are unable to detect it to any great extent, may be developed in some shape that the medical man could recognize it. If a rigid inspection is made and those individual cases which show a tendency or hereditary taint were excluded I think the balance could well be accepted in Canada as a desirable class. If that is done it seems to me we are just as likely to get good

citizens as if we bring in adults who are set in their habits and many of whom never become naturalized. It is always their children that make the best citizens.

Mr. Trow—Have you found a greater proportion in your examination among this class to be effected than our own people, considering their numbers?

Dr. SPROULE—I think a little more, but I must say that the few I have seen is a very limited number compared with those who have been brought in. I would say that there were probably one in a hundred of those I have met with.

Mr. COCHRANE—With reference to the children brought into my section they have turned out very well indeed. I do not know of any girls brought in there, but the boys have been hard working and industrious and have saved money. As for disease they may have it in their system, I am not prepared to judge, but their capability for work has been very good indeed, and they have been careful, industrious, prudent boys and have now a savings account.

Lieutenant-General LAURIE—I think there is a misapprehension with regard to this class. No wealthy person would of course send out their boys. They are drawn from the poorer classes, and are chiefly the children of persons who have been reduced in circumstances. Some children came to me whose father had been captain of a 1,000 ton vessel that was lost off Gibraltar; the mother drifted down and down and the children were brought out here. That is a fair type and I have had a great many in my hands. No person is brought out by Mrs. Burt unless signed over by the guardian to her.

Mr. JOHN LOWE—With respect to the importation of children I may say that in regard to these children brought out by Miss Rye, Mrs. Burt, Mr. Middlemore and others the reliance of the Department has been on the character of the persons having these homes in charge; but we have the most positive assurance from them that none but healthy, trained, and in every respect worthy children are imported into Canada. I do not mean to say that experience has not shown there are some exceptions, but it is a question of numbers, and it is a fact also that the Department has now for a great number of years to obtain exact information caused an individual inspection to be made of these children.

The CHAIRMAN—Medical inspection?

Mr. LOWE—No; but as to their general well-being and success, and the result of this inspection has been that from five to seven per cent. of the whole have been found unsuitable while the remaining large numbers have done very well indeed, and given particular satisfaction, as stated by some of the members who have spoken. It has also unfortunately happened with respect to this residue of five to seven per cent. that it is of them all the talk has been made, and the whole immigration of this class has been unjustly judged by that exception. Our experience in the Department and the reports we have had from different parts of the country very largely coincide with the statement made by General Laurie. When Dr. Ferguson made the statement as to those of the bad class who had passed through his hands I was very anxious to learn the actual numbers in figures so that we could have some appreciation of the relation of these to the whole—some foothold on which to proceed. It is a question of percentage, and I am satisfied in my own mind from a careful enquiry into this subject, extending over a number of years, that there is a small percentage of the unsuitable; but the question is whether the whole should be condemned for this percentage of unsuitable?

The CHAIRMAN—What have you to say, Mr. Lowe, respecting this statement of the Corporation of the City of Toronto that a great many persons have been sent out by the poor law guardians of the old country?

Mr. LOWE—This statement has also been sent to the Department and I have to make in relation to it almost a similar remark to that which I have made with regard to these children. It has the character of indefiniteness. It gives no information in numbers, and practically in the Department we find it merely a general statement. These general statements are always very easy to make; but definite statements which can be examined and can be looked into are what we desire and almost the last thing we get.

Mr. WILSON (Elgin)—What I had reference to, Mr. Chairman, was his remarks in reference to the statement made by the City Council of Toronto. You called his attention to the fact. He was stating that it was an indefinite statement and that there was no facts or figures whereby to form a conclusion. I hold that the City Council of Toronto is a respectable body, and I object to a charge of that kind being made against it.

Mr. LOWE—I merely stated that we had been furnished with this statement, and that we found in it a character of indefiniteness. There is no statement of numbers and especially no statement of numbers in relation to the immigrant class (Mr. Jury here handed a paper). Mr. Jury has just put into my hands a document in which he states that the numbers are given, as I read it is stated that 1,300 were supplied with work, probably during the winter. I think that is the statement.

Mr. JURY.—The figures are there.

Mr. LOWE.—How many of that number are immigrants and how many of them are mere *vauriens* or idle persons of the city itself? This is not stated. I may mention one specific fact which I mentioned to the Committee when called upon to give my evidence a short time ago, having a bearing on this. A statement of precisely the same kind was made in relation to the city of Montreal in a newspaper. The House of Refuge of that city was stated to be overrun, and that they could not accommodate the number of worthless immigrants who were crowding within its walls. We caused an enquiry to be made through the agent of the Department in that city and on the authority of the manager of the House of Refuge he told us that 91 of those were ordinary "stand bys," which they had from year to year, the good-for-nothings of the city, while 32 were of a class of which he could not say whether they were immigrants or not, but they might have been; or at least some of them. That is the information which we received in this instance, and a statement of that sort wears a different complexion to the general one of the report.

Mr. WILSON (Elgin).—I think Mr. Lowe is incorrect, not as far as Montreal is concerned perhaps, but I think anyone who has lived in a city has experience and this has brought him to the conclusion that more than one half, yes, even two-thirds of those, who receive charity at the hands of the corporation are really immigrants who have been brought out from the old country. I know that such is my experience where I live, that two-thirds of those receiving charity from the city corporation and other charitable institutions are immigrants, and I suppose this statement can be borne out by the experience of Toronto, Hamilton and other places.

Mr. LOWE.—That is a question of fact which should be defined; and it is further to be remarked that those immigrants of the unsuitable class always gather in cities.

Mr. WILSON (Elgin).—I can understand that many of those who were perhaps immigrants had stated that they were not immigrants. I can understand that full well and I place just as much reliance upon the statement of individuals who live in the locality and who know full well the character of these men.

Mr. MCNEILL.—I wish to say with reference to the proportion of those who are out of work that it is not unreasonable to suppose that there might be a larger number of immigrants because they have not had the same opportunities as those in the country. Therefore, I do not think that, supposing that we established that the greater portion were immigrants, it would prove very much. The important point for us to consider is that we do not keep out the desirable immigrants because the prosperity of the country and the future of the country depends on our attracting a good class of people to our shores.

Mr. McMILLAN (Huron)—I wish to state with regard to immigrants, especially to the children, that they are not receiving the amount of attention that they should. There is a large number of these immigrant children spread amongst the farmers. The majority are girls, and I must say that they are all well behaved; they are all grown up young women, but there is one thing I wish to say and that is that there should be a better supervision of the immigrant children which come to this country. In one or two instances that came under my own knowledge, I know that they have not been properly cared for. Some system should be adopted whereby the children

should be properly taken care of, properly clothed, properly fed and receive a sufficient amount of education if they are to become useful citizens. I know one family that came out comprising two sisters and one brother. Their misfortunes had brought them to want, but their mother had some money left her, and as quick as this money was left her, she hunted up her children and took them back to the old country. I think there is a number of them that are the children of parents who have been unfortunate, who have lost their means and are not able to keep their children in that respectable condition that they were accustomed to. I really think some system of inspection should be adopted.

Mr. LOWE.—With respect to that there is one point which occurs to me from the remarks that have been made. The department is in correspondence with the people who have charge of the homes and who bring these children out; and we have also power by the Act to refuse to allow landing all that are unsuitable for such reasons as have been stated. That power might be used in such a way as to exact an adequate medical certificate before such children were allowed to embark. Another remark also occurs to me in reference to a statement in this Toronto petition and Mr. Jury's statement with reference to paupers. I may mention that a pauper is a technical term in England, and where paupers are sent out they are sent out by the guardians under the authorization of the Local Government Board. The department through the High Commissioner's office has established such relation with the Local Government Board and these guardians as to prevent the sending to our shores of any unsuitable immigrants whatever. The correspondence to that effect is most active, and the effect, I believe, is most decided. I saw only the other day Mr. Bridger, secretary to the Archbishop of Canterbury's immigration society, who came out with a large party of immigrants on the "Sardinian." She came to Halifax with 1,100 on board. He told me that he never saw anywhere in his life collected together a better class of immigrants than those on that steamship. They have now been distributed, many of them having gone to the North-West. But with respect to the general immigration the efforts of the department are directed towards dissuading the unsuitable from coming, and as respects artisans and mechanics our policy is such that it might even have been framed by the labor councils. It is also directed against the sending out of paupers, and our relations with the Imperial authorities are such as to have effect in this.

Mr. McNEILL.—What do you mean by a pauper?

Mr. LOWE.—I mean a man who leans on the state for support. I do not call a simply poor man a pauper. A pauper is a technical term in England. The class of unsuitable paupers are actually prevented, as I have said, by our relations with the Imperial authorities from coming out, while the class of mechanics, so far as we can control them, are dissuaded from coming except upon the advice of their friends or societies. The aim of the department is mainly to bring out immigrants to people the vast areas in the North-West of Canada—a country almost as large as the whole of Europe, with vast resources waiting for settlement, and it surely is in the interest of the working man in this country, as it is of every industrial and commercial interest, that population should be brought out and placed on those plains. That is the whole effort of our department. Our action is framed on lines almost as if they might have been drawn out in the interests of the councils of the labor unions. With respect to the memorial from the city of Toronto, I think it is of importance, now that that statement has been made, that the Committee should be furnished with some account of actual numbers, and that these numbers should discriminate; that is, that they should show the numbers of the mere *vauriens* or idle persons of the city of Toronto itself as distinguished from the recently arrived immigrants. I am very sure that it is in such cities as Toronto and Montreal that there is to be found a larger proportion of immigrants in this distressed condition than will be found throughout the country. Persons of that class generally drift towards the cities and towns, and taking the probable number of the two hundred or three hundred of those in these cities who have not found work or who are unwilling to work, the question arises whether that is a fact of sufficient magnitude to make it worth while

to place a check on the influx of that immigration the country is so much in need of and which is perhaps the most important of all interests of the country.

In relation to those immigrants brought out by Mr. Watelet of whom Mr. Jury spoke, it is quite true that he showed to me when in the department and also to the Minister of Agriculture some papers signed by Mr. Watelet making promises he was quite unauthorized to make, and he had printed, likewise without authority, "Government of Canada" on the top of his paper. That unauthorized assumption was some months ago brought to the attention of the High Commissioner, and some correspondence took place with him, resulting in the thing being promptly stopped. With regard to the immigrants that he brought to Montreal, the department caused an investigation to be made by Mr. Daley (the agent of department), and I requested him also to ask Mr. Bodard, the secretary of the French Immigration Society, to join in it. Mr. Daley writes this report. It is a statement of facts:—

DOMINION IMMIGRATION AGENCY, MONTREAL, 25th April, 1888.

SIR,—I beg to acknowledge the receipt of your letter of the 23rd instant, in reference to certain mechanics brought to Montreal by Mr. Paul Watelet, from Belgium, and requesting me to see Mr. A. Bodard, Secretary of the French Immigration Society, and with him make a report of each case, and send it to the department as soon as possible. In reply I beg to state that I have this day, accompanied by Mr. Bodard, visited and interviewed the undermentioned individuals, all Belgian immigrants, against whom the Knights of Labor have made some very hostile representations respecting promises made by Mr. Watelet to them. I proceeded to the new Canadian Pacific Railway Depot, now in course of construction, and there found the following individuals employed as stone cutters; they received \$1.25 per day the first week; since then each gets \$2.50 per day. Their names are: Florent Oger, Auguste Errard, Emile Clayes, and Pierre Buxin, the latter only arrived ten days ago and obtained work the same day at \$2.50 a day. Each and all express entire satisfaction with their present situations.

My next visit was to the foundry of Mr. H. R. Ives, where the following are employed: Géléon Pierard, Pierre Finet, Camille Jourdin, Victor Goffe, all of whom receive at the rate of \$1.50 per day, and later on expect to get \$2 per day. They are now perfectly content, so much so, that they have written for their families to come out next July.

The next interviewed were Napoléon Bonton, Félicien Bonton, laborers, and Victor Guinet, machinist, now working for the corporation at \$1 per day, and expect to get employed as firemen on the Canadian Pacific Railway next week at \$30 per month. These people are also pleased with their condition.

My next visit was to Mr. Reed's, roofer, where Amour Dumlot was engaged as roofer at \$1.25 per day, later on will get \$1.50; he is also satisfied.

I then interviewed Jules Messelin at Mr. Reed's marble works. He is a carpenter and gets \$8 per week. His wife is cigar maker at Fortier's cigar factory. They are also well pleased with present prospects.

The next man, Nevremont, working at Mr. Jeffrey's blacksmith, at Petite Cote, is doing well, and written home for his family. His boy is here also and is employed at Mr. Lovell's printing establishment, at \$1.25 per week. He intends starting for himself soon as he has the necessary tools, and is quite content and satisfied.

Julien Hypolite is employed at Mr. Bain's as gardener, Lower Lachine Road, and is doing well and earning fair wages. He is also contented.

Emile Leclere, druggist's clerk, employed at \$2 per week and board. He speaks French only, which is a drawback to him, nevertheless, is doing well and is content and happy.

Léspol Lolien says he is a printer, but refused to work at that trade. Sometimes he says he is a bookbinder and a brewer. This man is continually complaining and could obtain work if he felt so disposed, but is too lazy to work. This is the only discontented individual in the lot.

The above comprises the entire number of Belgian immigrants against whom complaints have been made.

Hoping the foregoing report will prove satisfactory and meet your approbation,

I have the honor to be, sir, your obedient servant,

JNO. J. DALEY, *Dom. Immig. Agent.*

JOHN LOWE, Esq., Secretary Department of Agriculture, Ottawa.

Mr. WILSON (Elgin)—Who is Mr. Daley?

Mr. LOWE—The agent of the Government at Montreal and responsible for the statement he makes. We had also a letter from Mr. Bodard, the secretary of the French Immigration Society, with whom we have no official relation whatever. The letter of Mr. Bodard is written in the French language, and is precisely the same in effect as that of Mr. Daley's. He however gives other details of several of the immigrants. If the Chairman will allow me I will read the substance in English, it is as follows:—

(*Translation.*)

MONTREAL, 25th April, 1888.

DEAR SIR,—You have written to Mr. Daley in order to obtain some information on the subject of the last Belgians brought out by Mr. Watelet. Mr. Daley and I have personally seen all the mechanics we have been able to find in town, and I am happy to convey to you the following particulars concerning, not only those who have remained in Montreal, but also those who have gone elsewhere:

FLORENT OGER, AUGUSTE EVRARD, EMILE CLAYES, stone cutters. These men were to go to Winnipeg, but I have taken the responsibility to keep them in Montreal, as there is no such work as stone cutting going on at Winnipeg. I got the Canadian Pacific Railway Company to refund their money. They could have found work at Scottstown, but they did not like to go there. We have therefore placed them at the new Canadian Pacific Railway depot, Windsor Street, as stone cutters. The first week they earned \$1.25 per day and they complained of not getting as much as they were told they would? This week they earn \$2.50 per day. They are now satisfied. In my opinion, these men are inferior to the Canadian mechanics, as they are not accustomed to use the same tools, but after a month or two, they will be up to it. They cannot pretend to earn the same wages as the Canadians on arrival.

PIERRE BEGIN, stone cutter, arrived last week with a letter for me from Mrs. Watelet. I immediately sent him to the Canadian Pacific Railway depot. He had work on the following day. He now earns \$2.50 per day. He is very much pleased.

AMOUR DUCULOT, zinc worker, is working at Reed's, Craig Street, one of the best houses of Montreal. Does not understand the work of this country, and is considered by his employers as a middling mechanic. He earns, to commence with, \$1.25 per day. Has been promised \$1.50 per day when he is better up to the work. Has complained because others were earning \$2 and more.

JULES MESSELIN, joiner, is working as such at Reed's, marble cutter. He earns \$8 per week. Does not complain and is well satisfied. His wife is working at cigar making at Fortier's. She is much pleased.

LOUIS DUPONT, clock maker.—He has worked at Schwob's, French Consul, since his arrival at \$1.50 per day. Was much pleased and also Mr. Schwob. Is gone to work somewhere else.

GÉDÉON PIERARD, PIERRE FINET, CAMILLE JOURDIN, NESTOR GOFFE, moulders, are working at Mr. Ives'. Earn \$1.50 per day and expect to get more. Camille Gourdin is complaining of not getting as much as he thought—\$2.50 per day. He is a Knight of Labor, and I think he is at the head of those who have complained. They declare themselves satisfied, and say they do not work as hard as in Belgium. They are

going to send for their families in July, which proves that they are satisfied. According to what they say, they were earning between 4 francs and 4.50 in their country.

VICTOR PIERARD, moulder, has worked with the other at Ives' foundry. He now works at another. He is pleased and does not complain.

EMILE LECLAIRE, druggist, is clerk in a drug store, Notre Dame Street, earns \$2 per week, with board and lodging. Does not know the English language. Expected to get better wages. Has some money. Has come second class on steamer.

NAPOLÉON BONTON, FELICIE BONTON, laborers, VICTOR GUINET, fireman, have been eight or ten days without work. Are now employed by the corporation at \$1 per day. Have complained at their not getting work. These three men are engaged by the Canadian Pacific Railway Company to commence next week. Are now satisfied to be in Canada.

ARNOLD LAMBERT, saddler—Was not saddler. Is now engaged at Mr. Turcot's farm at Howick (Eastern Townships). Mr. Turcot is much pleased with him and writes to ask for another Belgian. Lambert does not complain.

VICTOR DOUCET, farmer, is working at a farmer's at Cote St. Paul. Is pleased but expected to get more.

JULIEN HYPOLYTE, gardener, is at Mr. Bain's, on Lachine Road. Is much pleased. His wages have been increased this week \$1 by his employer. Does not complain.

J. NEDRAUMONT, blacksmith, is working at Jeffrey's, Petite Côte. Is so much pleased with the country that he has sent for his wife and children. Has money and all his blacksmith's tools. Wants to have a blacksmith shop to himself. Does not complain. His son, eleven years old, is working as an apprentice at Lovell's. All much pleased.

LEOPOLD LALIEN, printer, is not a printer. Has deceived the agent in giving himself as such. I have myself found him some employment at Mr. Beauchemin's, printer. Would not work and said it was not his trade. Went to the newspaper office "Le Trait d'Union" and complained that he had been deceived and promised from \$2 to \$3 a day. He says he is a pressman, but he is not. At Beauchemin's he declared he was a book-binder. In the letter which I sent to you, he says he is going to work as a joiner, but I believe he is not able to do anything. He told me that since ten or twelve years he had worked in a brewery. Has no work. He is the only one. He is the one who complained the day after they landed. It is his fault if he has no work. Cannot be recommended because he has deceived everyone. Out of the 23 who arrived in Montreal, there are, therefore, 22 placed and pleased.

Respecting those sent to Manitoba, the Reverend Mr. Campeau has written to me that all those sent to St. Alphonse are pleased. They have either taken homesteads or have engaged themselves as laborers. A good many have already written to have their families come out. A man named Leroy possesses about 20,000 francs; Mr. Schumaker, \$600, and several others have also some money. No doubt there are some who have come without money; but they are agricultural laborers and have found employment on farms. I have exchanged at a broker's at Montreal between \$2,500 and \$3,000, but the greater part of them had changed their money in Antwerp. The Reverend Abbé Cloutier has also written to me that all those left at Winnipeg, about 20, have all been placed. As respects the miners who have gone to the Wellington Coal Mines (18) they are all pleased, as their friends have sent for them. The Manitoba *Free Press* tried to ridicule these families in saying: "The most valuable property they had was a game rooster of lengthy pedigree and great fame." It is true that one family had a fighting cock and some hens, but that family had also \$600 besides. The *Free Press* did not mention this.

As you know, our immigration society is opposed to the emigration of French and Belgian mechanics. We even advise them not to come. We say on our circular that the number of mechanics of this country is sufficient for its needs. We only encourage farmers to come; but when mechanics come in spite of everything, we do our best to help them. We have advised Mr. Watelet not to send any more of that class to Canada and he will send as few as possible. In my opinion, out of the 106

Belgian immigrants brought out, there were only twenty-five mechanics. The three-fourths were farmers. It is the best lot of Belgian and French immigrants who ever came to this country. I wish that all the immigrants coming out to Canada were as good as those of Mr. Watelet. The three-fourths of English, Irish and Swedish immigrants come out without money or nearly so; and I do not see why one should complain because 106 immigrants (Belgian) have brought their money and their work to this country.

In my opinion, Mr. Watelet's first trip is a success. Let him not send any more mechanics, and it will be perfect.

Believe me, &c., yours truly,

A. BODARD, *Secretary.*

Mr. JURY—Was he the farmer or the chemist who had \$600?

Mr. LOWE—The man who had the game rooster. I give this on the authority of l'Abbé Clontier, who is selected by Archbishop Taché to see for the care of immigrants in the North-West.

Dr. WILSON—It may turn out that some of these statements are not reliable, as some of those which were made with respect to the immigration and population in the North-West.

Mr. LOWE—I will answer that question definitely with regard to the immigration and population of the North-West, as established by the census of the three districts in 1885 and of the Province in 1886. The increase of population which was found in the North-West in the circumscription which I have mentioned was very much larger than the immigration from abroad, reported by us to have gone into the North-West; but it was not nearly so large as the numbers of immigrants and migrants combined. The migrants from the older Provinces were much more than half of the total of those who were reported by our agents as having gone into the North-West, and from various circumstances after the collapse of the boom and owing to the war there was a general exit before the censuses I have mentioned were taken. I do not think the figures, as established by the census of the North-West, are in any way discouraging. On the contrary, they show some very remarkable increases of population, and if there is no check I think there is every hope—in fact, our correspondence leaves no doubt on the subject—that there will be immediately a very large movement towards the North-West. I may mention one single fact, that in one week in this season's immigration as many immigrants went into the North-West as were equal to one-half of the whole that went in during the year 1886.

Mr. WATSON—What do you think would be the effect on the immigration and early settlement of the North-West by the disallowance of railways being done away with?

Mr. LOWE—That is a question to which Mr. Watson does not expect me to give a categorical answer. There can be no difficulty, however, in stating that what prevents outcry and discontent will be a facility and will favor immigration. It is a fact that outcry and discontent are the very reverse of facility, and I think the immigration market, that is the market from which people come—if I may use that expression—is exceedingly sensitive to injurious impressions or bad impressions; and I am sure that a story which is a bad story will fly and multiply almost like the rays of the light. It will soon appear in every newspaper in the United Kingdom.

Mr. WATSON—This question was asked before and answered by Mr. Lowe. I think Manitoba is a better place of settling in this year than it was last year, since disallowance has been done away with.

Mr. JURY—In reply to Mr. Lowe I would like to read an extract from a letter by Mr. J. F. Redmond, who is also on the Legislative Committee of the Knights of Labor. It is as follows:—

List of immigrants at 70 Inspector Street, Montreal.

Nestor Goffe, single, engaged as a baker, board lodging and \$2 per day; working in a foundry at 80 cents per day; 24 years of age.

Victor Pierrard, moulder; engaged at \$3 per day; married, two children, family in Belgium; 34 years of age. Working in Ives foundry at \$1.25 per day.

Pierre Firret, moulder; married, five children, family in Belgium; engaged to come at \$2.50; working for \$1.25; 50 years of age.

Gudéon Pierrard, moulder; married, four children, family in Belgium; 49 years of age; working at \$1.25 per day; engaged at \$2.50.

Gourdin Camille, married, one child, family in Belgium; 30 years of age; engaged at \$2.50; working for \$1.25.

Jules Mesleier, carpenter; married, one child here; 27 years of age; engaged at \$2.50; working for \$1.50.

Omer Duculot, single, plumber; engaged at \$2.50; working for \$1.25.

Victor Quinet, single; 45 years of age; engaged at \$2.50; idle.

Auguste Joseph Boutin, married, five children, family in Belgium; engaged at \$2.50; no work.

Felicien Boutin, single; 24 years of age; engaged at \$2.50; no work.

Leopold Lalien, single; 31 years of age; engaged as pressman at \$3; no work yet.

The present condition of the Belgians here is as follows:—Thirteen of them are living in three rooms at No. 70 Inspector Street, Montreal, without any furniture to speak of, sleeping on the floor and doing their own cooking, some of them have found work, but others are yet idle, as I will give you a list. Should you want to write to Winnipeg on the back of the letter enclosed you will find the address written in pencil. They came out on the steamship "Lake Ontario," and were badly fed, and slept on the bare boards, they paid \$27 to \$28 for their tickets, some were granted the privilege of stopping at Montreal (that is of those who were engaged for Winnipeg) and were to receive 70 francs rebate on arrival here, but only received 24 francs, which I believe was paid by the Canadian Pacific Railway.

Mr. Watelet left here last night and I suppose sails to-morrow. I regret that we could not have him arrested, a civil suit for damages would not be of much use to us.

The CHAIRMAN—In looking at these contracts that Mr. Jury has of Mr. Watelet's, I notice that he does not sign himself as Government Agent, the only connection with the Government was the printed heading which I presume the Government was unable to prevent. At the same time we should encourage as good immigration as possible; but on the other hand the class of immigration referred to by the City Council of Toronto should be discouraged and prevented if possible. I think the best way to arrive at some conclusion would be to authorize me to write to the City Clerk of Toronto, and ascertain something as to numbers and the time that they came. I find in this statement by Mr. Taylor:—"In accordance with your request I have the honor to report the number of persons applying to you for work during the first three months of the year was very great, reaching up to several hundred. Now to make an intelligent representation to the Government it would be necessary to ascertain the number of those who have been sent here by the Poor Law Guardians and other charitable institutions; and if it is found that such a system has been adopted in Great Britain, efforts should be made to put a stop to it."

Mr. LOWE—The Committee should bear in mind that the figure of 700 unsuitables, even supposing they were all immigrants, have relation to an immigration of 90,000 during the year.

The Committee, having authorized the Chairman to communicate with the City Clerk of Toronto, adjourned.

PART I—AGRICULTURE.

The Standing Committee on Agriculture and Immigration met on May the 11th, 1888.

Dr. E. PLAYTER, editor of the *Canadian Health Journal* appeared before the Committee and made the following statement:—

I have for some time been impressed very strongly with the importance of the connection between the disease of tuberculosis in man and animals. As some of you may have known I have given a good deal of attention to public health questions and in making enquiries in reference to the disease of the human organization I have been struck for many years with the connection between the diseases of animals and of man. I gradually became impressed very strongly especially with the connection of tubercular diseases, and as most of you know a great many diseases are familiarly known to be associated with both the animal order and the human race. I think that there would be two reasons why it would be desirable perhaps to bring the subject before this Committee, not only as regards the diseases of animals, which of course an Agricultural Committee would be interested in, but in view of its connection between that and the public health and practically colonization. My attention was particularly drawn some two or three years ago to the question of tubercular diseases, and in the report of the Agricultural College and Experimental Farm at Guelph, Ontario I find it stated: "The extent to which this disease exists amongst the better breed of cattle in this country is alarming, for many reasons; not the least one of which is the danger to which the public are exposed from the consumption of meat from such animals. From an economic standpoint the outlook is serious, as the annual loss must be very great, and will continue to become greater as long as so little care is observed in the selection of healthy dams and sires." After that I became more interested in the tubercular disease, for I hadn't given very much thought to that especially before, but since that I have communicated with a good many veterinary surgeons. I sent a great many circulars to the veterinary surgeons throughout the country last year and the year before, but I have received very few replies. The replies that I have received take the view that it is a disease that is becoming more and more prevalent and some measures ought to be taken to check it. I think I ought to put under your consideration two or three quotations. A veterinary surgeon from Mitchell says, in a letter dated a year ago last February. (It was talked over by some of the medical men who spoke of bringing this before the Committee last year but it got too late.) This is what Mr. Coates, of Mitchell, says: "I have had 4 cases of tubercular disease of milch cows since October, 1884, which is more than I have had in the previous seven years of my practice. Two of them are dead, the third one was sold to a farmer for a few dollars and I haven't heard of the other since, I suppose she has still got the disease." Dr. Elliot, of St. Catharines, says: "I think haven't met with more than 12 cases. These were a better breed of cattle and I am of the opinion that they are more subject to the disease. Some practitioners inform me that it is very frequent in their section."

Mr. HESSON—What disease is he referring to?

Dr. PLAYTER—The tubercular disease in cattle which I have mentioned in the extract in this report. "Tuberculosis," one doctor who does not want his name made public in Galt, says: "It appears to become more prevalent every year among cattle in this Province. Well bred, well cared for and closely housed cattle appear to be most subject to the disease. I don't want to injure the sale of the short horns or our own herd in particular, and I don't want my name mentioned to the public," he says, as you will see by the letter as he points out, that it is becoming more prevalent every year among cattle in this Province.

Dr. WILSON—I don't think it is worth while giving us letters from people who are afraid to give their names.

Dr. PLAYTER—I will mention his name. Lemon is his name. He says: "I don't want to injure the sale of short horns in particular and our own herd in particular. I don't want my name mentioned in particular, but I am willing to give

you all the information I can on the subject." I have a letter from Mr. Glenside, of the veterinary infirmary in Guelph, in connection with the Agricultural College. He goes into voluminous details, and I don't know whether you would like me to read them or not, and since that, in February, I think, I have a letter from the chief veterinary surgeon of the Dominion, Dr. McEcheran. He was just going on an expedition to the Eastern Townships, as perhaps you are aware, to investigate this same subject. He wished me to accompany him, and asked me to do so, but I did not do so. Mr. Glenside says: "I cannot say that I think the disease in question is very prevalent, or is on the increase amongst the grade of the common cattle in the country, although it exists among them to some extent, but I think it is quite sufficient to cause alarm." He says that the germs of the disease are disseminated with milk amongst the different breeds of the higher bred cattle. I think certainly that the diseases are on the increase, particularly these breeds in which inbreeding has been much indulged in, as in the Durham and Polled Angus. "We, of course, don't look upon it that inbreeding is the cause of the disease, but if the taint exists in both families, on both sides, it intensifies the tendency to it. We last year lost two Polled Angus cattle—a cow and a bull—which for physical appearance it would be hard to beat either of them, especially the cow, valued at \$500 each. The tubercular disease was chiefly in the viscera." That is from the chief veterinary surgeon of the Guelph Agricultural farm.

General LAURIE—We all know there is such a thing. We know there is such a thing as tuberculosis.

Dr. PLAYTER—I have a letter from Mr. McEcheran, chief veterinary surgeon of the Dominion. I have no special knowledge, of course, myself of its frequency in the Dominion, more than what these statements give. I have noticed in the medical journals of the United States that it is very much greater there, that it is increasing in prevalency there. Very lengthy articles in some of the leading medical journals in the United States, within the last month or two, show that the disease was very much on the increase, and that its connection with the human family appears to be a most serious part of it, although practical agriculturists don't always do it in that way. I thought that by bringing the subject before you that it might be to show the connection and the serious character especially of the tubercular diseases. I have no special knowledge of my own in reference to its frequency, only what I receive from enquiries made from others, and their replies.

Mr. HESSON—Are you a veterinary surgeon?

Dr. PLAYTER—I am a medical practitioner.

Dr. MACDONALD—Is there any analogy between tuberculosis in animals and human beings. I know there is a difference of opinion.

Dr. FERGUSON—The prevailing opinion is that they are similar.

Dr. PLAYTER—They are one and the same disease. The last number of the *New York Medical Journal* takes a very singular view of it. The editor says he has been making observations.

Dr. FERGUSON—From the information you could gather generally, without reading the articles, is it the prevailing opinion that this is communicable through the milk to the human family from the animal?

Dr. PLAYTER—That is not fully settled as regards the cow, if the tubercles are in the viscera and other parts. That is not a settled point—whether it is no matter where the tubercle is situated that it gives contagion to the milk. A good many contend that as long as the udder does not become tubercularized that the milk may be safely used, especially if it is boiled. It has been found that the cow is two or three degrees warmer than the human body and the cow is naturally subject to tubercular disease, that it is originally in the cow, that we take it from the cow. It is stated that where there is no cow's milk used there is not much tubercular disease, and where there is more cow's milk used, consumption and tubercular disease is most known.

Dr. MACDONALD—It is believed that the milk from the cow generates tubercular disease in the human family?

Dr. PLAYTER—It is generally believed so. I can give you any amount of evidence.

Dr. MACDONALD—How is this point explained that tuberculosis in the human family is so largely hereditary and we all drink milk. You would think the disease of tuberculosis would be more general than confined to certain families with a hereditary tendency. Suppose you and I drink the milk of some tuberculized cow, do you believe that the family where there was a latent tendency towards tuberculosis would be far more apt to take the disease irrespective of the milk you drink?

Dr. PLAYTER—Yes.

Dr. MACDONALD—How would you explain that the poison we both take into our systems don't develop the same disease, all things being equal?

Dr. PLAYTER—I have just said that the tubercular germs seem to be of a peculiar character. It is very hard evidently for them to take root. It does not affect a person like small-pox or scarlet fever. The condition of the body must be peculiarly favorable, I do not think there is much in the hereditary point. Of course an infant born of a tuberculized mother may have the tubercular disease. We have as yet no good statistics, but I think, however, that is about all heredity amounts to.

Dr. MACDONALD—I believe it is all hereditary. There is a difference of opinion amongst doctors whether the tubercle deposits bacilla or whether bacilla deposits the tubercle. Whether this is the effect or the cause it never has been decided by the medical profession. There is a greater difference of opinion among them to-day than there was five years ago.

Dr. PLAYTER—The *British Medical Journal* in an editorial states positively that the opinion is unanimous that it is the cause of the disease. There is some difference of opinion as to whether it is the direct cause.

Dr. MACDONALD—There is a division in the profession now in Germany on that point, whether it is the effect or the cause; what is the exact bearing of this discussion before us?

Dr. PLAYTER—As tuberculosis seems to be on the increase, I have just stated where it exists. I have tried to show you that there is a practical connection between the cow especially and the human family, that it is the cause of consumption. There are two reasons why I thought it would be well to bring it before this committee. First, to check the extension of the disease among the cattle and then its extension to the human family, which I have paid a great deal of attention to.

Dr. MACDONALD—If some of the human family are more liable than others that is all the more reason why we should consider the question fully.

Mr. McDONALD (Huron)—If I understand the Dr. the point he wishes to establish is that the tuberculosis is becoming more prevalent every year in the cattle, and that it is conveyed to the human family by drinking the milk and eating the meat, and therefore it is highly necessary to prevent, if possible, the spread of that disease among the cattle. Is that the point?

Dr. PLAYTER—Yes, that is the chief point.

Mr. McDONALD (Huron)—There are certain places in the world in which tuberculosis is much less than in Canada, and in England it has been shown that tuberculosis among the cattle is also less prevalent. In countries where the milk and the meat are used by the human family, you say on account of it being less among the cattle and it being conveyed to the human family and the milk and the meat, that danger is less and consequently consumption. Now, we, as medical men, do not look upon in that way as a rule. Take, for instance, the Western States; there we have not as much consumption as we have in Canada. Nor has it been shown by any testimony whatever that the cattle are purer and less liable to tuberculous diseases than in this country. Take Russia again, are the cattle purer in that country? If not, there must be some cause to make that difference, and this is one point before the Committee to examine, is tuberculosis in the human family?

Mr. McNEILL—I do not see what bearing all this has on the question before us, unless it be alleged that it can only be produced in families in which it is hereditary. If it be communicable to other families as a hereditary disease, then I think your

point is perfectly sound, and if there be families who have it as a hereditary disease that makes it only the more necessary that you should be especially careful.

Dr. PLAYTER—With regard to the question of heredity there is no doubt but that some people are very much more disposed to it than others, and anyone may take it. The seed or germ is peculiar, and it takes difficultly, chiefly in those who are disposed to it from many causes. With regard to that, I mentioned here briefly a moment ago, when Dr. Ferguson was speaking about cattle having it, that this article refers to that point especially that you have just alluded to. He shows here, and this is a new question and there have been no statistics, and you know it would be a very difficult matter to get statistics such as you now refer to; he alludes to that here and he shows that in some places where there are more cows there is more tuberculous disease among men. Dr. Brush, of Mount Vernon, N. Y., in the *New York Medical Journal*, in a lengthy article states, and gives very rational reasons I think, that the cow is the original field for tuberculous disease, that we all get it from the cow. It comes from the cow just as small-pox does and he gives as a strong point that the cow is a little warmer always than the human subject and naturally the human subject being of a little lower temperature does not take the disease, but if his blood is in a warm state and if he breathes the infection at that time it takes effect. We all know what a trifling thing will prevent the development of life at the right period and at the exact time, and some of these do not develop in a man when his temperature is even one degree lower. Perhaps the seed would not develop and that is the reason why he believes that the cow is the original source of tuberculosis.

Mr. CHISHOLM—Taking it for granted that it does exist and is spreading, can you suggest any means of preventing its spread? There is no use going into a scientific discussion. It is only those gentlemen that can do anything in the matter if anything does exist. Can you suggest some way of preventing it?

Dr. FERGUSON (Welland)—I think this is the most important subject that has ever been brought before this Committee, and I assure you that if we can in any way arrest the disease that is destroying the animals and cows of our country we are doing a great service to the agricultural community. If we can investigate and examine, and determine whether or not these diseases are susceptible or innoculable to the human family through the medium and source of the milk, we are conferring a boon upon the agricultural community and the country that cannot be conferred in any other way, and I do not believe in treating this subject as unworthy of this Committee. I do not think a more important subject has ever been brought to the attention of this Committee, and I believe it is the duty of this Committee so far as as their time will permit to examine into and investigate this matter. I can tell you that it is a question among scientists to-day whether the majority of the diseases to which the human family are subject, are not communicated through the medium of the lower animals. We find diphtheria very largely communicated from the horses to the human family; we find by observation in Germany and elsewhere, where men are connected with the cavalry and so forth, that they are more largely subject to diphtheretic deposit and disease than any other people. Scientists are discovering and ascertaining now that it is by the decomposition of animal substances in manure piles, &c. that this is communicated. Science is tending in that direction. It has not been decided, but I do say, Mr. Chairman, that this matter should be as fairly sifted as we can in our limited time. I would say that this Committee ought to recommend to the House the appointment of a committee for the purpose of sifting and investigating this matter, putting medical men on the Committee if you choose, who will make it their object and their duty to do so, and furnish them with all facilities for obtaining all the scientific knowledge they can get throughout the world on this subject and bring it to the attention of this Parliament, in order that the disease may not be spread among the cattle, and that it may not be communicated to the human family. Now, so far as tuberculosis is concerned, I believe that a great many people die in this country of tuberculosis and it is never detected at all. We find as medical men great difficulty in detecting tuberculosis during life. We know that people die in the country from it, and from *post mortem* examinations we

find tuberculosis of the bowels, tuberculosis of the liver, and tuberculosis of every organ of the body, and the medical man by no means in his power during life can ascertain whether or not as a matter of fact that tuberculosis exists unless in the sputa where it comes from the lungs and where it is discovered by the microscope. We do not discover it in any other organs of the body. I venture this ascertainment that hundreds of people die in this country from tuberculosis, that we are not able exactly to discover the cause of the disease, and we are not allowed to hold a *post-mortem* examination. I repeat again, Mr. Chairman, that I think it is the most important subject ever brought before us, and it is one that ought to be thoroughly sifted. This Committee ought to recommend the appointment of a Committee of the House, and give every facility to ascertain knowledge from different parts of the world in order to report it to this House, so that it may be communicated to the country, and if it is possible, in some way to prevent it and as much as possible to prohibit the disease. I know as a matter of fact, under my own observation, an instance where typhoid fever existed in Galt a few years ago, and when I came to investigate it with my medical friend, Dr. Sylvester, I found that in every family where typhoid fever prevailed the milk was obtained from one milkman, and we discovered that he was feeding his cattle from the refuse collected and accumulated and put into barrels at the kitchen doors at the different places in the town. We prevented all these from using this milk, and the result was that the disease was prevented from spreading. We found that every solitary family in Galt which had typhoid fever was taking the milk from one milkman, and it was all over the town and not confined to any one particular locality or family. As far as observation goes we can ascertain the cause, and I think this ought to be investigated thoroughly. You will find that a large number of the diseases that man is heir to are communicated through the medium of the cow, and this Committee ought to take some action as we are an agricultural committee. We are here to sift and investigate matters, and as far as we can protect the public against anything of this kind.

General LAURIE—I think the evidence is in the first place that there is a large amount of tuberculosis, and it is desirable that we should find out how it can be checked if it is injurious to the human life. I agree with Dr. Ferguson that this is a matter which should be dealt with by professional men. We laymen are outside of this question; we know that animals suffer from it, and believe that human beings are suffering from it, but it is not for laymen to deal with the question. It is for medical men particularly, and I would therefore support the recommendation that Dr. Ferguson has made, and I would urge that this matter should in the first place be remitted to a sub-committee of this Committee. If you prefer it that would be the suggestion that I would make, or that this committee should recommend to the House that a commission should be appointed to investigate the matter. My impression is that the disease is spreading so much that it is very desirable in the interests of our agricultural community that the animals suffering from tuberculosis should be destroyed. At present you have a law under which certain animals come under the Contagious Disease Act and can be killed at once, compensating the man for their slaughter, for it is in the interests of the community that they should be slaughtered. But this is not provided for in cases of tuberculosis and it is very unfair that the owner should be compelled to destroy them at his own expense when he has the misfortune of having this disease brought into his herd. I do think therefore that the matter should be dealt with as Dr. Ferguson suggests by a committee of experts, of medical men who understand it.

Mr. CHISHOLM—I think this hardly a matter for the whole committee to listen to because we are perfectly in the dark. We are not a jury and we are unable to offer an opinion upon it. It is a matter for experts, and I would suggest that it should be referred to a sub-committee composed of medical men. If it is desirable that this Committee should report to the House, that a commission should be appointed, I would recommend that also. I know it has attained serious dimensions in my own province, and I believe also that it prevails in other provinces as well. I

know that where it prevails to a large extent in my own province it came from Ontario.

Dr. MACDONALD—I agree very largely with my friend Dr. Ferguson, that this is a subject that is not adapted to be considered by a mixed committee of laymen; but I think on account of its importance, it would be advisable for this Committee to ask the House to appoint us a special committee to investigate it next session, with powers to send for papers and witnesses, and submit a report to the House bearing on this question, not only with respect to tuberculosis, but all infectious diseases; and in doing that we will reach a larger number that it will be impossible to reach through the evidence we are employing here. I suggest, therefore, that a sub-committee be not appointed here, but that the House be asked to appoint a committee.

Dr. ROOME—This gentleman has gone to a good deal of trouble to prepare the address he is going to give here to-day, and he will, no doubt, put it in such a light that although some might not be qualified to understand the technical points, it would be interesting to them as showing how this disease might be communicated from the animal to the human being. It is a disputed point, and many doctors differ on it. I think you will find few doctors who will say that it is communicated in that way; but if he can give us any light on the matter, I think we should have the power to take it into consideration. I have no doubt that he will give us some information that we can all learn something from.

The CHAIRMAN—I may state that Dr. Playter has made his statement to the Committee, but he may have some more remarks to make.

Dr. PLAYTER—I do not intend to detain the Committee with any lengthy address. I have not prepared any special address, but I have a good many extracts here which I thought I might read if the Committee required them. They are from the very best authority. I thought I might read these letters, in order to show that this disease is on the increase. There is one point that has not been touched upon, and that is with respect to the meat of these animals. It is of equal importance with the other, except that the young use the meat more freely; but on the whole, perhaps, the meat is of quite as much importance. In Germany and England there is a system of inspection, and it has been found that a large percentage—from 6 to 10 per cent.—of the animals fattened and killed for the market are tuberculized. It is the opinion of some of the best authorities that the meat will communicate the disease more readily than the milk, unless the udder of the cow is diseased. In the last *British Medical Journal*, it is stated that the cow will go on and give more abundantly of milk even after tuberculosis has set in, and will fatten readily. I saw in Toronto a few years ago that they were in the habit of buying up lean cattle in the fall and fattening them with slops and grain food during the winter and killing them in the spring. The milk would be supplied to the city during the winter. This is constantly being done in other cities, and I think there is hardly any doubt knowing that the tuberculosis disease is so common that nearly all of these were affected, if not all of them. In that way both milk and the meat were diseased. There is a pamphlet that I had published some two years ago, that gives some of the oldest and best authority on this subject, and I leave it with you since I have not prepared any address. I simply wish to bring this matter before the Committee, and I am prepared to answer any questions that medical men or others may ask. I do not think that it ought to be shoved over to medical men alone, for as a medical man who has devoted all his time for years to help matters, I have greatly felt the want of assistance outside of the profession.

Mr. WILSON (Lennox)—If professional men are not capable who are?

Dr. PLAYTER—Medical men have been taught to cure diseases, but when it comes to the matter of preventing them, I think those outside the profession should be interested.

Mr. McNEILL—Have you any information to give with regard to scarlet fever in this connection?

Dr. PLAYTER.—There has been a good deal of discussion quite recently in reference to the connection between diseases in the cow and the human subject. As you are aware a specific disease was discovered not long ago in England, the character of which is yet to some extent undecided. Dr. Cling, of the Agricultural Department there, seemed to contend very strongly that the disease which he discovered in some cattle in a certain part of England is actually scarlatina, the same as affects human subjects; but a gentleman outside of the department, whose name I forget, has investigated it and he rather disputes this statement. So it is not a settled question but it seems very clear on the authority of the leading Medical Journal of England that there is something in it. I may say that I have the last copy here, but the journal has not given its decision in reference to this matter yet. The opinion, however, is almost universal that this is the same disease. There is no question that the scarlatina poison can be communicated from the milk. For instance the milk would absorb any contagion that might exist such as the scarlet fever and there have been many epidemics of scarlet fever from the milk; but whether this disease of the cow is scarlatina is not settled, not so much as tuberculosis.

Mr. INNES—I would like to ask whether the doctor has given any attention to the disease in cattle called anthrax. There have been cases of fatal anthrax where animals have been feeding near a river in the spring of the year.

Dr. PLAYTER—That is a disease that I was hardly aware existed in Canada. There has been a great deal of it in other countries and Pasteur has investigated it to a considerable extent. It is a peculiarly fatal disease, but I do not know of any case where it has been communicated. I believe, however, it might be communicated in the way of a *post mortem* especially and in that way it would be very serious and fatal. I have not heard of any special communication of diseases like scarlet fever.

Mr. INNES—Do you think it is from weeds?

Dr. PLAYTER—It is generally believed to be a purely contagious disease, communicated from one to another just as all infectious diseases are.

Mr. INNES—How is it when cattle go on to this pasture almost immediately they are seized with it and it does not seem to be communicated to any other cattle but those on that spot?

Dr. PLAYTER—I can only say that the universal opinion is that it is a contagious disease, and without contagion we believe that no case ever occurs, although we very often do not know how it has been communicated. Still, we know it must be from infection.

Lieut. General LAURIE at this stage made a motion respecting a Special Committee.

Dr. ROBERTSON—I quite agree with what Dr. Ferguson has said, that this is one of the most important subjects that could be brought before this Committee, although I do not agree with all that this gentleman has said with regard to this disease and the manner in which it has been transmitted to the human family. This is not the place, however, to discuss that. I quite agree with the action that has been taken by the Committee with regard to the importance of this subject and I am glad to see that the Committee is becoming awakened. If there is anything that is important in this country it is the health of our people, and I think that the department of which this Committee is a part—the Department of Immigration and Colonization—should also be a department of health. The matter of infectious diseases should be under the control of that department and they should have the power to investigate these subjects we are talking about to-day. There should be experts in connection with that department to carry on these investigations, and I hope this matter will go on until it will end in some good conclusion.

Dr. WILSON—I am convinced that this is a very important matter; that it is a matter that should well command the attention of this Committee, if, by the course that is now suggested we could expect ultimately to arrive at any useful information; but if we found that we would be unable to do so, that we would be unable to accomplish the end which we would have in view, we should hesitate before adopting the course suggested by my honorable friend. While I admit that if we could show the

connection between the inferior and higher animals, it would be a good thing, we should at the same time carefully consider whether we would be able to accomplish that object. Take the state of science as it exists at the present time, you will find that their knowledge is so restricted that we could not to a very great extent rely upon that information. So far as tuberculosis is concerned, I think the statement made by Dr. Playter is not a correct one. I think his theory is merely a theory. It might be in accordance with his views and in accordance with the authorities under his eye; but for us to come to the conclusion that all consumption comes originally from the milk is very absurd indeed. I think my friend stated distinctly that he did not believe there was a case of tuberculosis in the human family unless they inherited it from the natural tendency on the part of the mother. He totally ignored the father. The father might be ever so much diseased, but the germ was generated by the mother. My friend shakes his head, but I so understood him. If he wishes to repudiate that I shall give him an opportunity to do so, but that was the theory as it reached me. Now we all know that disease may be engendered by the use of milk and we also know that it may be caused by communication with the lower animals as was mentioned by Dr. Ferguson in such cases as diphtheria. The next question which arises is, was the disease contracted from the animal or was that disease contracted owing to surrounding circumstances of the stable? That is the question we have to decide. You ask for the formation of a special committee to investigate, but will you be able to accomplish any definite results? Is the science sufficiently far advanced, either the veterinary or medical science, so that this Committee could form any definite tangible idea to communicate to the Parliament of Canada? For my part, I think we are not so far advanced. For instance, in England, where the sciences are further advanced than in Canada, and where they have investigated the question of whether tuberculosis existing in the inferior animals can be communicated to the superior animals, they have not been able to come to any conclusion to recommend the Parliament there any methods whereby the dissemination of this disease could be prevented. Go to the United States; go to Germany or France, where I think medical science has reached its greatest height, and you will find that they have not been able to accomplish that which we are aiming to do. To me it appears very unreasonable. Then, again, my friend Dr. Playter says that we must take into consideration the fact that the meat of diseased animals may be so absorbed in the human system as to produce the disease, and he illustrates this by cases in York where milkmen or those dealing in poor cattle feed them up during the winter and sell them for beef in the spring. Now it is an admitted principle that where tuberculosis exists, whether in the lungs or any other organ of the body, you cannot fatten the animal. Can you fatten one of the human family after consumption has set in? You all know better than that. Just so soon as you can build the system up and get the organs in full energetic order, so soon as the system becomes strong, you find the tendency of the disease to disappear. The treatment would be the same with animals as with men and women, and this illustration, therefore, falls to the ground. Then to say or to convey the impression that it matters not what the condition of the human system may be in, whether it may have a tendency to scrofula or a tendency to consumption, that it will not develop itself or will not have the germs developed in the human race unless milk is used is a vicious, fallacious and unreliable theory to advance before this Committee or before anyone else. So, upon the whole, I certainly can see no advantage that may arise from the appointment of a committee of this kind. While I would be desirous to do everything in my power and use any means whereby we could prevent the spread of the disease through the inferior animals, I say I cannot conceive what method you are going to adopt or what means you may arrive at. It is true that the milk of animals, fed upon impure food or impure water, may develop or produce typhoid fever or other disease. However, I certainly cannot see the use of the resolutions proposed by the honorable gentleman, and I would feel that I could not conscientiously sit upon a

committee of that kind as I know that any recommendation that that committee might make would be perfectly useless and perhaps very, very misleading indeed.

Dr. FERGUSON.—The object of this Committee would be to report to this Committee after examining the evidence we have here and report some course of action. There is no use talking about this thing. Certainly the Committee would be active enough to read the reports and articles and report to the Committee on Agriculture, and let this Committee take what action they like afterwards.

Dr. MACDONALD.—I agree with my friend that we know very little in regard to this disease, but we want to know more, and by appointing a Committee of this nature the object would be to gather what is the best information on the point, and perhaps we will be wiser a year hence than we are now. It is only by methods of that kind we can become wise.

Dr. PLAYTER.—I think I said I didn't believe in hereditary any more than with this exception that a mother may have tuberculosis and she may give birth to a tuberculized child, but I think the heredity that we usually talk is more in the confederation of the body simply, which is something in lymphatics. I don't mean that it would come from the mother only by any means. In regard to Dr. Wilson's statement respecting the fattening properties, I have just general information. I have known cattle myself to be fattened when tubercles were found largely in the body of these cattle referred to, they were on the agricultural farm and in the incipient stage cattle will fatten. It is stated here plainly that they will give more milk when in the tuberculized condition. Of course if the disease is far advanced everything must yield to the disease, and no matter how they are fed they will not continue to fatten, but a diseased cow may be fattened and she may give an abundance of milk.

Mr. CHISHOLM.—I think this discussion is getting very long. I think these gentlemen, composing this Committee, can inquire into the different diseases. We know disease exists and we are trying to stop the spread of the disease. I have great pleasure in seconding the resolution, and by next year probably we will have more information on the subject.

Dr. WILSON.—He says in these cases where tuberculosis has existed in the cattle that they have been fattened. Of course he must have information that is reliable. We know that it is not so in the human beings if it be so in cattle.

Dr. FERGUSON.—Of course in the incipient stages and not after the disease has control of the system.

Dr. WILSON.—Then I say this that he is established on the very evidence that he brought forward to show of the existence of the disease in cattle, of the disease tuberculosis, show that the disease in cattle and the disease in the human race are not similar, that they are not identical in the lower animals and human beings. Now we know full well and I think that the suggestion made by him to me, that the higher grades of cattle are more subject to this disease than the lower grades the former being housed, and the latter more or less exposed, raising a question in my mind what inflammatory disease may be taken for tuberculosis. I would call the attention of the Dr. to the fact that we have on the Contagious Disease Act, and it is within the power of the Minister of Agriculture at the present time if he knows an animal to be diseased with tuberculosis that he can destroy that animal. The Contagious Disease Act embraces tuberculosis as one of the contagious diseases. Therefore he has power to destroy the animals at the present time and the person owning the animal would have compensation.

Mr. FISHER.—That was only made so a few months ago.

Dr. FERGUSON.—We are not dealing with the question of destruction of cattle. The question is, is it possible by any means to prevent the spread of the disease among cattle or people. The object is simply to gather information, and to recommend some action that the department may take, or to suggest some line of action to the department itself. It is very difficult of course for non-medical men to deal with the matter so far as the disease is concerned. With regard to incipient tuberculosis, Dr. Wilson knows that thousands of people go to their graves with the germs

of tuberculosis, who do not die from that cause at all. I have examined dozens of persons in Bellevue Hospital, who had cavities in their lungs as big as hens' eggs, who went to their graves from typhoid fever.

Dr. WILSON.—Did you have evidence that that was tuberculosis?

Dr. FERGUSON.—Yes; we had the lungs examined under the microscope, and found the tuberculous deposit. If Dr. Wilson will suggest any other method by which this information can be obtained, I will listen to it; but the Committee is not going to cost the country anything. It is simply to get such information as they can, and on that the Committee can take whatever action they think fit.

Dr. WILSON.—I have no objection to their doing that.

Dr. MACDONALD.—Dr. Wilson has not said this disease cannot be communicated from the lower to the higher animal; but a great many prominent medical men in the world are of the opinion that it cannot be. This Committee can gather information.

The CHAIRMAN said it would be unfortunate if this discussion were mistaken to imply that this disease was either prevalent or on the increase. There was a great difference of opinion among medical men upon the matter.

After further discussion as to the best method of procedure, it was decided that the sub-committee named, should report back to the main Committee.

F. B. ANDERSEN, journalist of Winnipeg, examined:

I do not want to make any address to the Committee because I see that the time is very short, but I would wish rather to answer questions, and in that way I may be better able to meet the wants of the Committee. I am satisfied that the men who are assembled here have the interests of the country at heart and as this is an Immigration Committee as well as a Colonization Committee, you should fully consider immigration in general. As far as Scandinavian immigration is concerned this Committee has always given it careful attention. Now, I have been in the North-West for nearly four years and I have seen the work done there in relation to immigration in general, and I have also some idea of the business of that country, and I may say this, that the result of my observations lead me to think even more highly of the importance of the work of immigration in settling up this vast Dominion than I had even thought of before. I have travelled through Manitoba and part of the North-West, and you can well understand that in a great continent nearly the size of Europe one could have very little knowledge in two or three years. However, I have studied the reports of others, and I am satisfied that the country is in the first place a very fair, yes, even a very good country and that it can contain a population of some millions. I do not mean Manitoba and the North-West alone, but I include British Columbia as well. Its adaptability for settlement is not inferior to Northern Ontario. Southern Ontario is, of course, the finest country I have ever seen. I have also been in the States, and I believe the North-West is destined to be a great country. The great question which then arises is how you can settle the country the most rapidly, and I think that if this Dominion is to be a great power it should not occupy the second but the first place. I wish to impress this on the Committee, that I am satisfied a great deal can be done. Although much has been done there is more still to be done. We are just beginning to open up that vast region of some 500,000 square miles. Northern Germany has 50,000,000 of people alone, and you will thus see that there is a great possibility for our North-West. The people that are most likely to come there are the people of Northern Europe. The German, Scandinavian and British people in general will be the best settlers not, of course, excluding the French who have already become acclimatized. But I will speak more particularly with reference to the Scandinavian immigration. There is between 9,000,000 and 10,000,000 of people in Norway, Sweden and Iceland. I am the representative of the smallest nationality, which numbers only 73,000 or 74,000, the Icelanders. I know that these Scandinavian people if not equal to the English and Germans have the same qualities which fit them for being pioneers and the advanced guard of civilization in settling up a new country. The immigration from this country has been going on for 25 years or more, and there are now 2,000,000 of

Scandinavians in the States, and 25,000 in Canada. The Icelanders number 6,000 to 7,000, that is one-twelfth of its population, who have come here to settle, and this is largely due to the influence of Mr. Duff and through the efforts of the Canadian Government. I must say that both parties have done as much, probably more, for the Icelanders than for any other nationality. As far as I know I believe that the Icelanders are fairly well satisfied with their condition in general, and have made up their minds to make Canada their home. There is altogether between 9,000 and 10,000 of Icelanders in Canada and they have gone, some of them to Ontario, but the great bulk to Manitoba and the North-West, and some are now beginning to move to the coast. There is in Manitoba nearly 5,000 Icelanders and they have made great progress during eight years. The first few years it was very difficult and very little was done, but since I came up there there has been the following emigration: In 1885 the emigrants going into the North-West numbered about 300.

By Mr. Hesson :

Q. Do you mean Icelanders? A. Yes; I am speaking of Icelanders. The next year, 1886, there were 500, and last year 1,800. The tide of immigration was, of course, checked, while Manitoba was in difficulty, owing to the rebellion, &c. It affected the Icelanders no less than others, but now they are beginning to come in and on the west of Lake Manitoba there are now about 2,000 people, and a number of them have their own lands. In Argyle there are between five and six hundred who have settled on farms along Lake Manitoba. In Assiniboia there are two settlements, and in Alberta one, as well as in Calgary; and in British Columbia, there are some settlements in Vancouver and Victoria. In Ontario there are small settlements at Muskoka and Port Arthur. I wish, however, to point out to the increased immigration during the last three years. It is not through any one particular effort but it is the general result and the combined efforts of the settlers whom I rank the first agents and the care exercised by the authorities in fostering them. You have received one-twelfth of the population of Iceland in fourteen years, and during the last three years you have received three per cent. of its population, due simply to the manner in which the Government have taken hold of the matter. I am not speaking of the party politicians. I think we should be above that, but in the general interest of the country I wish to speak the truth and say it is due to the good work done on all hands, that you have had three per cent. of the population of Iceland within the last three years, and last year you had nearly 1,800 or one-eighth of the total settlers moving in there, as the result of these efforts. With these results therefore before me I think we might be able to get from one per cent. of the whole Scandinavian population which would amount to 90,000 every year. There is an immigration of 100,000 into the States. This is not the fault of any one department, but it is the fault of circumstances, and if we want these people to come in here we should foster the settlements of the 25,000 Scandinavians who are already here, as they are undoubtedly the best agents we can have. By simply fostering the settlement and assisting them in becoming successful settlers you will aid your work of immigration. I simply direct your attention to this part of the immigration of this country, and I beg to express the opinion that although possibly a great deal more can be done, the immigration of my nationality has been far in excess I think of any other nationality, and as for their progress they have come here without anything except their hands and their constitution and their willingness to work. I do not know that they are all good people, but there are none that I know of that have become a public burden, with the exception of the first batch that came out. These were helped because there was sickness amongst them, but I am glad to be able to say that some are paying that back. Last winter when there was no work going on in Manitoba some of them had to be helped, this batch that came out, I mean the 1,800 that came out in batches of 500, 300 and 800. Some of them came out in the fall, but I believe only 20 of them received aid from the municipality of Winnipeg, which is the last place that I would desire people to settle as it is a town that has already overgrown its population. If the Icelanders who do not stand equal to other Scandinavians in arts—we are behind them in everything, we know we have been

out in the Pole for 900 years—if they can come out here and in three or four years be independent and gain a fair living and be fairly good citizens and cultivate their land I think it speaks well for them. They have about five to ten acres of land cultivated at Gimli, and 50 to 100 acres at Argyle; in four years they have 20 to 40 acres cultivated and from 5 to 30 head of cattle.

By Mr. Robertson :

Q. I would like to ask you if you are satisfied with the land regulations in this country. Would you suggest giving them a larger portion of land to cultivate, or do you think they have sufficient? A. Yes, sir; they have more land than they are really able to cultivate. As far as the laws of the country are concerned, it is only now that the Icelanders are really able to pronounce an opinion upon them. I do not think they are much behind others in learning or in striving to make themselves acquainted with the laws of the country, but I have not, and I have been constantly working among them, found them making any great complaints about the laws or regulations. There is a difficulty sometimes in obtaining their patents, and small difficulties are arising which are found with every nationality.

Q. Is it made easy for them to get their patents? Is there any difficulty lying in the way? A. I think the Government have struck the key-note there, that is by putting men of their own nationality to assist them in that. They appointed me two years ago. I have not been able to give as much attention to it as I would desire, because I have had too much other work. But that part of the work is done by people of their own nationality, who represent them before the Land Commissioners at Winnipeg.

Q. And they are quite satisfied with their field? A. I do not say that all are satisfied, but generally I do not think they have much to say against the regulation.

By Mr. Cochrane :

Q. Do you edit a paper in their own language? A. Yes; I have been publishing a paper now for nearly two years.

Q. Do you throw out the insinuation generally in the paper that it would be better for them to learn the English language, or are you in favor of the continuance of their own language? A. I have made it a policy to act carefully in anything relating to our customs and nationality. If we try to press on them the advantage of taking up everything English the people at home might say we will lose our nationality. But this has been done: they have been urged strongly to attend all educational institutions, and they have done so fairly well. Necessarily they must learn the English language. They are accustomed to reading; they are a reading people and they learn fairly quickly.

By Mr. Robertson :

Q. The settlements are pretty close together are they not? They collect in small settlements? A. They first asked for a reserve, but since then there have been small settlements scattered all the way from Manitoba to the coast. I have urged that they should not form a reserve. They should be large enough to be able to support their own churches and help each other, but not large enough to exclude the influence of English civilization and the advantages which result from it.

By Mr. Chisholm :

Q. You are well acquainted with the people there, can you tell us if they are writing home and what representations they are making? Are they stating that they are satisfied? Are they urging their friends to come or inducing those they left behind to follow? A. It is generally favorable. There are of course exceptions according to the experience of the people, according to the difficulties which arise and the work of the country. If there is plenty of work you will find them perfectly satisfied.

By Mr. Trow :

Q. Do you not think it is a mistake to have them settle along Lake Winnipeg. There are some 2,000 there I think? As fish take to the water Scandinavians take to the sea. They are brought up by the sea, and they like the mountains and the

sea and fine scenery. They are what some people might call sentimental, that is they are fond of poetry. If they settle along the lake it is because they like it.

Q. But the land is not so good? A. The land is wet, but it is good enough for stock raising and for fishing, and that is what they know about when they come here.

By Mr. Robertson :

Q. Was your attention drawn to the Maritime Provinces. You say the sea would suit them better? A. I think the competition is already too great in the Maritime Provinces. The land is pretty well taken up and they would have to compete with the older settlers.

Q. There is a large lot of wilderness land there yet? A. Too much of a wilderness.

General LAURIE—We had an Icelandic settlement down there, but they were all placed on rocks twelve miles from the shore and we are told that they could both fish and farm. They got dissatisfied and some went to Dakota and some to Manitoba. I looked upon them as excellent laborers. Of course I prefer native labor when I can get it, but when I have to get imported labor I would sooner have the Icelanders than any other.

Mr. ANDERSEN—In my paper I have followed one system, and that is to endeavor to make them acquainted as impartially and as truly as possible with all parts of the Dominion. Manitoba and the North-West receive their influx mainly from the effect of the letters which settlers are continually sending home. I urged them to give a general idea of the country as well as they can.

By Mr. Hesson :

Q. What circulation has your paper? A. I have sent home about 600 papers.

Q. 600 papers weekly? A. Yes.

Q. In what way are they distributed? A. I have the names of almost every person in Iceland.

Q. How is your press maintained? Are your people a reading people? Do they subscribe for your paper? A. We have a circulation of about 1,200 in Canada. I think they are just about as good a reading people as any.

Q. What about your pamphlet? A. It is ready for the press, and is written in 4 Scandinavian languages. That is an idea that I conceived when I went up there. I spent a year on it and I have since been working at it. I propose to print it and publish it, and distribute it by getting lists of the people at home. You can get that with very little labor. They will furnish you with a list of the people and you can send them home. My idea was to have a public office there for the use of the people of the country, a place where they could obtain information with regard to this country.

By Mr. Trow :

Q. You send 600 to the old country every week? A. Yes, 600 weekly.

By Mr. Hesson :

Q. Have you any suggestions to make? You are on the spot, and you may have some suggestions which you would like to make to the committee? A. Simply this, that when the country prospers and when the people are prosperous immigration will flow in of its own accord, and all we can do is to do the best we can under all circumstances and make every man who goes into the country settle on the land where it is ready for him and the effect on the people at home will be beneficial and it will bring the immigration right along. Of course it takes time. Then I might say that I have tried to follow out this system with the Icelanders, that is simply to make them feel when they come here that they are no longer foreigners, but that they belong to the country and become citizens of the country and are beginning a new life, and in that way I think you will not lose much by getting foreigners in the country but you will benefit by the united strength of the different nationalities.

By Mr. Trow :

Q. What encouragement have you got from the Government? A. In the first place, they have placed me to work there on a salary.

Q. To edit this paper and superintend this settlement? A. Yes, sir. They have done nothing rational. They are giving me a smaller amount than I asked for.

Q. Have they paid for the press and type and set you up there? A. No, I bought them there. I do not think, sir, that it is right to bring personal matters into this question. I may say this, that I came up to the North-West with nothing. But that is my own work, and I have tried to help immigration as much as I could. I have tried to form agencies in every settlement, and that is a scheme that I suggest, simply that every settlement be made an agency.

By Mr. Watson :

Q. What recommendations would you make to this Committee as the best means of encouraging a settlement? A. Simply what I have suggested that the people be not allowed to remain in the towns but urged to settle out in small settlements throughout the country.

Q. I mean to get them from Iceland to Manitoba? A. That will come all right now. There is a sufficient force to try and induce them to come, and there is no use in spending more money unless you wish to depopulate the country. We have between 9,000,000 and 10,000,000 of Scandinavians.

Mr. CHISHOLM.—Mr. Andersen wants no Government aid and I think they ought to have all the encouragement that the country can give.

Mr. WILSON (Elgin).—Moral encouragement.

Mr. ANDERSEN.—I am not quite so good as that. I have work of my own to do and that is to further the settlement in the North-West. I mentioned a little while ago about the pamphlet; that was part of my mission down here, but I do not want this Committee to give themselves any trouble. I have been able so far to pull my own oars.

By Mr. Watson :

Q. Do you not want to get some assistance from the Government to assist in publishing your pamphlet? A. Yes; I wish to finish the work I started three years ago. As far as the publication of the pamphlet is concerned it is the best that I can do. I believe it would do good.

By Mr. Roome :

Q. Have you a contract or do you propose to publish it yourself? A. I have an agreement to the effect when I am able to do it, but so far I have not been able to because I have had to make my own money and have had to keep up the paper and work in connection with the paper as well. As the work progresses I am promised aid, but so far I have only lately been able to get the type here. I have proposed to do that work, to publish the pamphlet and send it to the different Scandinavian countries and to advise and help them as far as I can.

Q. Do you get aid from the Government for sending those newspapers weekly to Iceland? A. I have not yet.

By Mr. Wilson (Elgin) :

Q. Do you expect to? A. I may if the Government think it desirable, but I am not particular. I am satisfied with the work done, I am satisfied that it is in the interest of the country and I believe that it is not a disgrace. I am prepared to do it, but if I cannot finish it I am not disposed to cry over the affair.

Mr. McNEILL.—Before the Committee adjourns I wish to relate an incident that came under my knowledge and which has a bearing upon what has been said here to-day in relation to certain diseases being communicated from animals to human beings. Two years ago a remarkable outbreak of scarlet fever occurred in a certain district in London. The milk supply was suspected, and on investigation the milk from a certain dairy seemed to be that which produced the disease. Experts were sent to examine the condition of the dairy and they found that the sanitary arrangements were as nearly as possible perfect. The cows were in a house thoroughly ventilated and thoroughly drained and the floors were kept scrupulously clean. In addition to this there was a building set apart as a hospital to which any animal that seemed to be diseased was immediately removed and separated from the rest of the herd. There was also a building used as a quarantine in which any newly purchased cow

was detained for some days before she was allowed to join the herd. There was also a medical officer employed who inspected the cattle weekly. It seemed impossible to imagine that the disease could have originated here, but on still further experimenting with the milk, it was believed that the disease is some way must lurk in this dairy. Two or three of the most distinguished medical experts in London were appointed to investigate the case. They divided the milk of the different cows and set them apart and from the symptoms which were discovered they came to the conclusion that the milk of certain of the cows was dangerous while the milk of the others was wholesome. Having in this way discovered the cows which were the most likely to be affected, they made a rigorous examination of them. They discovered that upon the udders of each of these cows there was a slight eruption. The spots developed a small postule and upon opening this postule and examining its contents under the microscope it was discovered to be full of animalculæ. Inoculation of calves with this animalculæ although it produced a slight local irritation did not seem to develop anything at all in the nature of scarlet fever. These animalculæ were however placed in a preparation of gelatine and in a few days they developed to an extraordinary extent. It was found that by placing them in milk the development was almost if not quite as rapid and inoculation of calves with this animalculæ produced, so far as a calf seemed to be capable of developing it, every symptom of scarlet fever.

The Committee adjourned.

MR. SAUNDERS' EVIDENCE.

OTTAWA, 13th March, 1888.

By the Chairman :

Q. Professor Saunders, will you tell us what you have been doing at the Experimental Farm? A. Since I last had the pleasure and honor of appearing before this Committee, there has been a considerable amount of work done in developing the system of Experimental Farms, which has been inaugurated in Canada within the last two years, by the Government, under the charge of the Minister of Agriculture. As I explained to you at the last meeting, which was held, I think, in May of last year, we had at that time a portion of the land on the central farm broken up; I think something under 100 acres in all, out of the 467 acres which comprised the farm. At that time, as most of you know who saw it, the farm was in a rough condition. It is made up of a number of small holdings, some of which have been very improperly worked, and poorly looked after for many years, so that the land in such instances was very much run out, and it was impossible for any one to judge from the character of the soil—that is from its texture and appearance—what sort of crops it would grow until the requisite tests were made. These were then in progress, and I was only able to tell you what we hoped to do, and what it was proposed to do, but to-day I shall have the pleasure of referring to some points in regard to the work that has been actually done. Since that time the land has been got into very good order. There were, as you know, at first, no suitable fences round the farm, it has since been furnished with a substantial fence around its whole area. The necessary grading, owing to the inequalities of the ground where the fence was to be put up, has been made, so as to make the fence useful and neat in appearance. The wet land on the back part of the farm has all been drained, that is, so far as the main drains are concerned; there have been laid since that period a little over six miles of drains. The principal main drains have been made of 8 inch tiles, others of 6 inch with 4 inch branches, the sizes used depending on the amount of water to be carried off. Besides this the whole area of the farm has been cleared. There were about 140 acres in all of pine stumps, most of it covered with an undergrowth of poplar and birch trees from four to six inches in diameter. This has been entirely removed, and all the land brought under the plough. This cleared land being virgin soil will be of great use

to the farm, for the purpose of carrying on experimental work with fertilizers. There are very few institutions in this or any other country that will have the peculiar advantages which this clearing will give to the Central Experimental Farm. As you are all aware who have any knowledge of practical farming, in experiments with fertilizers where they are carried on with land that has been previously fertilized with any fertilizer, or which has been partially exhausted with cropping, the returns are necessarily associated with more or less error. These errors will to a great extent be eliminated by having virgin soil to work on, and we hope by carrying on experiments for a number of years in succession, to be able to work out with a reasonable degree of accuracy the effect which certain fertilizers have on particular crops. This course of experiments with fertilizers, which will be inaugurated this year, and carried on for a number of years in succession, will consist of experiments with barnyard manure in different stages of decomposition, with mineral phosphates in the fine ground raw state and the treated state as superphosphates; with animal phosphates, with dried blood, with nitrate of soda, and with Canada wood ashes, and other fertilizers. I may say here, that I think it is a reflection on the farming community of this country that so large a portion of the wood ashes of Canada are exported to the United States. In almost every leading American agricultural paper you find advertisements of Canada ashes for sale. These wood ashes are sold in the United States at from 30 to 35 cents per bushel, the farmers being glad of them there at such prices, but in Canada, where the farmers can get them at from 10 to 12 cents per bushel, they are neglected, and I think this is mainly for the reason that farmers are not aware of the importance of retaining for their own use these valuable mineral constituents of the original forest. Besides having this virgin soil, most of which is clay loam, there is a certain proportion of peaty soil on the Experimental Farm, and this peaty soil is representative of very large districts both in Ontario and Quebec. This will be useful in determining the relative value of some grasses for permanent pasture and meadows, as many sorts thrive well on such soil.

The seed testing to which I referred last year has been continued. In the bulletin published in December last a number of the results of this seed testing were given, comprising in all 187 tests. These results were believed by most practical farmers to be of great use to the country, and the work is being continued. This season we have tested up to the present time 680 samples of seed grain and agricultural seeds and further samples are being received daily, showing that there is a growing interest in this part of the work carried on at the Central Experimental Farm among the farmers of the Dominion.

I also made some reference to the early ripening wheat which had been brought from Russia under instructions from the Minister of Agriculture for purpose of arriving, if possible, at some satisfactory solution of the difficulty which presents itself in the more frosty parts of Manitoba and the North-West Territories, and to furnish a variety of wheat which would ripen earlier than any of those now in cultivation there, and thus escape the early autumn frosts. As most of you are aware in 1884 and 1885 a large proportion of the wheat grown in Manitoba and the North-West Territories was frozen before it was ripe, its value being thus reduced from 50 to 60 cents per bushel to 20 or 25 cents per bushel, causing a very severe loss to the farmers, and being exceedingly discouraging to the country, not only to the settlers there, but also interfering seriously with immigration. This early ripening wheat was sought for in the colder countries of northern Europe, northern Russia being the place where correspondence was opened with the hope of obtaining this desired variety of wheat. Some 6,000 lbs. of wheat were imported last spring from the northern part of Russia, but at that time the exact locality that this grain came from was not known, and I stated to the Committee that it was obtained more than 600 miles north of Ottawa by latitude. I have since learned that it was obtained 840 miles north of Ottawa, or in latitude 60. That is 600 miles north of Winnipeg, and a wheat which would ripen there should certainly ripen early in Canada. This is a sample of the original importation of this wheat which I have in my hand. Some of it was tried on the Central Experimental Farm last year, but as you all know the

season was exceedingly dry and unfavorable for such a test. It was sown on the 7th of May, and harvested on the 23rd of July, so that the time which it took to ripen was 76 days. The weight of this wheat, hurried so much in its ripening, was only 57½ lbs. to the bushel; but it compared favorably with Red Fyfe grown alongside of it, which weighed 58½ lbs., and White Russia and White Fyfe, each of which weighed 59 lbs. to the bushel. These other varieties, however, took about 8 more days in maturing, which gave them a better chance to fill up. The drought was very severe about Ottawa, only one shower of rain fell from the time of sowing to the time of ripening, and hence it had a very poor chance of producing a reasonable return.

The samples received from Ontario from the farmers who have tested this wheat, have been very much of the same character as our own samples grown on the Central Experimental Farm. We have had 67 returns in all from the distribution made in Ontario, of which the yield has been given in 20 cases only. When I give this figure I wish it to be understood that the other gentlemen who got samples did not all forget to mention the yield, but it was referred to in such a way that we could not make satisfactory use of it. A great many of the correspondents returned the yield in bushels per acre, without stating the exact weight obtained from the sample sent. These were laid aside because they had an element of uncertainty about them, and those only taken of which the weight was given. The smallest yield in Ontario was 10 lbs. from the 3 lbs. of seed sent; the highest being 60. The average was 27. This would make, if the grain was sown in the usual manner of field culture and at the rate of 2 bushels to the acre, an average of 18 bushels to the acre for this Ladoga wheat, or more accurately given as a yield of nine fold. In 18 samples out of the 67 the wheat was reported to have rusted; 7 as having rusted badly. Three were reported to have been affected with smut; 1 of them badly. The earliest of these samples matured in 69 days; the latest in 112 days. The average for Ontario being 90 days. In Quebec the same severe drought was experienced as in this province, and the results were very similar. The number of returns from that province were 15; the largest yield being 40 lbs. and the smallest 6. The average being 19, which would be a yield of a little more than six fold. There were 4 cases of rust, 2 of which were bad, but no smut was observed. The earliest period of ripening was 79 days, and the latest 100; the average being 85 days. In the eastern provinces the season was more favorable for grain growing. In Nova Scotia, out of 15 returns, the largest yield was 89 lbs., and the smallest 20 lbs.; the average being 53 lbs., or nearly 18 fold. There were 3 reports of rust, none badly, and 1 of smut, but not a bad case. The earliest period of ripening in this province was 91 days; the latest 126 days. The average being 102. In New Brunswick the number of returns was 24. The largest yield being 60 lbs. and the smallest 8; the average 30 lbs., equal to 10 fold. Six cases of rust were reported, 2 of which were said to have been bad. The average time of maturing in New Brunswick was 97 days; the earliest being 82, and the latest 113 days. There was one report only from Prince Edward Island, although there were several other samples sent there, and the yield was not given, nor the date of maturing. The number of returns from Manitoba was 83; the largest yield being 165 lbs. and the smallest 30. The average being 80 lbs., which would be an average of nearly 27 fold. These were reported as rusting in 33 cases out of 83, 12 of which were said to be bad. Smut appeared in 21 cases, 7 of which were bad. The average date of maturing was 102 days; the earliest being 75 and the latest 139 days. Taking the latest period of ordinary sowing as the 9th of April, and the earliest frost which has yet been known to have been injurious in Manitoba and the North-West as the 24th of August, this wheat would be ripened, judging by this record, four days before the first frost would appear. This remark applies to the railway belt of Manitoba and Assiniboia. In the North-West Territories the returns were 68, in which 236 lbs. was the largest yield—this was grown by Mr. W. Gibson, of Wolseley—and the smallest 24 lbs. This last was an exceptional case, where our correspondent states that owing to the very dry weather, the seed did not germinate until the 9th of June, which would be a sufficient explanation of the very small yield. The average yield in the Territories was 81 pounds from the

3 lbs. of seed, which would be 27 fold. There were no reports of rust in the North-West Territories, but there were 11 of smut, 2 of which were said to be bad. The earliest period of maturing in the territories was 80 days, the latest being 124, the average 105. From British Columbia we have 3 returns. The yield in the largest was 112 lbs., and in the smallest 64, the average being 88. The average date of ripening was 93 days. Averaging all these reports from all the different Provinces of the Dominion, this wheat has ripened in 96 days, and the yield has averaged 57 lbs. from the 3 lb. sample sent out, or 19 fold, or if it had been sown in the usual manner with 2 bushels of seed to the acre it would be equal to about 38 bushels to the acre. The total number of bags of Ladogo wheat distributed was 667 to 451 persons, and from these 276 reports have been received. It is proposed to continue the tests this year, and under instructions from the Minister of Agriculture a fresh importation of this wheat is being obtained for the purpose. It is being sent of the same variety and from the same quarter as that from which it was got last year, which is latitude 60°, 840 miles north of Ottawa. Another variety of wheat is also being imported from latitude 62°, known as the Onega wheat. Of this only a very small quantity has been obtainable. This has been grown 960 miles north of Ottawa and 720 miles north of Winnipeg. A small quantity of oats has also been secured from the same latitude. Further north in Russia, in latitude 66, near the Petschora River, some barley has been secured which has ripened 1,200 north of Ottawa, and 960 miles north of Winnipeg. A further sample of barley has been obtained, which was grown inside the Polar circle in latitude 67. That is 1,260 miles north of Ottawa, and 1,020 north of Winnipeg. These are the extreme northern parts in continental Europe where cereals have yet been ripened, and may be regarded as the northern limits of grain growing. These localities are not on the sea coast, where the climate would be greatly influenced by water; but in the continental regions of Russia where the cold is very severe and the season very short. In addition to the efforts made in this direction in Russia, correspondence has been opened with the Government of India, with a view to obtain seed wheat from the higher latitudes in the Himalaya Mountains. It has been ascertained that there have been varieties grown there during the past one or two hundred years, at an elevation of from 16 to 18 thousand feet above the sea level, where the season is very short; and it is hoped that wheat and barley will be obtained there, with which we can carry on experiments next year. Besides looking to the interests of the northern parts of Canada, some provision has also been made to help the farmers in the more southern and central regions of Ontario and Quebec, as well as the Eastern Provinces, where they stand in no special need of these early ripening sorts of grain. With this view correspondence has been opened with the Royal Agricultural Society of Denmark, at Copenhagen, and as Danish barley has obtained a very high reputation of late in Europe, it was thought desirable to obtain some for trial in this country. I have received advice from the Royal Agricultural Society within the last few days that 3 sacks of this barley has been forwarded for testing in this country. This is of 2 sorts, both two-rowed barley, one being known as the Danish Chevalier barley, and the other as the Printice barley. Barley is also being imported from England of the best varieties grown there; and not only barley, but wheat and oats of such varieties as are attracting general attention among the best farmers in Europe, and held in high esteem both in Europe and America. I reported to you last year that a large number of varieties of grain had been obtained in small quantities for testing, from different parts of the world. These have been ripened here, but the quantities are not large enough to admit of any distribution as yet. They will be tested again under more favorable conditions this coming season, and we hope at the end of this year to be able to give some useful reports in regard to a large number of these varieties. In Bulletin No. 2, which was published in December last, some of the results of last year's work were given, with an explanation of the reasons why we were not able to make a fuller report on the larger number of these samples. While continuing these experiments with wheat, barley, oats and other grains, it is proposed this year to carry on also experiments with field roots, such as mangolds,

turnips and carrots, with a view to determine which are the best varieties to grow in this part of Canada. Tests will also be made of the most esteemed varieties of sugar beets which are being cultivated in Europe, and form so important an item in agriculture there. There will be tests made with different sorts of corn for fodder purposes, and a large number of grass seeds have been received, some from Europe, some from the United States, and others from the North-West Territories and Manitoba, with the view of growing side by side, and of mixing them in different proportions, so as to ascertain what mixtures are best in this climate for permanent pastures and meadow. Clovers and fodder plants will also claim attention, and something will be done in garden vegetables, by the testing of many varieties of peas and beans.

Some buildings have also been erected since I last had the honor of appearing before the Committee, notably, barns and stables for the purpose of providing accommodation for the carrying on of experiments with stock. These cattle experiments are expected to cover tests regarding the value of different breeds for different purposes, such as the production of milk, so as to ascertain their relative value for butter and cheese making, and also of beef cattle. The tests with stock will afford an opportunity of trying the nutritive value of the fodder plants and grasses, and the different mixtures which I have referred to of grasses and clovers, as well as with roots and grain. Many other experiments will be carried on with stock, such as may suggest themselves from time to time as being important to be undertaken, in the several provinces in which these experimental farms are located.

A satisfactory water supply, which is a very important thing on a farm, has been obtained from the Ottawa Waterworks. Mains have been laid to the central farm, and we are now in possession of an abundant supply of water.

A large number of fruit trees have also been accumulated. It is proposed to test this fruit question very thoroughly in this climate, and as stated in the bulletin, which was issued last December, there have been brought together on the farm here apple trees to the number of 902, consisting of 297 varieties; 298 pear trees, consisting of 101 varieties; 197 plum trees, of 72 varieties; 25 peach trees, of 11 varieties; 155 cherry trees, of 71 varieties; and 26 crab apple trees, of 12 varieties. A large number of these fruits have been received from Europe, some from the northern parts of Germany, and more from the northern parts of Russia, where the climate is said to be quite as severe as it is in most parts of our North-West Territories, and it is hoped that among these some will be found which will be sufficiently hardy for cultivation in the colder parts of the Dominion. Small fruits are also being tested, including strawberries, raspberries, and grape vines, and the hardiest of these will be tried in the outlying stations, the other experimental farms which are now being established. The site for the experimental farm for the Maritime Provinces has been selected at Nappan, about six miles from Amherst, which is quite near the boundary between Nova Scotia and New Brunswick, and adjacent to Prince Edward Island. The North-West farm has also been located on a very good section of land near Indian Head—a bare prairie section—which will afford abundant opportunity for tests with forest trees, and also with all the different sorts of grain, roots and other farm crops, which it is desirable to try in the North-West Territories. The question of tree planting has engaged much attention on the Central Experimental Farm. A large number of varieties of native trees have been brought together, and tree seeds also in considerable quantities, much of which have been sown, and much more will be sown as soon as the spring opens. The question of forestry is a most important one for the North-West Territories, and if we can succeed in raising such trees as will stand the climate, it will do much towards relieving that barrenness which prevails there in the landscape, and give the settlers the means of providing some shelter and protection for themselves and their stock. This matter, so important in this country, has not been neglected in Europe. From a report received a day or two ago I learn that the Government of Prussia distributed last year 38,000,000 of young forest trees besides some 240,000 lbs. of tree seeds. Many other European countries follow the same practice, and a similar method is adopted to some extent

in the United States. I hope that at the end of another season the work at the farm will be so far advanced that we shall be able to distribute tree seeds and young forest trees to those parts of the country where such trees are specially needed.

By Mr. Trcw :

Q. I would like to ask Professor Saunders if the land on which this wheat was sown at the central farm was fertilized before sowing? A. Not much. A light sprinkling of barnyard manure was given to a part of it only. The land was very much exhausted, and to this we must add the unfavorable character of the season. But I have given you a plain statement of the result, as I thought the Committee would like to know the exact facts. The land is in better condition now, and we hope to be able to give a different report of it next season.

Q. The grain ripened here with you in about seventy days, and in Manitoba it took longer. One would naturally suppose it would ripen earlier in Manitoba than here? A. The season was so exceedingly hot and dry that the grain ripened in this neighborhood prematurely. Practical farmers here will know that 23rd and 24th of July were very early dates at which to cut wheat. The harvest is generally several weeks later than that, and the farmers will also know that in the growth of grain a few days makes a great deal of difference in the plumpness of the wheat. Red Fyfe wheat, which ripened eight days later than the Ladoga to which I have referred was plumper. It weighed 1 lb. more to the bushel, and the crop was 6 bushels more to the acre. I have little doubt that this Russian wheat would have yielded as much if it had had these eight days more growth, but having an earlier ripening habit, it ripened earlier than other varieties, as a matter of necessity.

By Mr. McDonald (Huron) :

Q. How does the flour of this wheat compare with the flour obtained from the wheat which we have been in the habit of growing? A. That question has not yet been definitely settled. The quantity required by the millers for grinding is 50 bushels or more, and there was not that much to spare without seriously curtailing our distribution. In order to reach correct conclusions in regard to the quality of this wheat I submitted samples of the grain to the Dominion grain inspectors at Port Arthur, and at Montreal to the Boards of Trade at Montreal, Toronto, and at Winnipeg, and to Messrs. Ogilvie of Montreal, and Mr. Goldie of Guelph. I have also sent samples to England, to the Corn Exchange in London, to a gentleman who is to get the best opinions that can be had in regard to the value of this grain there. I have all these opinions except those from England, and they are so different in their character that I am not able as yet to make very much out of them. For example, the Montreal Board of Trade say that all of the samples submitted which consisted of the original Ladoga and its products, were hard wheat except one. The Toronto Board of Trade state that the same samples submitted to them were all soft wheats. The Winnipeg Board of Trade found that part were hard and part were soft, and Mr. Ogilvie pronounces one of them No. 1 extra, and two others No. 1 hard, and most of the others soft wheat. Mr. Gibb, the Dominion Grain Inspector at Port Arthur, says that the original importation of this Ladoga wheat resembles much of this year's crop in Manitoba. In view of the opinions of these experts being so conflicting, it is very difficult for one not so conversant with the subject to form any positive opinion. The original importation weighed 61½ lbs. to the bushel. The sample which I have in my hand, grown from it, weighs 65 lbs. to the bushel.

Q. Where was it grown? A. It was grown by Mr. George Smellie at the Binscarth Farm on the Manitoba and North-West Railway. Another sample here, grown by Mr. Johnson at Mowbray, Manitoba, weighs 64½. This one was grown in Cocagne, New Brunswick, by the Rev. Jos. Ouillet, of St. Mary's, 64 lbs. to the bushel. Another here was grown in Alexandria, British Columbia, in the Cariboo district, and weighs 62½ lbs. to the bushel, and here is another sample weighing 64½ lbs., which was grown at Moosomin, in the North-West Territories, by Mr. Summerton.

Q. Were they all grown from the same seed? A. Yes, all grown from the same seed. Samples are being put up at the farm as museum specimens, from a large number of districts over the whole Dominion, and I shall be very glad indeed

to show any member of the Committee these samples, which I cannot conveniently bring with me.

By Mr. Trow :

Q. Do you expect better results from this crop after the wheat becomes acclimatized? A. I should have said that in all these cases where the wheat has been grown in Manitoba and the North-West it has been sown some two or three weeks later than the usual time of seeding, and the time is a very important element indeed in grain growing in the North-West. There is little doubt that this grain will produce better results in the coming year than it did last year. Many of the farmers have this wheat on hand now to the extent of one, two or three bushels, and they will sow it in good season, and report on it again after the harvest.

By Mr. Semple :

Q. Why was it sown so late? A. Because it was not received in time to sow it earlier. It was ordered last year early in November, in the expectation that we should get it from Russia in good season for sowing in the North-West, but in this we were disappointed. This year it was ordered in September, two months earlier, but still it has not reached us yet. The vessel with the grain was due in New York on the 10th, and we expect to hear of it within a few days. It appears to be very difficult to get grain from such distant parts in good season, that is grain grown the previous year. If we are to have it in time for the North-West it should reach us early in March.

Q. But last season being an exceptionally dry one, would you not naturally suppose that it would be less subject to rust than you would ordinarily have looked for? A. The rust, I think, is due more to late sowing than to anything else. Grain sown late is much more apt to rust than that sown early. Of course wet weather is favorable to rust.

By Mr. Cochrane :

Q. Some kinds of wheat are more subject to rust than others. For instance, Old Club wheat, sown the same season and in the same field, has been shown to be more liable to rust than Red Fyfe alongside of it? A. Yes; that is no doubt the case that some varieties are more subject to rust than others, and whether this Ladoga wheat is subject to rust or not I cannot say until it has been further tested. There has, however, been no rust in the North-West Territories out of a large number tried. In Manitoba 33 out of 83 cases seemed to be a large proportion, and I cannot account for it unless from the fact of the grain being sown late.

By Mr. McMillan (Huron) :

Q. What crop had been in the farm lands the previous year, where this wheat was sown? A. Most of the land on which that Russian wheat was sown was pasture ploughed under. It was a poor preparation for the crop, but we had no better land, and we gave it the best that we could under the circumstances. A part of the land sown had a light sprinkling of stable manure, which was ploughed under with the sod. It was well harrowed, and we got it into the best condition we could before the wheat was sown. We would not advocate such a course, but it was thought better to run the risk and get a crop in on such land, so that we might arrive at some conclusion as to how early the wheat would ripen here than to wait for another season.

Q. Was the land ploughed in the fall or in the spring? A. In the spring. It is proposed to distribute more of this wheat now on the way as soon as the shipment arrives. Nearly 1,000 applications are waiting to be filled. It has attracted a good deal of interest in Manitoba and the North-West, and those farmers who have not yet received samples are anxious to get some, and we are endeavoring to supply the demands for it as far as possible.

By Mr. Sproule :

Q. Will you supply a three pound sample package in the same manner as last year? A. Yes; but not to the same parties.

By Mr. Watson :

Q. I would like to ask Professor Saunders about the percentages of other wheat subject to rust in Manitoba, as compared with this variety. I think the percentage

of rust was much less on the Red Fyfe than has been reported on this variety. How do you account for that? A. It was sown some three weeks later, or past the usual time of sowing. I have been told by farmers in Manitoba that where wheat is sown late it is almost sure to rust.

Q. I do not know of any case of rust in Red Fyfe, although I have sown it as late as the 22nd of May. You speak of the early ripening of this Russian wheat. How does it compare with Red Fyfe? I mean in Manitoba last year? Red Fyfe was harvested near Portage la Prairie on the last day of July last year. Of course this has been an early season in Manitoba? A. The general estimate placed on the ripening of this wheat by nearly 300 correspondents who have reported on it, is that it ripens from 10 to 15 days earlier, and in some cases it has been estimated at three weeks or more, while others bring it down to about 8 days. But taking the average it will run from 10 to 15 days. I have not had time to figure the exact average yet, but make this statement from what I remember of the correspondence.

By Mr. Hesson :

Q. Have you had samples of the rust sent you? A. Yes, and they were examined by our botanist. It is the ordinary wheat rust, such as is found all over Europe and this country.

Q. Do you think that the time of sowing has anything to do with the rust? A. Yes; there is no doubt that it has much to do with it.

Q. And it was where it was sown late that the rust was shown? A. The grain showing the rust was all sown late.

By Mr. McNeill :

Q. How do you ascertain the yield per acre, by measuring the land, or by the weight of the grain? Was all the grain sown on the same principle, broadcast, and harrowed in, or how? A. The first question asked is in relation to the yield per acre?

Q. Yes? A. That is given on this basis. Three pounds of wheat yielded on an average, taking the whole Dominion, over 57 pounds, or nineteen fold, and supposing it was sown in the usual manner with two bushels per acre, the yield would be equal to about 38 bushels.

By the Chairman :

Q. Did you make all those calculations on the basis of two bushels per acre? A. Yes; but I only give this as an approximate calculation. Yes, most of the samples were sown broadcast in the usual manner, but several returns were made where the parties said that they had sown the wheat in drills. That was a sort of garden culture by which they realized larger crops than by the usual mode. How far this would affect the rough calculation of bushels per acre I cannot say.

By Mr. Tyrwhitt :

Q. The average yield in the North-West Territories by this calculation was 50 bushels to the acre, was it? A. Yes; about that.

Mr. TYRWHITT—From my experience in grain growing I consider these calculations all wrong, because it is almost utterly impossible to obtain such results per acre from an average yield.

By Mr. Watson :

Q. I desire to ask Prof. Saunders a question in regard to this new variety of wheat and also respecting Red Fyfe in Manitoba. Speaking of the yield, I know of a field in Manitoba which yielded 52 bushels to the acre of Red Fyfe. Of course, this is a large yield, but it has been a favorable season. I should like to know if the North-West has given a similar yield of this new wheat under similar circumstances. Furthermore, I would like to know whether the report of the Board of Trade of Winnipeg is favorable to this wheat, and how does it compare with Red Fyfe? A. In regard to that estimate of 50 bushels to the acre, it is only a rough estimate, and I would not give it as my opinion that it could be grown on a large scale with the same result. I merely cited these figures to give an idea of the relative yield in the different Provinces. We have no reports that would give the exact information that Mr. Watson asks for, these are reports as to earliness. Parties have sown this new

Russian wheat alongside of Red Fyfe, and in every instance where such has been done, it has ripened ten or fifteen days earlier than Red Fyfe. Mr. Smellie, who grew the wheat shown as sample on the table, makes a return to that effect, and several other parties in the North-West make similar returns. With regard to the reports from the Winnipeg Board of Trade, they regard the better samples of Ladoga wheat as five cents less in value than No. 1 hard. I am told that the average of the greater part of the crop in Manitoba is only graded No. 1 northern, which is four cents less than No. 1 hard. If that is correct then the Winnipeg Board of Trade grade this wheat within one cent per bushel in value of the great bulk of the crop in Manitoba. If that be so, this wheat makes a very good showing, having not only been sown two or three weeks later, but in many instances being late it was sown in most places on land improperly prepared, such as had been left for oats; so that it had to contend against unfavorable conditions both as to land and to lateness in sowing. If a wheat, under such circumstances, will produce samples which will come within one cent of the great bulk of the crop in Manitoba, it is, I think, a good showing.

By Mr. Mara :

Q. Have you made any tests of the relative vitality of samples of grain from the different Provinces? A. We have; a large number of such tests have been made this winter, and the information gained will appear in a bulletin later in the year.

By Mr. Ferguson (Welland) :

Q. Have you any reports as to the quality of the flour which this wheat produces; also of the length of the season in that part of Russia where the Ladoga wheat is grown, and the depth of the snow? That is, particulars as to the climate? A. I have not full particulars. I had a letter from our correspondent in Russia very recently. I wrote him seeking information regarding Kubanka wheat, of which there has been some very contradictory opinions expressed of late, and also with the hope of getting some varieties of wheat there which are not bearded, as these are objected to by some farmers as not so pleasant to handle. He says: "Spring wheat not bearded is not common. I heard of a not bearded kind, winter wheat; but could not get any of it this year. The kind, Kubanka, is grown in the southern districts of Russia; but it is not esteemed as the red or eared Ladoga is." In a former letter he stated to me that what he calls Polar barley and rye were grown in a climate where the season was very short. He gives me the date of sowing, and harvesting, but I cannot give it to you from memory. I will be glad to look it up.

By Mr. Sproule :

Q. Did you distribute any samples of barley last year? A. We had none to distribute.

Q. Will you have any this year? A. Only a limited quantity.

Q. Where from? A. Danish barley from the Royal Society at Copenhagen, also some from England of the best malting quality.

By Mr. Ferguson (Welland) :

Q. Is none of this Russian wheat ever exported and does it not find its way into the markets of England? Can opinions be got from there as to the value of this wheat for flouring purposes? A. I am trying to get information of that character. Samples have been sent to London, and a series of questions put to prominent grain buyers as well as millers there and I expect to get replies very shortly. It is proposed to publish in a bulletin all this information as soon as it can be brought together. Our chemist, Mr. F. T. Shutt, is at the same time analyzing many of these samples of Ladoga wheat grown in the different Provinces and comparing them with Red Fyfe. When this examination is completed we shall be in possession of definite information regarding the proportion of gluten and other important constituents in these samples of wheat. Both the Toronto and Winnipeg Boards of Trade agree that this was the only way of arriving at a definite conclusion.

By Mr. Watson :

Q. That is the samples from the different Provinces? A. Yes; and inquiries are being made also as to what this wheat would bring in the London market if sent in large quantities.

Q. You did not send any of the inferior samples? A. No; we sent some of the original importation and fair samples from Manitoba, the North-West and Nova Scotia.

By Mr. Ferguson (Welland) :

Q. As the season is fast approaching I may suggest that any information which Prof. Saunders might obtain he would give it to the Committee as early as possible? A. I shall be very glad to do so.

By Mr. Cochrane :

Q. Would it not be more satisfactory to have the chemical analyses of the wheat here if the Boards of Trade give such contradictory opinions? Did they make an analysis? A. No; they based their opinions on the examination of it by its texture and appearance. The Toronto Board of Trade, after stating that some of the samples are very deficient in gluten, say in a later paragraph that the only way to determine the proportion of gluten reliably in small samples is by chemical analysis. This is a long and tedious process and it will take nearly a month to complete the twenty samples on which our chemist is now working in order to get the information desired.

By General Laurie :

Q. Did I understand you to say that your experience is that this Russian wheat matured eight days earlier than White Fyfe? A. Yes; on the Experimental Farm.

Q. If you have found that this wheat is graded so nearly equal to the Red Fyfe what is the object of importing for the use of the southern and more mild portions of the Dominion the other classes of wheat spoken of? A. In reply to General Laurie's question I would say that the only countries which can grow the hard wheats, which are required by the millers for mixing, are of Russia and the northern parts of America. Red Fyfe wheat brought down from Manitoba and the North-West soon becomes softer and is not so valuable. There are varieties of good soft wheats which are not bearded, some of which are likely to produce, taking a series of years, larger crops in the eastern provinces than these hard wheats. Then there are a number of varieties of fall wheats which in England produce very large crops. Some of these are being got in limited quantities to be tested in those localities where fall wheats are successfully grown.

By Mr. McNeill :

Q. Has any flour from this wheat been made into bread? A. No, sir; we have not been able to get enough of it yet to spare for this purpose. We have offered to send ten bushels, but have been told that upwards of fifty bushels would be required for a satisfactory test. Next year it is expected that we shall have sufficient to spare for this purpose.

By Mr. McMillan :

Q. Is it not an accepted fact that old varieties of wheat degenerate and we have to get new ones? A. I think this is undoubtedly true, and it is one of the most important things connected with experimental farming in this country. Every variety of wheat tends to degenerate or run out, and if experimental farms can introduce new and useful sorts and can grow the seed so as to send it out unmixed, it will be a great benefit to every part of the Dominion where grain growing is carried on.

By Mr. Ferguson :

Q. In your opinion is it not the fault of the land and not the fault of the wheat that it runs out? Would it not be better to doctor the land than charge the seed? It would appear to me that that particular seed has exhausted the particular quality in the soil that it feeds on and that the cause of failure lies rather in the land than in the seed? A. This is a many sided question. If the grain is not properly fed it cannot be expected to produce good crops; but even with proper feeding this process of degeneration still goes on to some extent, not, however, so rapidly. The experi-

ments with fertilizers will be a check on the question of deterioration and enable us in process of time to reach some conclusion as to how much is due to deterioration and how much to lack of fertility in the soil.

By General Laurie :

Q. Has wheat been found to degenerate in the old country? A. Every year you will find in the seed catalogues new varieties, which gradually replace the older ones.

Q. Is that not a love of novelty more than anything else? A. No, sir; I think not. I believe it arises merely from the reason that these newer sorts are found to be more prolific.

By Mr. Cochrane :

Q. Do we not find that wheat degenerates even on new land, when sown for a time in our climate? A. I think it is the general experience that when sown on new lands better crops are produced than on older lands; but I think it is true that they degenerate even then.

By Mr. Sproule :

Q. Will you distribute any oats this year? A. We expect a small importation from latitude 62 with some barley, but it is only possible to get it in very limited quantities. I think we shall not be able to distribute any this year. It is better when only a small quantity is available to divide it among the experimental farms than distribute it otherwise. The distance that these grains have had to be brought in order to get them to the railways in Russia has involved considerable time and outlay for the quantity of grain we are getting.

By Mr. Hesson :

Q. I would call your attention to the color of the British Columbia sample of this Russian wheat. Is that owing to irrigation? A. I think it is the climate.

By Mr. Mara :

Q. It was grown in a high section of the Province; but whether that land has been irrigated or not I cannot say. I may say that wheat grown on irrigated land is generally whiter than that raised without irrigation. That makes me think that this wheat may have been grown on irrigated land? A. That is from Alexandria, B.C.

Q. As you will have only a limited quantity of barley and oats, and you will not have the farm in British Columbia in operation, I would suggest that what you would have for that section you should distribute? A. But there has been this difficulty in distributing through the members of the House of Commons, and I hope the members will bear with me in mentioning this matter, that where we have sent a number of samples to members, and they have distributed them, we have had no returns from the farmers at all. We consider that while such distribution may be very useful, it is preferable that the samples be sent from the Experimental Farm to such farmers as the members may name, so that we may have correspondence directly with them.

By Mr. Watson :

Q. I would like to ask Professor Saunders if after that he has ascertained of the quality of this wheat, he would recommend it to be grown in Manitoba in preference to Red Fyfe? While it is represented that this wheat has ripened so many days earlier than Red Fyfe, although sown later, I would call his attention to this fact: Wheat is sometimes sown on the 1st of April, and sometimes wheat sown two weeks later has ripened just as quickly as the other. It is found, however, that early sowing is not important. Such is probably the case with this wheat, and unless we can grow a wheat as good as Red Fyfe, we had better not encourage it, for we are so far inland that we have to grow a better wheat than is grown in other places. These reports going abroad will have quite a weight with people, and the wheat may degenerate in time. We think Red Fyfe is the best? A. I am surprised to hear Mr. Watson say that early sowing is not important; it is so contrary to the opinion generally held by practical farmers in Manitoba.

Q. I say it may lie in the ground for two weeks in the spring, and that may be true in connection with this variety of grain. Professor Saunders has stated that it has ripened earlier. Of course, if we are to have a fair comparison we must have the same dates. Wheat may lie in the ground for two weeks and have no growth? A. I have not met a farmer anywhere in Manitoba or the North-West who does not prefer to have his wheat sown at latest about the 9th of April, and they say that any farmer who sows his wheat late does not deserve a good crop. All my correspondents state that this wheat has not had a good chance, for the reason that it was received so late. They further state that wheat sown at the beginning of April, as a rule germinates promptly, and as the frost comes out of the ground, and the moisture rises and keeps the roots of the wheat moist, a considerable degree of growth is reached before the frost is out of the ground.

Q. The first grain sown on the Portage Plains last year was on the 9th of April?

A. The Portage Plains form one of the most exceptional districts in Manitoba. As most of you know they lie directly south of that large body of water known as Lake Manitoba, which protects them from early frosts, and they seldom have any difficulty with their crops. They almost always get good crops and do not need there any earlier wheat than Red Fyfe. As long as the farmers of the Portage Plains can grow Red Fyfe, I say to them by all means grow it. I think it is the best wheat ever produced; but I could bring scores of letters to this Committee from persons living in other sections, in which they say that they cannot grow Red Fyfe. The object in introducing the Ladoga wheat is not to displace the Red Fyfe, but to provide an earlier variety to be sown where Red Fyfe does not usually mature and thus to aid the settlers and stimulate the settlement of the country. In every instance where settlers have asked my opinion regarding Red Fyfe, I have told them it is the best wheat, and have encouraged them to grow it. I have thought that if the feeling of opposition to the introduction of new wheats we now have to contend with had prevailed before Red Fyfe was introduced, it is probable that we might still have been growing the Old Club wheat. Among the large number of varieties now in cultivation in the different parts of the world, it is reasonable to suppose that there may be other sorts equally useful with those we have. While I desire to place the merits of this wheat before you in a correct light, I am anxious you should not think that I am trying to put it in competition with or against Red Fyfe.

Mr. McNEILL.—I can mention to the Committee an instance which occurred to myself. I sowed some wheat, and in the evening of the day in which we harrowed it in, rain came on. That rain was followed during the night by snow. There was a heavy fall of snow and my neighbors laughed at me for having put in my wheat so early. The snow lay on the ground a considerable length of time and the thermometer went down low also. The first day I could get on the field, when I saw the ground appearing in patches among the snow, I took up some of the wheat; and there were young roots on them from an inch to an inch and a quarter in length. You see what an enormous advantage that wheat would have to the wheat in the bag. This Russian wheat sown two weeks later, was at a disadvantage as against the wheat that was no doubt making roots in the ground.

Mr. BAIN (Wentworth).—The truth about this is just this: It does not strike me that there is any difference between Mr. Watson and the professor. I think the professor has shown that it is very desirable to have this new wheat tried. I agree with Mr. Watson when he says that to test this wheat fairly—I know I should do so in my own province—I know it should be sown on the same day and side by side with Red Fyfe on similar land. I do not think there is a farmer here who would pretend to say it is not an advantage to have this wheat sown early. Every farmer knows that in proportion to the time the early sown wheat has to mature, it grows better and ripens earlier. I did not understand Mr. Watson to be criticising the introduction of this new variety of wheat, because there can be no doubt that such a wheat is needed. For instance a friend said to me: "I have a letter from a brother living in the vicinity of Edmonton, and he says they feel very much discouraged because their grain has not ripened successfully for many years; and we

have not had a real good crop for several years." Now here is a locality, if this wheat ripens earlier, in which it will be a great boon. Everybody does not live on the Portage Plains in Manitoba.

Mr. WATSON.—I do not wish to criticize the action of the Experimental Farm or Prof. Saunders at all. I fully appreciate the importance of testing these wheats and securing an earlier ripening wheat for the North-West providing we can get the quality. Golden Drop wheat will ripen ten days earlier than Red Fyfe, but it has not the quality. The Professor has told us that this wheat grades within one cent of the average crop of Red Fyfe in Manitoba of this year.

Prof. SAUNDERS.—This opinion is based on the statements of the Winnipeg Board of Trade.

Mr. WATSON.—I know that any of this wheat that I have seen is not worth by two, three or four cents per bushel as much as Red Fyfe. It would only be in such places as we could not grow Red Fyfe that this would be useful. Where we can grow Red Fyfe we want to keep on growing it.

Prof. SAUNDERS.—Hear, hear.

Mr. WATSON.—I fully appreciate what Prof. Saunders is doing to get an early ripening wheat, and he is doing that by going to Northern Russia.

Prof. SAUNDERS.—One correspondent writes me and sends a very good sample of Ladoga wheat which he had ripened in the Edmonton district; and another from the Red Deer district who said the Ladoga was the only variety which ripened at all with him, and he had Red Fyfe and other varieties which had been sown earlier. I take this to be positive proof that this is an earlier ripening wheat than Red Fyfe. The question of quality is also of very great importance, but if we can get a wheat which will not only ripen earlier, but grade near to the quality of Red Fyfe, it will be a great boon to the settlers in the North-West. I think this wheat is likely to improve in quality. I believe Red Fyfe has improved very much. I came across some samples of Red Fyfe in the Department of Agriculture the other day, which were put up in 1876 for the Centennial Exhibition at Philadelphia. These were grown in Ontario, I believe Red Fyfe was not grown in Manitoba then—and these samples were softer than the Red Fyfe we now get from Manitoba. I believe that most varieties grown there will improve in quality and become harder.

By Mr. Ferguson (Welland):

Q. I would like to ask whether the deterioration of wheat is due to the deterioration of the land by bad cultivation and an insufficient supply of manures and fertilizers? If what Prof. Saunders said was true, that there was deterioration of land, the Red Fyfe would necessarily deteriorate and it was very important to have the introduction of a new kind of wheat, but my own impression is that deterioration takes place not in the wheat, but is due to the deterioration of the soil, as is proved by the transfer of that wheat to another soil containing the proper component elements, when it would be restored to its original quality, irrespective of climate? A. That is a difficult question to answer, but I will give you the experience with Ladoga wheat this year when the same seed was grown over the whole Dominion. There are some samples which show a greater weight than the original seed, indicating that difference of soil and difference of climate produce very marked changes, other samples are not as good as the original. But I may say that the experience of one year is not enough to enable me to reach any satisfactory conclusions in regard to this matter.

By Mr. Fisher:

Q. In that connection, Prof. Saunders, have you found that the wheat in the North-West is hard, that where the climate has been colder the samples returned to you have been harder than where the climate is warmer? A. Yes. In Ontario and Quebec the samples have been softer. In Nova Scotia, one or two of the samples were quite hard, and I think one or two from New Brunswick, but these are exceptional cases. Last week I attended a meeting of farmers at Annprior, where I saw a number of samples of grain which had been grown in that district. I observed

one from No. 1 hard, obtained from Manitoba last year, and found that it was considerably softer than the original seed.

By Mr. Sproule :

Q. What has been the record in connection with the experiments with barley sown on the farm last year? A. I cannot give the results in full. I did give some results of the tests of barley in the second bulletin which was issued from the farm. The experiments, however, have not been carried far enough to speak in any decided manner as to the relative merits of the different sorts being tested. The experience of another season will be required before this can be done, as our land was not in good order and the weather last year was very unfavorable.

By Mr. Semple :

Q. Had you any experiments with salt and plaster on the farms last season? So far as the tests in regard to the wheat are concerned, I think, taking into consideration the fact that the land was mostly sod, and that it was ploughed in the spring—that the yield of wheat stated, weighing $57\frac{1}{2}$ lbs. to the bushel, was very good indeed for the season? A. No experiments were tried last season either with salt or plaster, as the land was not in condition for such work; such experiments will be undertaken this year.

Q. In the county of Wellington the spring wheat was bad. It generally weighed about 56 lbs. to the bushel, and even as low as 50 lbs. to the bushel, so that it has been an exceptionally bad season for spring wheat? A. I should have stated in answer to Mr. Fisher that the Red Fyfe, the Ladoga, the White Fyfe and the Russian were all sown on the same day, and on the same soil, and with the same treatment, and of the other samples which took from six to eight days longer in maturing, one weighed 58 and the Red Fyfe weighed 59 lbs., showing that it was a very poor season.

By Mr. Davin :

Q. I would like to ask Mr. Saunders about the yield from the samples that he sent out, and I wish to call his attention to the figures that he used, because they have been taken down by the shorthand writer. I can hardly believe them. For instance he speaks of an average of 50 bushels to the acre. I suppose that is correct? A. What I said to the Committee was this: supposing the seed to have been sown in the usual manner, broadcast, and at the rate of two bushels per acre, the returns would be equal to about 50 bushels to the acre, but this was only a rough estimate. In some cases it has, no doubt, been sown thinner, and that would make this rough estimate to some extent incorrect.

By Mr. Sproule :

Q. I understood you to say you planted some corn for fodder. What has been your experience with this? Did you try the different varieties for their feeding qualities? A. I fear that what I said regarding fodder corn has been misunderstood. I said that we preferred to test some of the more promising sorts this year. We did not experiment with corn last year.

By Mr. Ferguson :

Q. As I want some information about that very subject this spring, perhaps you can say from information you may have which are the best varieties. We all want to sow a lot this year? A. That is a question upon which I would not like to venture an opinion until I have had the opportunity of carrying out the proposed tests; but there is one point with regard to fodder corn, which I am prepared to say a word upon, and that is as to the mode of sowing. I think it is universally conceded now by those who have had experience that the old plan of sowing thickly, and allowing corn to cover the ground entirely, does not produce the best quality of fodder. It is much better to sow it in rows two and a half feet apart so as to give the sun and air a chance to reach the plants. This will produce corn containing more saccharine and starchy matter and makes it more nutritious as food for stock. We propose on the farm to try both methods and to determine by chemical analysis as to the result. The opportunity has not yet been given to do that.

Mr. Ferguson—That is the information I wanted.

By Mr. Smith (Ontario):

Q. What is the difference between the methods of planting corn? A. We have had but a limited experience yet. I am mainly reciting the experience of others.

By General Laurie:

Q. Have you done anything in regard to winter oats. It is an important question with us in the eastern provinces. Oats are far more generally grown with us than wheat. We are experimenting on that line down there now. We imported sixty bushels last year? A. Sown in the autumn?

Q. Yes? A. No, sir; I have not experimented at all with winter oats and should like to secure some for test. Among the grain coming from Russia there is some winter rye, which is said to ripen in a very short time.

By Mr. McNeill:

Q. Is the deterioration in seed similar to that from inbreeding in animals? A. Long continued cultivation without proper change of seed brings about a result very much like that of inbreeding in animals, the vitality of the plants is weakened and the proportion of the yield lessened, and that goes on increasing until the cultivation of the variety ceases to be profitable.

Q. If we take opinions from two different families of animals of shorthorns for example, that had been weakened by inbreeding and crossed them, the probability is we would have a beneficial result if they were strangers to one another; now, suppose you put two kinds of wheat, two specimens as it were, of Red Fyfe wheat, each of which had been, so to speak, run out in the different localities, but which were strangers to one another, and suppose you mixed these wheats together and sow the red, would you be likely to have the same result as you would by crossing animals? A. I should not like to venture an opinion on so difficult a question.

Q. What is the probability? A. I would not like to venture an opinion even on the probabilities in such a case until I have had the opportunity of experimenting. It is very important that we should try experiments with the different varieties of wheat in this as well as in other directions.

By Mr. Cochrane:

Q. I would like to know if this Department has any new varieties of fall wheat? A. Some varieties have been introduced and will be experimented with, and I have explained that that is part of the work which it is proposed to undertake for the benefit of the southern parts of Ontario and Quebec.

By Mr. Perley:

Q. I have a matter I would like to bring before this Committee, and that is in relation to the injury of the pine forests in this country by fire, followed by borers. It is generally known that fires were very prevalent of late and that the subsequent attacks of borers have led to great destruction. There has not been any scientific examination as to the generation of these grubs or borers. I think we should take steps as quickly as possible to ascertain the best mode of saving these trees after they have been destroyed at the roots by fire. I hope the Department will take an interest in the protection of forests and that a scientific examination will be made? A. I would say that some two days ago the Minister discussed that question with me and gave me instructions to make arrangements for Mr. Fletcher to visit the localities as Mr. Perley had requested. This visit will be made as soon as possible after Mr. Fletcher has given his evidence before this Committee.

By Mr. Trow:

Q. I understood Mr. Saunders to say while describing experiments made upon this farm that his calculation was to seed down peaty land with certain grasses. It struck me very forcibly that if there was a great depth of that peat, that if it was teamed out to the higher portions of the farm where the land is sandy or gravelly that it would act as forcibly and be more productive of crops than barn manure? A. That idea of Mr. Trow has not been overlooked. Some portions of this peaty land where the peat is deep will be laid aside and kept for that purpose. But there is a very large area of peaty land in Ontario and Quebec, which it is impossible to use in

this way and it has been thought that experiments with such grasses as thrive well on such land would be valuable to the two Provinces in which such farms are located.

By Mr. Cochrane :

Q. Have you had any experience with salt? A. No; we made no experiments last year with fertilizers excepting barnyard manure. We had no opportunity to carry on such work satisfactorily. That is one of the points that will be taken up this season.

By Mr. Jones :

Q. What was the earliest day on which wheat was sown in this Province and what would be the average date? A. I would rather that some of the farmers in the House would answer that than undertake to do it myself. I know here the date varies considerably. I think it would be somewhere about the 20th to the 25th of April as a rule. Last year it was from the 3rd to the 10th of May.

The Committee then adjourned.

MR. FLETCHER'S EVIDENCE.

HOUSE OF COMMONS, OTTAWA, 15th March, 1888.

The Committee on Agriculture and Colonization met this morning, Mr. White (Renfrew) in the chair.

JAMES FLETCHER, Entomologist and Botanist to the Dominion Experimental Farms, examined.

By the Chairman :

Q. Mr. Fletcher, you are the Entomologist of the Department of Agriculture and of the Experimental Farm? A. Yes, sir.

Q. Will you just state to the Committee then what has been done in regard to your particular branch of work? A. As I understand, Mr. Chairman and gentlemen, the object of summoning me here this morning is to give a statement of what work has already been done in my branch on the Experimental Farm and what it is proposed to do in the future. My transfer from the Library of Parliament to my present duties came into effect at the beginning of the present fiscal year in July, 1887. Since that time, however, the work that it has been necessary for me to do has not been of the scientific nature that it will be in the future. The organization of the department was not then of course complete. The work on the central farm only began, as Prof. Saunders told you the other day, in May last, and there was a great deal to be done in the organization of the department, and Prof. Saunders' necessary absence from Ottawa gave me a great deal more general correspondence than will be the case in the future. The consequence of this was, of course, that the purely scientific work had, to a certain extent, to be put aside for the necessary routine work of the office. Notwithstanding this, however, there were certain investigations that demanded immediate attention, some of these I will allude to presently. In addition to the position of entomologist, which I have held for the last four years, that of botanist to the Experimental Farms has been added. I am now the entomologist and botanist to the Dominion Experimental Farms. The joining of these two branches of study is, I think, wise, for the reason that with the diseases that affect plants, it is in many instances difficult at first to decide whether they arise from the attacks of insects or parasitic plants. This word plants includes all those low forms of vegetable life which come under the name of fungi. This word fungus I have referred to on previous occasions in this Agricultural Committee. All over the country whenever anything happens to crops farmers say, "there is some fungus or insect attacking them." Many of them do not know what the word fungus means, although they all use it, knowing it is something bad. It covers a multitude of sins, but few things of importance to farmers are less understood. It is

therefore necessary to give a certain amount of study to these low forms of vegetable life. The farmers ought to be informed with regard to these things, and the efforts of the botanist will be directed particularly to examining into the nature of fungous diseases and trying, if possible, to get them removed. In regard to the attacks of insects I have had the honor of appearing before the Committee on several occasions, and the gentlemen here, many of whom have belonged to your Committee year after year, have heard me draw attention to the enormous amount of injury which is done by insects to the crops, and to the necessity of having this study taken up in a systematic manner. That it is sufficient to keep one man at work all the time, and to give the whole of his energies and powers to this subject is borne out by the accounts of the work that is being done in all countries at the present time. In all parts of the world Governments are acknowledging the practical utility of these studies wherever the virgin soil is cultivated and the country is opened up for civilization and settlement; crops are grown in large quantities, and consequently insects which feed upon those plants increase in enormous numbers. The amount of food supply being the important factor which regulates insect presence, it is therefore being now found necessary to have the undue multiplication of injurious insects stopped, and the matter is being taken up in earnest in Europe, in Germany, France and England and in the East, in India, Ceylon and in Australia, it has been found necessary to employ men who are to give their whole time to work out these diseases. As a result, several practical remedies have already been discovered for ridding us of these insect and vegetable pests. On this continent we are certainly far ahead of all the rest of the world in finding out useful methods for dealing with injurious pests. In the United States very valuable work has been done by their entomologists. They have been fortunate in securing the services of very eminent men as State Entomologists, and consequently the farmers have benefited enormously from the valuable remedies they have suggested. As we, in Canada, are situated so near to the United States, many of our natural conditions and agricultural methods are the same and we are able to reap the benefit of their studies and researches. The present State Entomologist at Washington, Prof. Riley, is a man of very great eminence in this line, and his researches have resulted in practical remedies for many of the most important diseases induced by insects. In Canada we have had several men working and the result has been that we have now remedies for many of our most important insect pests. There are a certain number which appear year after year and always do a considerable amount of injury, these we call "first-class pests." Now these first-class pests in Canada are sufficiently numerous to take all the time and attention of the entomologist to keep them down. Nature assists our efforts very materially by allowing certain other insects to prey upon these injurious ones, and we find frequently whenever any one insect increases in enormous numbers, that before long some parasitic insect is also produced in large numbers which keep it down and reduce it back to its normal occurrence. Unluckily for us these beneficial insects are not produced quickly enough to save our crops, and therefore it becomes necessary for us to take prompt measures to protect our crops when injurious insects suddenly appear in large numbers. I shall now draw your attention this morning first of all to the botanical section of my work, because as less has been done in that branch it will be more quickly disposed of. Very little has been done as yet in the botanical line on the Central Experimental Farm, for the reason that we have not yet the land prepared for experiments, especially for those of an agricultural nature. During the past year we have collected on the Experimental Farm and grown from seed large quantities of different plants from all parts of the world. It is proposed in the future not only to introduce from all parts of the world those plants which may be useful to us in Canada, but we shall also cultivate and grow as large a collection of our own native plants as possible. In the botanical garden and arboretum I shall make efforts to gather together as complete a collection as possible of our native plants, and with the aid of my colleague the chemist, I hope we shall be able to discover economic values in our native plants not heretofore discovered, which will be of

service to the country. The scientific aspect of the case, also, will not be lost sight of. I hope by the means of this botanical garden to make it of scientific interest to botanists from all parts of America. The arboretum will be largely devoted to growing forest trees from seed. No problem is of greater importance than this. Our forests have been cleared away by continuous fires or by lumbermen. The demand for and annual consumption of wood for all purposes is so large that our forests are being denuded, and great efforts must at once be made to replace the timber removed from the land. Settlers in new districts, again, must destroy large quantities of our forest trees, and much of this must eventually be replaced. There is also the important problem of cultivating the whole of the North-West Territories, and this can only be solved by the re-planting of trees. There are of course a limited number of trees about these North-Western prairies, and some observers contend that they never were covered with forests. I cannot from the evidence obtainable agree with this view. I am perfectly positive of this, that in certain parts it will be utterly impossible to grow crops unless we do produce some kind of shelter to break the wind and to moderate the climate. In Nebraska most remarkably successful results have followed this tree planting. Perhaps one of the most lasting impressions on your mind as you pass through that state is of the little groves of trees that keep springing into view as you pass along the railway. You see at first something dark against the horizon, and then as you get nearer you find that these are clumps of trees surrounding homesteads. Millions of trees have been planted there within the past ten years and these have had a very beneficial effect on the climate. It is certain at least that crops in these areas so protected by the trees are better than where they are not protected. In our own North-West, from the experiments which I have myself tried from seeds which I distributed, I feel confident that we can grow trees over a very much larger area than at present is done. At Regina the ordinary hard maple has grown with considerable success. Some five years ago I sent some seed up there, and two years ago when I saw them they had sprung up into quite nice saplings. At Calgary and parts of Manitoba to which I sent seeds of different forest trees, through Mr. Acton Burrows, late Deputy Minister of Agriculture for Manitoba, many of them grew and achieved such success that I believe we may say that these experiments can be successfully carried out. At any rate the experiment will be tried, and large numbers of our forest trees will be grown from seed with this object in view. Besides the North-West there are large tracts of country in the north-east parts of the Province of Quebec, where it is probable we shall be able to introduce fruit and other trees, which do not grow there now, by distributing seedlings from the Experimental Farm. Our own native forest trees, which are grown in this part of Canada for shade or shelter, are planted by farmers in too much of a haphazard manner, and an endeavor will be made to advise the farmers as to which trees are best suited for their particular localities. Farmers are too apt to go to the woods and take away any trees that come; or if they hear that any one or two kinds are good they take those and just plant them along their fences and let them take their chances. It seems that the most successful way of growing many of our forest trees is to grow them from the seed. They grow better and eventually even faster than those which have been taken of considerable size from the bush. Experiments will be tried in this line, and we shall endeavor to persuade farmers to plant their trees on a methodical plan, so that they may get the best results from their efforts in tree planting.

Another branch of study that will be carried on in the botanical section will be the investigation of those diseases which are of a fungous origin. Among these are smuts and rusts in wheat. These are now of enormous importance in Canada. The rusts are more difficult of investigation than are the smuts. During the past year the smuts have been studied, and the investigation has resulted in the preparation of a small bulletin, which will very soon be distributed to farmers throughout the Dominion, advising them to make use of the well known remedy of pickling or preparing their seed, before sowing it, with sulphate of copper. I find in conversation, while attending Farmers' Institute meetings, that there are very few farmers who

do not know of this remedy; but it is remarkable that very few of them try it. It is only in few districts that farmers take the trouble to prepare the seed before sowing to prevent the ravages of smut. I have, therefore, with the consent of the director, prepared a bulletin giving the life history in simple terms of this smut disease, and advising farmers to make use of the well-known remedy. There are several remedies, all simple and economical. For about two and a half cents it is possible to prepare your seed wheat before sowing, so as to protect it almost entirely against smut. The common and, take it all around, the best remedy is sulphate of copper or blue stone, which is capable of destroying the spores adhering to the wheat. In the North-West Territories it is used extensively. In some sections farmers treat their seed wheat, as a matter of course, just as the farmers do in England, and you seldom see smut there. In some parts of the Territories, however, this treatment is carried out, and the results are very remarkable. Several instances have been brought to my notice where farmers have treated their seed in this way, and even where previously their crops had been very much injured with smut; while another man close by has not taken the precaution. The result has been that the man who did not treat his seed has lost one-tenth of his whole crop, while the man who treated his seed would have hardly a smutted grain. The mode of life of smut is briefly as follows:—The spore, which answers to the seed in higher plants, falls to the ground or is carried to the granary with the seed. In the spring, when the seed is sown or when the proper time comes, if it has remained in the ground all winter, it germinates and throws out a root. It is not a true root, as the organs are not the same in fungi as in the higher plants. It is in the "spawn," as we will call it. It then attacks the wheat and permeates its tissues and bears fruit, which is the black powder so familiarly known as smut. This consists of spores or organs which answer for seed in this low order of vegetables. Not only is the seed wheat injured; but in one of these varieties known as hard smut, which seems to be the commonest, they have a very disgusting odor. I do not know of anything it can be likened to except bad fish. Probably many of you know the objectionable odor. It is so objectionable that millers will not buy wheat in which this smell can be detected. It is, too, very noticeable if you put your hand down into a bag of wheat; you can smell the smut which adheres to it. The spores are of an oily nature and adhere to the coat of the seed wheat and are carried into the granary, and thence back to the soil. The remedies which have been tried with success are those which have aimed to remove these spores from the coat of the wheat or to destroy them. Probably the latter are the more successful; that is by the use of some poisonous solution which will destroy the spore but not injure the wheat. We have such in the common blue stone, made into a solution in the proportion of one pound to a pailful of water. It is used in different ways. The most usual method in the North-West is to dissolve this blue stone in hot water and throw the mixture over the seed wheat and keep it stirred for a short time so that the whole of it is dampened with the solution. In my own experiments I used to make a solution large enough in quantity to cover the wheat with it. This was left fifteen minutes and then the liquid was drawn off. Of course the wheat was very wet. We used to dry it by sifting lime over it. This process made the wheat larger, and the result was when you took a handful to sow it broadcast you could not make it go far enough. To meet this difficulty we used to sow at cross angles. I think the seeders and drills which are used almost everywhere now can be set to suit this if there is not time to let the seed dry. I have not, however, tried the experiment of sowing the seed dried with lime, but I think they could be arranged so as not to clog up. However, the seed must be dried and if the solution is sprinkled on it, it must be dried quickly so that the seed cannot germinate. If the seed is wet and left in that place it will germinate. It must be so arranged that the air can get at it, and then it will be all right. In the North-West it is claimed that the wheat is in a condition to be sown through the drill after a few hours. These results have been such that it has been considered advisable to recommend to the farmers the adoption of this method all over the country. If they do

not do so it is their own affair, but I shall use my endeavors to persuade them to do so, for from my own experiments and investigations, I am sure they will be successful.

In regard to rust its investigation is much more difficult. Before we can begin the investigation proper, there are certain theories which have to be got rid of. There has been a very complicated theory in regard to the life history accepted very generally all over the world. Unluckily in scientific matters many are too apt to take the statements of others as they are given, and swallow them without investigation; and if the statements made are remarkable it seems to me they swallow them more readily. They say, if it is out of the way: "That is the wonderful thing science tells us" I think we cannot do better than remember that science is merely another name for knowledge, and for the thorough investigation of these matters we must have science to bear on them. Very often when I go to farmers' meetings men will come to me and say: "Do not give us too much science." I generally say: "My friend, when we agree on what science is we shall get on better. No man who does not want knowledge will attain success." As I said, however, scientific men, unluckily, have been great copyists. One man has started a theory and another man has accepted it, and we are to-day, in acquiring the life history of these rusts, not much further ahead than we were 100 years ago. I am referring now to a class of statements that were touched on at the last meeting of the Committee and in regard to which some information was given by Mr. McMillan, of a very valuable nature, because it gave an actual fact in regard to some of his own experience. I am still of the opinion that the statement I made last year, that the growth of this plant was simply from its spores germinating upon one class of plants and coming to maturity there, is correct. First of all it grows from a spore produced by a plant similar to the one which results from the spore. I mentioned the spore of the smut. The spore of the rust is similar, and is a very minute object, so small that it cannot be seen by the naked eye alone. It requires a microscope. It falls to the ground or remains on the grass or stubble, and in the spring when the wheat has grown up it is blown on to the wheat and there germinates. Now that plant or small plant, as we will call it, germinates, and it is maintained that the whole of the injury is produced by these spores blowing on to the wheat and there germinating. The other theory is that the spore has first of all to germinate, and then to find some plant of the barberry family, a family not at all abundant in this country, and thereafter, passing through a distinct kind of growth, it produces another or second kind of seed, which, in its turn, has to be blown from the barberry on to the wheat and there does the injury known as rusts. This, however, is a matter for scientific investigation. It matters very little to the farmer how many generations it goes through if he cannot get a remedy. I acknowledge that I have no remedy as yet, but I hope that we shall be able to get one eventually. I understand its life history is the first step. A gentleman living in Nova Scotia wrote to me and sent me a sample of some marl and affirmed that wherever this was sown on his land his wheat was free from the attacks of rust. This may possibly point to a line of study by which we may protect our wheat against rust. I have not examined into the matter, I merely throw it out as a hint. The marl is a good fertilizer and if we bring our wheat plants to the greatest state of health and vigor they may be able to throw off many diseases. Certain climatic conditions are, from the development of these fungous plants, necessary. It is frequently stated that rust is only produced at certain times of the year when certain conditions of the atmosphere exist; when the succulent stem of the wheat plant is at a certain stage of its growth it is more liable to attacks of rust than if more matured and the stem harder. This same theory was touched upon the day before yesterday when it was stated that some wheats sown late were more liable to attack from rust than others. The same statement was made by Mr. Watson, that Red Fyfe wheat in the North-West Territories is never attacked by rust. I made the statement that this was entirely owing to the remarkable climate they have; that it is a very dry climate, that the spores of the rust plant have not the necessary conditions for their germination. However, the very worst piece of rusted wheat I ever

saw was Red Fyfe, but it was grown here. So there is nothing inherent in the Red Fyfe wheat to protect it; but there may be something in the conditions of growth that at certain times are such as to protect the wheat plant from rust. I will not waste any more time on this subject, as I have nothing new to give you on this matter in the shape of a remedy. The scientific aspect, however, is very interesting, but there is very little in the fact of it being simply interesting.

Another branch of my studies and of which I have already spoken to you is the life history of insects which attack our crops. I have brought here to-day as being possibly of interest to some members of the Committee a small collection of some of the insects which have been complained of, and which I have investigated to some extent during the last year. The first insect that I shall speak of is too small to show the Committee from where I stand, but I will show it to any who wish to examine it afterwards. It is a small fly which attacks our wheat crop. In the month of June I had several specimens of the top joints of wheat plants sent to me. In certain parts of Canada from the appearance of the attacked crop this trouble was known as "silver top" and "joint worm," "cut worm," &c., &c., all of which indicated that there was something wrong with one of the joints of the wheat, this was the top joint. The effect was that the top joint being thus affected before the plant was ripe, it did not produce any seed, but withered and turned white prematurely. Upon investigation it was found that the bottom of that joint had been eaten away by some insect. Of course one stem of wheat in a field is of little consequence, but when insects begin to depredate upon any crop, it requires very careful and immediate investigation and an immediate remedy must be sought for. Such investigation as I have been able to give this matter shows that the attack is decidedly increasing. I do not think it is ever going to be a very serious attack such as the midge or the Hessian fly, but still there is enough evidence to show that it requires a very careful investigation; such evidence as I have seems to show that there are three broods in the year. One hatches in June, and the flies lay their eggs on the top joints of the wheat, these produce the flies in July, and then breeds again in the same year, flies coming out again in September. There is a question as to what becomes of the fly from June to September. There is no wheat in the fields unless it be a small quantity of volunteer wheat. Now maggots have been found in volunteer wheat in this period, but that amount of volunteer wheat in that part of the summer is not going to be enough to carry these insects over. But it may be found in some of the wild grasses, and it is possible that this pest may pass through this stage in some of the grasses which grow around our fields. This however is only a theory, and is not yet proved sufficiently to enable me to make a positive statement upon it. I hope at some early day to get some remedy which may be applicable. It is also being investigated in the United States, particularly by Professor Webster, of Indiana, who has examined into the subject very carefully, and it was he, I think, who advanced the theory that it passes through a stage that we have not yet discovered in volunteer wheat. The English name of this fly is the wheat bulb worm, on account of the second brood. In June it attacks the young plant of wheat at the bottom of the top joint, but of course later in the year there is no top joint, and then it attacks the plant close to the grain and lives there. In the young fall wheat you will sometimes find that some of the plants turn yellow. This is said to be due to the Hessian fly, but I believe in no instance has the attacks of the Hessian fly made the plant turn yellow. The attack of the Hessian fly, it is said by Professor Webster, makes the leaves green. More fall wheat is I believe destroyed by this fly than is supposed.

An attack of considerable importance during the past year, was that by what is known as the "imported white cabbage butterfly." This is the parent of the green worm on our cabbages, and the attacks of this insect during the past year was very considerable in all parts of Canada. The eggs are laid by the butterfly on the cabbage head, from which comes the green caterpillar. It lives there and eats into the heart of the cabbage, and cannot be got at very easily. The best remedy I find is the Persian insect powder. The botanical name is now pretty well known in commerce as pyrethrum, but it is the same powder as has been sold for many years as

Persian insect powder. It may be mixed with four times its quantity of common flour, and puffed over the cabbages. It can be very easily and cheaply applied. One cabbage grower came to me last summer and told me that he had put a large amount of money in a cabbage crop, and that it was attacked by this insect. He said to me: "It is the toss of a penny as to whether I shall lose everything I have or make a nice little sum. If you can stop this attack on my cabbages I am all right." I found that he had some thousands of cabbage plants and I went to him and said: "Have you got half a day to spare?" He replied: "Yes." I then said: "Please give me a little of your time, I have brought the poison with me, and we will see what we can do." Pyrethrum powder cost last year 80 cents per pound; as a trial we only used a quarter of a pound on this occasion. In an hour and a half we sprinkled 750 cabbages, and two days afterwards there was not a single living caterpillar upon these cabbages, and a week afterwards these cabbages had all swelled out, and the farmer netted the full value of the market on them. Now, all these cabbages were protected by this poison and at a very small expenditure of capital and labor. There are many remedies in the market, but I believe that is, without exception, the very best that can be used for this insect, as it is cheap and quite harmless to the higher animals. Another remedy with which I had a considerable amount of success was a compound that was being sold at a cheap rate. It is made by an American firm and is very successful. It is called Hammond's Slug Shot. There are other remedies which you may see mentioned from time to time in newspapers. Some say that iced water is one of the very best remedies that can be used for this purpose, and a great many people recommend boiling water. You cannot produce iced water cheaply at that time of the year when it is required for this purpose. But this remedy I have mentioned (pyrethrum) is very cheap and many people have tried it; I believe at the present time it is the best remedy for the purpose. With regard to the iced water remedy it will be found not so cheap. It is just like the boiling water remedies, they are really very expensive. You have to get the water at a certain temperature, which is the most important thing. You will have to carry it from your fire to your crop. In practice you will find that it is a difficult thing to use these hot water remedies. There is one other injurious remedy which is now being used very extensively by the farmers all over Canada and that is the application of Paris green to plants used for food. It is most pernicious and dangerous, and must not be sanctioned. The very nature of Paris green which makes it so valuable to us in destroying insect life should deter anyone from using it on a vegetable which is used so soon after it is applied as are cabbages. Several instances of poisoning have come under my notice after the use of this Paris green on cabbages. Paris green should never be used on cabbages, but I regret to say it is used very extensively all over the country. There is one other important subject, sir, I would like to refer to for a few minutes. One of the most important matters which has been brought under my notice during the past year has been the injury to timber by borers. The last season has been excessively dry and consequently bush fires have been very prevalent through many of the lumbering districts of Canada, consequently, as lumbermen know only too well, that after fire has been through the bush in the summer time, they may expect as a certainty that the next year all their timber will be utterly destroyed. I have not yet sufficient evidence to say whether the timber injured by fire in the early spring is or is not so severely injured by the next winter to render it useless as is the impression of lumbermen. The theory among entomologists was this: That the insects which laid the eggs which afterwards produced the grubs appeared in June. Those beetles laid their eggs in the crevices of the bark. These are two beetles which produce the grubs which destroy the largest amount of pine timber in our districts. These are the mature beetles. These lay eggs in the crevices of the bark, which after a short time hatch and produce soft white grubs. I have here a specimen of a very large grub which is the shape in which it attacks the timber, and these grubs when they come to maturity produce long-horned beetles. These are what lay the eggs to keep up the successive generations. Now, then, of course it must be understood that

after the fire goes through the bush it reduces a large amount of the timber to a state in which it has less vitality than when it is in a state of nature, and we know that after the tree becomes injured in any way then at once and immediately the means which nature has provided to get anything that is useless out of the way are attracted to it and it is in that way destroyed. Now these beetles as I pointed out last year are not meant for destroying the lumbermen's timber at all. They are meant for getting useless trees out of the way after they have died. Anyone who has been through a forest must have been struck with the absence of dead trees. If you would go through a primæval forest anywhere except where there has been a wind fall or a fire, one thing that will strike you is that there are no dead trees lying about; insects are simply nature's scavengers. When a tree dies or is injured they at once attack it. The beetles lay eggs which hatch into grubs which bore into the solid wood and let in air and moisture; with the aid of certain fungi, the tree is again reduced to what it was first, simply earth, and the place which it left is then available for other trees to grow up and fill the forest with timber. The lumberman, in the cutting down of his timber, reduces to this same condition of decay a large amount of timber, and consequently these beetles, whose business it is to get it out of the way, set to work at once, and they lay their eggs on it, and they destroy it for the lumberman, unless he takes steps to prevent it. We find in certain limits there are certain methods adopted by lumbermen which, to a certain extent, protect their timber. These methods aim at bringing the logs into a condition unsuited to the growth of the young grub, or prevent the parent beetles from laying their eggs upon them. Of these, covering the logs with boughs of balsam fir seems to be the most successful, or "rosing," which consists in removing a strip of bark from the top of the timber or entirely stripping off the bark, so as to let the surface of the wood dry up. Then the timber beetles do not attack it, as the soft pulpy matter in which the young grubs live between the bark and the wood is removed. The egg laid by this insect is not half as big as an ordinary pin's head. This hatches into a very small soft grub. The one I have passed round is a very large one. It is the grub of one of the large British Columbian timber borers. It is much larger than those of the beetles I have shown you as the most common depredators in our eastern pine forests; however, in the same way, eating the solid wood after it once enters it. The grubs of all are very small, and when first hatched they cannot at once eat into solid wood, so they feed for a certain time on the soft pulpy sap wood which is underneath the bark. After they have lived there for a certain time (this is the theory of entomologists), as winter comes on they work into the solid wood and eat in a distance yearly about an inch a half or two inches. Now, some of the lumbermen who have been good enough to give me their experience, say that they go further than that, that they will eat right into the heart of the wood immediately, that it bores right into the heart of the log. If this is so, then it is a very serious matter. This I hope to find, from such investigation as I have been able to make, is not the case. I have not yet, however, been able to examine trees injured by fire early in the spring, and these are the ones in which it is feared that this serious injury may take place. Mr. Perley asked the question at the last meeting of this Committee whether any steps were being taken by the Minister to have this matter investigated and Prof. Saunders answered that instructions had been given that after the Committee had finished with me here that I should visit the shanties and investigate the matter. I believe valuable information will be obtainable by the visit, for this reason: If the theory that the grubs only penetrate to a distance of two inches the first year is correct, it is merely a matter of losing two inches of the outside of the logs. If borers have entered the wood at all it is condemned by the cullers, but if it can be shown that they only enter to a depth of two inches there is now a large amount of condemned timber, which it would pay the lumberman who owns his own mills to cut and make into lumber. If, however, the grubs bore right into the solid timber in the first year then it is a very much more difficult matter to meet, and we must, I am afraid, unless it can be cut in the summer, give up any hope of securing that timber which is standing in a bush which fire has gone

through in the spring. Messrs. Perley & Pattee have been good enough to promise that one of their partners shall go with me and give me every facility for investigating this matter, and I sincerely hope that good results will be obtained. Mr. Andrew White, of Pembroke, has also promised me his assistance, and if any remedy can be got I hope it will be got soon. The only remedy is such as can be obtained by treatment of the logs. Any appliances to the standing tree is altogether out of the question, since a tree from 150 to 200 feet in height could not be sprayed with any solution as we do our apple trees, but it is possible we may get some method of treating the logs. Such as is cut in the winter and can be floated into deep water is all right, and the remedy sought by lumbermen is for such logs as have to be left on the limits during the summer. It is not always possible to get these into water, or if that be done to get them to the mills. Some of the lumbermen tell me that if they can keep a man there to roll the logs during the summer they are protected even in shallow water, because the instinct of the borers prevents them from laying their eggs where the young would not hatch.

By Mr. McMillan :

Q. In speaking of a wash for wheat, would salt not suit as well as sulphate of copper? A. I have tried experiments with salt, but I think on the whole the success has not been quite so great as with the sulphate of copper. The most successful method of washing with salt has been in the following way: A sufficiently large quantity of pickle must be used to cover the grain. Pork had been pickled in that which I used and of course the brine would be strong; farmers' wives make brine for this purpose sufficiently strong to float a new laid egg in it. This is sufficiently strong for wheat, and that brine or one of equal strength should be used. I entirely immersed the wheat beneath the pickle and many light and imperfect grains came to the top and were skimmed off. I dried it with lime and found it was much protected against smut; but this remedy was not quite so effectual as a blue stone experiment tried at the same time. That remedy should, I think, be adopted wherever blue stone is obtainable; but if it is not obtainable, sooner than sowing the wheat unwashed, I would wash it with pure water. By that means many of the light spores would be carried to the top and could be swept off. This heavy brine wash I think would also have the effect you referred to last year that the light smutty seeds would float to the top and be skimmed off, leaving the seed very much cleaner.

By Mr. Sproule :

Q. What strength did you make this solution of blue stone? A. One pound to a pailful of water.

Q. Is there any danger of making it too strong? A. No; I believe not. It is claimed that it cannot possibly be made too strong for the wheat.

Q. Do you recommend that it be dissolved in soft water or hard? A. Soft water is always preferable when it is used to dissolve chemicals.

By Mr. Trow :

Q. I would ask the Professor if he calculates to extend his experiments to the other experimental farms in the various Provinces or merely to confine himself to this locality? A. The work that I have been doing for the last four years has been for the whole Dominion. I have now over 1,500 correspondents, chiefly farmers, in all parts of the Dominion and a great deal is of course done by correspondence. I hope to be able to visit any localities that are infested with insects or fungous diseases and investigate them personally.

Q. Is there not provision for a second growth where timber originally grew, that is if protected from cattle or fires. Would not nature itself produce a certain crop? A. Undoubtedly. Any area of ground in a wooded country will always produce some kind of timber, but if it is in a thickly settled part it is very much destroyed, as you say, by cattle. I cannot help thinking that the reason why the prairies of the North-West are not covered with trees has been chiefly due to fires. In passing along through the North-West you come frequently to places where you find in the bend of a river that the whole area so shut in is thickly covered with

trees, and I have noticed that these trees run sharply along the angle of the river to where the fire has swept across the prairie. Again on the northern sides of hills you frequently find trees.

By Mr. Sproule :

Q. You talked of treating cabbage with pyrethrum powder. How often do you find it necessary to make the application? A. Apply it as soon as you see the caterpillars appear. There are successive broods all the summer but it will not be necessary to apply the powder again for two or three weeks. The eggs are laid by the butterfly and in a few days these are hatched into caterpillars. But the butterfly will not go near the cabbages for some days after the powder is applied.

By Mr. Fiset :

Q. What is the technical name of this powder? A. Pyrethrum. It is the powdered flowers of two species of composite plants. *Pyrethrum cinerarioefolium* and *Pyrethrum roseum*. It was formerly known as Persian and Dalmatian Insect Powder; but it is now known in commerce simply as insect powder and Buhach. This latter is the product of some plants grown in California.

Q. Would you advise it to be put on dry or moist? A. It is used both ways, in solution or dry. I prefer the latter way.

Q. Is it applied in the morning or otherwise? A. It can be applied at any time; but probably early in the morning when the dew is on the plants is the best time with all these powders. I find that the greatest success is met with in applying them in the dry state, which is also true of Paris green where a very small quantity is wanted. In the case of such plants as we usually protect with Paris green it is not a very important matter how it is put on, but I find that in the dry state one part of Paris green to 50 or even 100 of lime or plaster is more efficacious than when that quantity is put into water.

By Mr. Trow :

Q. Does not rust in a great measure depend on the state of the weather and the fertility of the land? If the land is very productive the straw grows up so rapidly that it is softer than when growing on other lands. Foggy weather intervening with hot sunshine and showers is more liable to produce rust than otherwise, is it not? A. Undoubtedly; two most important factors in the production of fungi are heat and moisture. If you have these conditions at a certain time you are more liable to rust than otherwise, but these conditions do not generate the rust. It is a plant and must be produced from a spore the same as any other plant which must be produced from the seed. The atmospheric conditions you have mentioned allow rust to increase very much more than at other times, and I think why rust is more prevalent in some years is because we happen to have foggy, muggy weather just at the time that it is in the state to attack the wheat plant.

By Mr. Cochrane :

Q. Have you tried any experiments with salt? A. The success of the experiments I spoke of with marl, that is where marl was sown, was probably due to some salt in the marl. The marl beds were in the Maritime Provinces near the sea.

Q. I know it will prevent black rust where it does not cover the whole stalk but injures the plant. It begins at the bottom end and runs all the way up? A. Do you say that it prevents it?

Q. Yes; there are certain experiments which seem to show that where salt has been used as a fertilizer those crops have been unusually free from rust, but on the other hand there have been instances where it has not succeeded. The statement has been made to me that salt would protect a crop of wheat for a certain number of years, but not after that. It seemed then to have lost its virtue? A. It will have a tendency to strengthen the straw.

By Mr. Sproule :

Q. Did you ever hear of salt being sown through the fields when rust was troublesome? A. It would hardly be possible amongst the standing grain.

Q. Is the rust on oats the same as on wheat? A. Yes.

By Mr. Perley :

Q. I would like to call the attention of the Professor to one point in connection with the destruction of timber by fire. I think it is evident to everyone who has had an opportunity of observing the dead trees throughout the Ottawa district, that in places trees which have been killed by fire, and have been dead for some time, the bark has dropped off and they do not show any indication of the working of the borer, while at other places they will be covered with the avenues of these grubs. Now, it occurred to me from that observation that at some time in the season when fires occurred they would prevent the worm from destroying the trees. I think that is an essential point for Mr. Fletcher to bear in mind in examining these trees to see if he can discover if that is true, for the evidences of these trees standing in that way seems to prove it to be so. If it is possible he might discover if there are any seasons when fires occur and prevent the worm from destroying the trees? A. That is the most important question of the whole. The whole thing turns on that. If the fires take place in May the grub will attack the tree and it will be destroyed. The same in June and July. Now the question is, does the beetle lay its eggs later than July? I am in hopes of finding that it will not lay its eggs later than the beginning of August, as that will certainly give the lumbermen a longer time. By the time that the trees are again liable to attack it will be the June of the next year, and by that time I think the cambium layer or sapwood in which the first stages of the grub have to be passed will, to a certain extent, be dried up and will be unsuitable food for the young grubs. This, I think, is a possible explanation for the state of those trees which you speak of. There are large trees such as you describe, between here and Chelsea, which have been standing there without any bark upon them for years, and have not a single borer in them.

The CHAIRMAN—I think one other explanation of it is that in some instances when the bark is completely burned that the borers don't attack it. That is one thing that has come under my observation. If the bark separates at once from the tree the borers don't attack it.

Mr. FLETCHER—The cambium layer is very much more in bulk in the spring when active growth is going on than it is in the autumn, consequently a tree burned in the autumn I think would not be so badly attacked as a tree burned in the spring, for the simple reason that there would be less of the pulpy layer to dry up and a much longer time before it could be attacked.

Mr. PERLEY—My opinion is that when fires occur in the latter part of August or the end of the season that the grubs will not be produced that season. I think the important point to get at is whether by standing over the winter the trees are really destroyed in that way. That is the important point in this investigation? A. Yes.

Q. Does this worm that you speak of in the wheat and you might say in the timothy, mature in September? A. There are two and possibly three broods in the year, perfect flies having been collected in June, July and September. It is possible that the September flies may be a portion of the spring brood. I do not think the injury to timothy is caused by the same fly as that in the wheat, notwithstanding that the attacks are identical in appearance—the top joint, with the head, turning white as if ripe, before the proper time. I have never been able to detect the grub of a fly in the timothy; but have found a mite to which I am inclined to believe the injury is due. In the case of the timothy, the cutting of the hay before the fly, if there be one, comes to maturity, would greatly reduce its numbers without great loss; but with wheat this would be a very severe remedy and the fly has never yet been so abundant in Canada as to make this step necessary.

Q. Is there any remedy for the "wævil" or wheat midge? A. The only useful measures that I have been able to find are these:—Where this insect occurs, unluckily for us, it generally occurs in very large numbers; when mature the small red grubs either leave the ear of wheat and enter the ground or are carried with it to the barn. For those which pass the winter in the ground deep ploughing is recommended, and as it is certain, that the midge will fall underneath the threshing machine

when the crop is threshed, all of the rubbish which falls beneath the machine should be destroyed. Most farmers leave this where it lies and the following spring the flies hatch and destroy their wheat. The year before last I went to see a farmer eight or ten miles from here, and underneath his threshing machine there were so many of these grubs that had fallen out of his wheat that they gave a decidedly reddish tinge to the rubbish on the ground there. He would have left them; but was advised either to burn all the dust or put it into his farm yard where it would be trampled into the rich manure and the grubs would thus be destroyed.

By Mr Barron :

Q. Don't you think the better plan for testing the injuries done to timber by insects would be to get the logs down here at your own place and take accurate and reliable observations from time to time. You could make a better examination of the life-history of the grub. A. Of course, that would be the only way of watching it all through its life history. We must as a rule find out the life history of every pest that attacks our crops before we can arrive at a remedy. That would be a convenient way but I don't think it would be quite necessary for this particular investigation. We have the same insects in our Ottawa timber; and we have pine trees here which will probably answer all the purposes of the investigation.

By the Chairman :

Q. Can you get the life history of these grubs from these trees; are they the same grubs? A. Yes. There is just this, however, the grubs in confinement under artificial treatment might not go through their stages in the same time, artificially treated, as they do in nature. The egg is laid, and after the grub has been hatched, it goes in a short distance, and the next year eats into the solid wood, and it is not till the third year that the insect comes out. This is probably the general life history of the most of these timber-eating beetles, but there are instances on record where certain pieces of wood have been made up into furniture and the perfect insect came out after a much longer period. There is one special historical instance of a wood-eating beetle taking 22 years before the perfect insect appeared. A piece of Norway pine was imported into England and made into a desk used in the City Hall, London, and it was 22 years afterwards when one of the clerks upon opening his desk found a beetle in it. It was a pretty looking beetle, just about the same size and appearance as this specimen (showing *Buprestis striata*). It was quite unlike any English beetle. Being of an unusual appearance he took it to an entomologist. The entomologist asked: "Where did you get this from? It is a Norway beetle." The matter was investigated and it was found that it was 22 years since the desk was made up from lumber imported from Norway; the beetle had therefore remained in that wood in an undeveloped state for all these years. If it had been left in the woods it would have probably come out the next year. I think this investigation should as much as possible be carried on in a state of nature to get the best results. I shall certainly bring back specimens with me. Mr. Mossom Boyd, of Bibeageon, has kindly offered to go to a great deal of trouble and have a tree felled every month in the year, and have the logs brought down to his own place so as to investigate the matter personally. I am sure good results will be arrived at.

By Mr. Barron :

Q. Will these beetles work where there is no sunlight? A. I am inclined to think the eggs will not be laid except in the sunlight. That is the only way I can account for the fact that timber felled in the woods amongst heavy underbrush is not attacked by timber beetles. A great many instances of this have been brought to my notice upon a recent occasion when I was in Lindsay. Through the kindness of Mr. Barron, a meeting of lumbermen was specially called for the discussion of this matter, when a great deal of information was brought and there were certain facts positively stated by gentlemen present. Mr. George Martin told me that a tree falling in the thick bush would not be attacked at all. Mr. Thompson also told me that he had been working "a cull limit" where he said he had found that timber felled thirteen years before, which had fallen in underbrush, was found to be perfectly sound. For this reason I have great hopes that by adopting the method of covering such logs

as must be left in the woods during the summer, the beetles will not lay their eggs upon them. There are two theories, one is that the eggs are not laid there, and the other is that they cannot exist there. I think it will be found that the eggs are not laid on trees that are shaded.

By Mr. McNeill :

Q. Have you known of any cases of lime being tried as a remedy for the potato beetles? A. Yes; one of my correspondents did not want to use Paris green in water, so I suggested that he should use lime with Paris green; he used this, but before he had finished his field he ran out of Paris green, but he thought perhaps this was as good as Paris green, so he finished his potatoes with lime alone, but it was not as successful as the other, the lime having little effect on the potato beetles.

Q. Was it put on dry? A. Yes, dry.

Q. The reason I asked you was that a very intelligent farmer told me last summer he had tried whitewashing the young plants, covering them with whitewash, row after row. He said he found the whitewash just as efficacious as Paris green. I wanted to know whether you had tried it? A. Of course if the young plants were entirely covered, it would for a time at any rate keep the insects away on account of its alkaline nature. The plant being covered with this substance, it would not be acceptable to the insect to lay its eggs upon. I should think this remedy of whitewashing would never take the place of Paris green.

By Mr. Trow :

Q. I understood Mr. Fletcher to say that he disapproved of planting trees indiscriminately—trees from the woods? A. I believe you can produce a shapely vigorous tree quicker from the seed than you can from a tree taken out of the bush.

By the Chairman :

Q. How long would it take to grow a tree from a seed, an ordinary maple, to grow to a diameter of 8 or 10 inches? A. Hard maple grown from the seed in eight years will be 12 feet high, with a diameter of an inch and a half; after that, its growth is much more rapid. If you take one from the woods of that size when you plant your seed, in 12 years' time the maple grown from the seed will almost have caught up to it.

By Mr. Wilson :

Q. What kind of trees would you grow from the seed in the eastern parts of Ontario? A. In such parts I don't think there is any tree that can compare with the hard maple, the elm and the ash.

Q. Is the growth of the hard maple slower than the soft maple? A. Not very much. It is slower than the white or silver maple, but it is a much better tree. If you get a hard maple you will get a tree that will last your lifetime.

Q. With us they use the soft maple very much more? A. It usually grows very rapidly at first, but forms an unshapely and short lived tree.

By Mr. Fisher :

Q. How do you compare the Canadian elm to the maple? In my experience I found it a much quicker growing tree, and I think equally beautiful? A. It is difficult to draw a comparison between the elm and the hard maple, because they are both extremely beautiful trees. The elm requires more moisture.

By Mr. Wilson :

Q. Will they grow on high sandy soil? A. The hard maple will.

Q. Better than a soft maple? A. Oh, yes; certainly on a high sandy soil. The black walnut is a tree that has been very much talked of, but is not a very useful tree for shade purposes. It is a very valuable tree for its timber and will grow over a very much larger area than is supposed. It is, too, of very rapid growth; as a matter of fact it is one of our most rapid growing trees, being only surpassed in this respect by the Manitoba maple.

Q. In 20 years, trees grown from the seed would be pretty good trees? A. I think so. One of the greatest troubles in transplanting trees from the forest is that they get sun-cracked in the spring.

By Mr. Brown :

Q. What time do you consider the best for setting out trees? A. I think the autumn is the best time for transplanting trees, because all the time the ground is at all warm, roots are formed; even for a long time after the first frosts, roots are forming underground.

By Mr. Watson :

Q. What is the best time to plant spruce trees? A. The transplanting of evergreen trees may be done at almost any time in the year, except just when the young shoots of the year are formed. At all times, however, great care must be taken to protect the roots and keep them from drying. They should always be covered; old sacks or clothes will answer for this purpose. Prof. Saunders is present; perhaps he can give us some further information on the best month to transplant these evergreen trees.

PROF. SAUNDERS—At any time except during the period of growing in the spring, after that or before.

WITNESS—Very successful transplanting has been done in June and in August. Most transplanting, however, is done in the spring months by nurserymen.

Q. Do you think it makes any material difference in what way a tree is planted, north or south? A. It is claimed that it does, and certainly very successful nurserymen maintain that it must be attended to. In one particular plantation here at Ottawa every tree was marked with paint on the northern side and the trees were replanted with very great care, giving them the same exposure as they had in the woods. This was eleven years ago, and notwithstanding all this care there is not one of these maple trees that is not sun-cracked all down the trunk. These trees are in the Major's Garden.

Q. That would show that it does not make any difference? A. Not altogether. I believe it does. There is no doubt that there is frequently greater growth on one side than the other; more foliage on that side; or it may possibly be something in the aspect of the tree.

By Mr. Wilson :

Q. About transplanting these trees from the forest. What size should they be to do the best? A. But for some remarkably successful experiments of Mr. Perley on Wellington Street, I would have maintained that they should not be more than two inches in diameter and that smaller than this would be better; but he took them at least from 5 to 8 inches in diameter and the experiment has proved highly successful.

By Mr. Fisher :

Q. It depends upon the care taken of the roots? A. Yes; the care with which the roots are removed, and removing the largest trees is merely a case of expense. An experiment was tried of removing a yew tree in England that had been recorded as being a full grown tree for over 1,000 years and weighed 60 tons. This tree was transplanted and removed a distance of 200 yards, because they would have had otherwise to cut it down.

By Mr. Wilson :

Q. After transplanting, what care is required to make them grow successfully? A. Very little, except to stake them. Perhaps the most important thing is to put one of the stakes where the spring sun will not fall on the tree.

Q. To keep the sun off it? A. Yes.

By Mr. Trow :

Q. Have you ever heard of soaking wheat in a solution of urine to prevent smut? A. Yes; and with very good success. That was one of the remedies that was applied in Canada many years ago.

Q. A bushel or two put in a sugar kettle and skimmed off. Have you heard of its success? A. Yes.

Q. Do you think it is as good or preferable to blue stone? A. No; I do not. It is objectionable, first of all to save up this material, and your men do not like to use

it. I think taking it all round blue stone is the best remedy. At one time in Canada, however, 20 or 30 years ago, the one you mention was the usual remedy adopted.

Q. It was used very frequently in the old country? A. Yes; I believe it was.

Mr. COCHRANE—The easiest way to treat wheat is to take a thin whitewash and wet the wheat. The lime dries almost immediately and the stuff forms a coat on your wheat.

Mr. FLETCHER—Does it dry quickly?

Mr. COCHRANE—Yes, very rapidly, almost as soon as you get it on.

Mr. FLETCHER—I have no doubt that would be very successful.

Mr. COCHRANE—There is one difficulty, however, it affects the machine. I think it is a most effective way of treating the wheat.

By Mr. McMillan:

Q. I know of a permanent pasture field at Ailsa Craig being so cut that when the farmer cut them round with a spade, a worm had so cut the roots of the grass that he could roll it up like a carpet, and during the last dry season we had the grasshopper on our old pastures to such an extent that they kept the ground quite bare. Is there no remedy with regard to the grasshoppers? A. You did not have the grasshopper probably in great numbers the year before, and I do not think you will have them next year. Insects seldom appear in vast numbers for more than one year. It is difficult to apply a remedy in a pasture like that. A year or two ago they were so numerous here that it was found necessary to use one of the machines invented in the United States for gathering grasshoppers. One used by Mr. Robertson, the Government gardener here, was simply a large flat trough made of boards with an edge of about six inches around, and opened in front and with two large wings of cotton extending on each side. This was drawn rapidly across the lawn with horses and every time he crossed the lawn he collected half a barrel of grasshoppers, and the numbers were thus brought down considerably. The other insect which is very troublesome is the "white grub" spoken of. The most exceptional visitation of that kind that I ever witnessed was on Mr. Fisher's farm in the Eastern Townships, and we could roll up the grass as you describe just as if it were a carpet over the whole lawn. This, however, was an exceptional visitation, but it was merely local. Next year, however, they did not occur in these numbers, and I am in hope that it is not likely to occur again with you next year. I have no doubt also that they are sometimes kept down by parasites. I have one here (showing specimen of *Pellicinus polyceator*) which is credited with destroying the white grub. I have here also the beetle produced from these grubs, it is called *Lacnosterna fusca* or the June bug.

Mr. FISHER—I find that the robins were very fond of these grubs and destroyed considerable quantities of them. I am sorry to say that although they are not quite so numerous they are still constant visitors, and we have not found any means of materially reducing them. Men in my county have found their grasses completely destroyed and have ploughed them up and sown green stuff in the fall. I would like to modify what Mr. Fletcher said in regard to the transplanting of trees. The forestry association in the Province of Quebec last year fixed the arbor day for planting trees in the fall, and I think it is universally conceded that the change was not successful, and that on the whole the conclusion has been come to that it is better to plant them in the spring. I have tried a great many experiments both in fall and spring and have come to the conclusion that there is only one excuse for planting them in the fall, and that is when you cannot plant them in the spring. Trees planted in the fall are subject to frosts immediately after transplanting. It is very much more difficult to get them to grow in consequence of the severe winter and the frosts and the high winds in the early part of the winter, which loosen them before they take root. I would recommend that whenever it can be done that trees should be planted in the spring.

Mr. McNEILL—Have you much snow?

Mr. FISHER—Yes; but I think the damage is done before the snow comes in any great quantity.

Mr. FLETCHER—Of course there is a very great difference of opinion as to which is the better method of transplanting trees, and there is a constant discussion about the best time of planting them. The reason why I say that the best time is in the fall is this: That the tree makes root very much longer in the outrun than we imagine. The tree keeps on making roots all the time until the ground is frozen. In the spring on the other hand although there is the great advantage of having warm ground, you see it is making roots and at the same time wasting half its energy in making leaves and new wood. Of course they might be just as successfully grown in that way, and I think should have all the tops cut off, but I believe autumn is the best time for transplanting trees; at any rate I have found it so here.

By the Chairman:

Q. The greatest trouble in transplanting trees is the second summer? A. Yes; the first year they live on the sugar and other food laid up in the trunk.

By Mr. Cochrane:

Q. Do you think if the top of the tree was cut off that it has a tendency to injure the tree? Would not the top be injured? A. No, sir; it does not seem to be. The new growth grows right over it and after a year or two it is not perceptible.

Q. Do you think that where a tree is set out and exposed to the wind and the foliage blown away from the roots there is enough nutriment in the soil to grow it continuously without any mulching. A friend of mine had a grove of trees some of which died suddenly without any apparent cause. It struck me that the trees might become exhausted by the foliage blowing away? A. No; I do not think that would be the reason. I should be more inclined to think that it was the attack of some insect.

By Mr. Bain (Wentworth):

Q. Would not the evaporation from the large crop of leaves without corresponding roots bring about that? A. It would tend to weaken them undoubtedly.

Q. It is for that reason the top is always reduced? A. Yes; so that the whole energy of the tree may be directed towards making roots for the first year.

By Mr. Fisher:

Q. I prefer, when I am transplanting trees, not to cut the whole of the top off, rather than to square it off. For ornamental purposes it injures the tree to cut the trunk off square. I prefer to cut as small a quantity off as possible.

By Mr. Bain (Wentworth):

Q. Some of our men who have had the most experience in transplanting trees from the forest prefer to have them about the thickness of a fork handle. The reason they assigned was that if you set out a large tree and did not support it the action of the wind is to sway it back and forth and injure it? A. There is decidedly something in that, and young trees are more easily removed without injury to the roots.

By Mr. Watson:

Q. In transplanting trees out of the forest have you noticed that the trunk does not grow fast enough for the top? A. That, at any rate, is frequently the case with your Manitoba maples unless they are carefully pruned; but it is also the same with trees grown from seed. The trunk cannot grow unless there is plenty of foliage. The increase of wood is laid up by the leaves. That is the trunk is increased in size by materials taken in chiefly through the leaves.

Q. I observe that trees transplanted from the forest, say two or three inches in diameter, will grow a heavy top, but the trunk very little? A. I do not know any more remarkable rapidity of growth that the Manitoba maple will make. It is very seldom and not without a great deal of trouble that you can make a shapely tree of it; but if you take trouble and cut it back often you can get a beautiful tree. The finest specimen of Manitoba maple or negundo is not in Manitoba, but in England in the Kew Gardens. It is twice the size of any tree I have ever seen in Canada.

Q. In 15 years if grown from the seed we find that we have a larger tree than by transplanting? A. I have come to the conclusion that you can get a better and more shapely tree by that means.

Q. The bark of these trees get hide bound, as you call it, and I find it is an improvement to take a knife and slit them down? A. That seems to me to be natural. They grow along the banks of rivers where there is a constantly moist atmosphere, and when you plant them in the open you put them into a dry atmosphere at once and this may affect the bark in the way you state.

By Mr. Cochrane :

Q. In growing from the seed you would want a nursery? A. Yes; if you want large numbers of trees, but I believe if you can plant the seed where you want the tree to grow and can protect it, it will make a better tree than if it be first grown in a nursery.

By Mr. Jones (Digby) :

Q. What time do you get these seeds, and how deep do you plant them? A. Of course you have to follow as nearly as possible what you find in nature, and small seeds such as the basswood and maple would do best if placed in the ground about twice the depth of their own diameter. I think that is a sort of general rule. A seed should not be buried too deep, and a large seed, such as the walnut or butternut, you would have to bury in the same proportion.

The Committee then adjourned.

MR. SHUTT'S EVIDENCE.

HOUSE OF COMMONS, March 28th, 1888.

The Committee on Agriculture and Colonization met in Room No. 6, this morning Mr. Peter White presiding. The only witness examined was Mr. Frank T. Shutt, M.A., F.C.S., Chemist of the Dominion Experimental Farms.

By the Chairman :

Q. Mr. Shutt, will you kindly inform the Committee what you have been doing as chemist at the Central Experimental Farm? A. Following the example of my colleagues, and as this is the first opportunity which has been afforded me of the honor of addressing you, I propose to arrange the remarks which I shall make respecting the nature and extent of the work of the Chemical Department of the Experimental Farm system, under the headings:—Work done and work proposed to do. On my appointment to the post of chemist of the Dominion Experimental Farms in August last, it was thought desirable that I should make a short tour of inspection of the laboratories of the different agricultural stations and principal universities of the Eastern States, with a view to ascertaining what were the latest improvements in laboratory fittings and apparatus which it would be well for us to adopt and include in our permanent laboratories about to be erected at the Central Experimental Farm Station, in order that the work might be carried on to the greatest advantage. During my visit I inspected with this object, the commodious and well equipped laboratory of the Columbia School of Mines of New York, the newly erected laboratory of the Agricultural Station at Amherst, Mass., which I may state appears to be a model for this branch of research; the laboratories of the Bussey Institute and the Institute of Technology, Boston; the laboratories of the Bureau of Agriculture and Geological Survey at Washington; also the laboratories of the celebrated John Hopkins University at Baltimore. I do not propose to weary you with the details of these visits, but would refer those who are interested in this matter to my annual report, which I believe, from the press, will be laid on the table of the House this evening. In that report you will find reference made to the more important features which I deem it worthy to recommend for adoption in our laboratories. Upon my return to Ottawa, I prepared a rough plan as to the dimensions and arrangement of the laboratories, and the accommodation required for the chemical work of the farms. I would just say shortly, that there will be two laboratories, the larger one 36 by 24 and the smaller one 24 by 12, both connecting with another room which will be used as a balance room,

and office for the chemist. An explanation with regard to this division of the rooms may be advisable. It is better to have two laboratories rather than one, on account of there being special analyses which require a pure atmosphere, free from the fumes of ammonia and hydrochloric acid, which it is impossible to have in a laboratory where a large number of analyses are going on. As an instance of this class of work I may cite water analysis. The special room, which is designed to be a balance room and office for the chemist, would contain balances and other instruments which must be preserved from acid fumes. These plans were handed to the Chief Government Architect, who has elaborated them, and the building of the permanent laboratories will be begun as soon as the season opens. It is expected they will be ready for occupation next autumn. You are all aware of the impetus that agricultural science has received lately in the United States through the establishment of experimental stations in the various states. It was, therefore, with no little pleasure and, I trust, profit, that while in Washington I availed myself of the opportunity of attending the fourth annual convention of the Association of Agricultural Chemists. The members of this association are all engaged officially in the examination of soils, fertilizers, cattle foods, dairy products and other articles of agricultural industry. This association has already done very much good work by elaborating and perfecting the methods of analyses of these articles. At the annual meetings committees are struck off whose duties are to investigate processes of a special nature. At the next annual meeting they bring in their reports, which are discussed and adopted with amendments or as they stand, as the case may be. These are then published, and from their thoroughness and exhaustiveness have proved of great value to agricultural chemists throughout the world, and become works of authority. It was found necessary to obtain temporary quarters where the chemical work of the farm could be carried on during the interval, and after some search a suitable room was found in the Russell House block, and although the accommodation is not sufficient it was the best that could be got at the time. Under my direction the necessary gas and water fittings were put in and a certain amount of apparatus was procured by which we might proceed with the work. I should like to extend an invitation to any gentleman who may be interested in the chemical work of the farm to visit me.

I have first to report the analysis of two saline waters from Manitoba, which were submitted to me for the purpose of ascertaining whether any process could be devised for rendering the water potable, and whether the solid constituents could be used as a fertilizer. The details of these analysis are in my annual report, to which I have alluded. I will sum up shortly by saying that these waters were saline rather than alkaline, the solid matter consisting chiefly of common salt. Owing to the great salubrity of this constituent I am unable to propose any scheme of precipitating it by chemicals, and I gave the opinion that the only method of rendering this water potable would be by distillation. I stated in a few words how this could be done. With regard to the second part of the question, that is the value of the saline ingredients in this water as a fertilizer, I have already said that the chief constituent is salt. Salt, as you know, is not of very much value as a direct fertilizer; but is of some value as an indirect fertilizer, liberating lime and potash. It has not been proven that salt is an essential constituent of plant food. I think it would hardly pay to evaporate these waters to obtain this salt to be used as a fertilizer, because we must suppose that the land surrounding these waters must be fully permeated with these saline ingredients. On account of the great extent of the alkaline and earths and the large quantity of saline waters in the North-West the subsequent analysis must be of great importance, and I trust we shall be able to devise some practical means of rendering such saline earth fertile. I throw out the hint that extensive drainage may be universal in the removal of such alkaline matter from the soil, and propose that experiments should be undertaken in order to test the value of such operation.

In my report there is also the result of an analysis of a specimen of marl taken from a farm adjacent to the Experimental Farm here. In the same report there is

pointed out the position that the marl holds as a fertilizer, and of the three qualities that it possesses in this capacity. It acts as a direct fertilizer; it ameliorates the condition of clays, and by its action on many insoluble constituents—organic and inorganic—of the soil renders such soluble and assimilable by plants. I do not propose to go further into this matter at this juncture, but shall be glad to give any information at the close of my remarks, if any member of the Committee wishes it.

The analysis of the water supply of Ottawa was probably one of the most important works which I undertook. As the water mains had been extended to the farm, it was thought desirable that the water should be analyzed, especially as an epidemic of typhoid was raging in the city at the time. My report is printed in the small report of the farm and also appeared in the public press at the time. Since its publication the Inland Revenue Department has taken up the matter of water analysis and through their chief analyst has undertaken the analysis of the water supplies of the chief cities and towns of Quebec and Ontario. This is a most commendable work and one which has been too long overlooked; for while doing serviceable work in the matter of detecting adulteration in food, nothing has hitherto been done by the Government towards seeing that the citizens have a pure water supply. I suppose it would be unnecessary for me here to dwell on the great importance, or to emphasize the necessity of pure drinking water. I think we have only to remember that health depends on pure blood and that the blood consists to a very large extent of water, to realize the importance of this vital question. It is a vital question in a literal sense, and what the Inland Revenue Department is doing for the cities and towns, we hope to do for the farmers. The farmers have overlooked this matter too much. Too many farmers, I am led to believe, dig their wells as conveniently as they can to their barns, and in this way they are very often situated in the barnyard, where such wells only act as cesspools. I was sure of this fact from my experience in Toronto, but a case came before me only last week. When speaking at Galetta, a farmer asked me at the close of the meeting if I would analyze his well water. He thought it might contain some medicinal qualities as it tasted strongly. I told him to send me down some samples, and although I was very busy, I would analyze it for him. He brought the water and I have completed the analysis, from which I find that it is nothing more nor less than diluted sewage, and it would be highly injurious for either man or animals to drink such water. Of course we cannot expect good milk or healthy animals unless they have a plentiful supply of the purest water obtainable.

The work that I am at present engaged on, and expect to be for another month, is the investigation into the composition of some varieties of wheats. These wheats include the Ladoga (Russian) wheat, Red Fyfe, Saxonka, and other hard and soft wheats. The samples of Ladoga, or recently imported Russian wheat, include specimens of the original seed from Russia, and also grain grown from this original seed in the various provinces of Canada. The results when finished will, I think go to show that the relative qualities of these various wheats and also what improvement or deterioration has taken place in the various provinces in the Ladoga wheat. Of course these facts are only ascertainable, as you are already aware, by chemical analysis, and not in any other way. With regard to this matter of the composition of wheat, Prof. Clifford Richardson, who has been engaged for a number of years in the analysis of wheat grown in the various parts of the United States, has published some good works on this subject, and says that wheat is the most variable in its composition of all cereals, and that the factors which cause this variability are soil, climate and cultivation. Under the heading of soil are included the chemical composition of the soil and the amount of food available for the wheat plant; growth and development as well also as the physical condition of the soil, its absorptive value for holding moisture and its power to retain fertilizers added to improve its productiveness. Climate would include the rainfall and temperature and the variation of these. Cultivation would embrace the physical management of the crop and modification of natural conditions as far as possible; the selection of seed and breeding of varieties. By this series of analysis we hope to ascertain what value is to be

assigned to each of these factors. This brings me to the work of the future. This year we shall be able to grow this Ladoga wheat on all of the Experimental Farms and therefore shall be able to get reliable data as to these conditions of growth, which is hardly possible under our present system of sending wheat to farmers. For instance, one difficulty that arises is the matter of volunteer crops in the North-West. As you have already learned, the seed was sent out after the usual seeding and the farmers had to put it in wherever they had a spare piece of ground; and we could not be sure in some instances that this grain sent down does not contain other wheat incidental to a volunteer crop. When we have our own experimental farms, however, we can be sure of these points, and can take data as to the climate, date of sowing, &c. Next winter I hope to continue the wheat analyses, and I think we shall have a partial solution at least of this important question of wheat growing.

Another part of the analytical work at the farm laboratory will be the analysis of fodder plants with a view to ascertaining their relative value as feeding materials both for the production of milk, taking into consideration both quality and quantity, and for fattening purposes. There are several new varieties of these plants being tested on the farm this year, including fodder plants from Japan and other foreign countries which may be of very great importance to Canadian farmers and stock raisers. It is only by analysis that we can find out really their relative feeding value. In the matter of grasses proper, apart from leguminous plants, there is a good deal of work to be done, and the information will be given to the farmers as soon as we have the necessary and reliable results on that branch of the work as to the best grasses to be used for pastures. Besides these fodders and grasses, all other vegetable products, as occasion may necessitate, will be analyzed. The dairy experiments will include the analysis of milk for butter and also for cheese making, and various breeds will be pointed out which are of value for these special purposes and also for fattening.

With regard to the analysis of fertilizers, as you are all doubtless aware, the control of this work as respects artificial fertilizers, is in the hands of the public analysts, and that work, therefore, will not at present be undertaken by the farm. However, it will be necessary to do some work in this branch. The fertilizers to be used on the experimental plots will have necessarily to be analyzed, in order that correct conclusions may be drawn as to the results. Of course, others may be sent in from farmers which may be analyzed from time to time. With regard to these experimental plots, it is proposed, as soon as spring opens, to set apart a portion of the farm for them. They will be situated upon ground which has received no manure as yet, and is virgin soil. The necessity of this you can see without any further explanation. They will be of equal size, one-tenth and one-twentieth of an acre. They will be fertilized with known weights of fertilizers whose composition has been ascertained in the laboratory. Among the constituents of plant food, at least those which are found to be most desirable to supply the ground with, are, the salts of potash, and phosphoric acid, and nitrogen, in one or other of its compounds, and it will be with mixtures of these that the plots will be fertilized. The potash fertilizers, of course, will include all the salts of potash, the chloride, nitrate and sulphate, and also under this head will be included ordinary wood ashes. Under phosphoric acid, we shall test the value of the raw and finely ground phosphates and superphosphates and the other products of the Canadian phosphates, and also ground bones, &c. The nitrogen fertilizers will include guano, dried blood and ammonium salts. Experiments will also be made with green manures. These plots will be sown with grasses, cereals and root crops and unfertilized plots will be left so that the increase may be noted. The results, when ascertained, will be published in bulletins.

At certain stages of growth we intend to photograph these crops. There will be unfertilized plots left in each series; we shall have, when the season is finished, evidences to accompany the information we shall have to give at farmers' meetings, with respect to the value of fertilizers. These photographs speak to the eye at once.

All the work done in the various departments of the farm system is published in bulletin form for distribution. I propose as soon as time permits me to write one or more bulletins on the principle of agriculture or the relation of chemistry to agriculture. Every agricultural operation, whether carried on by the farmer or by nature, is chemical in its character. There is chemical reaction—there is a series, more properly speaking, of chemical reactions, going on continually, of which the farmer should know somewhat of the nature, and besides this there is the important and valuable knowledge regarding the fundamental composition of plants and animals and their foods—which it is requisite that all farmers should be informed upon. Another reason for my undertaking this is, that I find it almost impossible to speak at agricultural meetings, without introducing technical terms which, of course, the audience do not understand, and which takes a great length of time to explain. I intend to explain the necessary technical terms and at the same time to show the theories that underlie the practice of agriculture.

By Mr. Cochrane :

Q. You stated that experiments were going to be carried on on virgin soil, has it had no crop at all? A. As far as I know there has been no crop grown on it. There was no crop grown on it when we took the land. It was bush.

Q. Do you think that would be a fair test of your artificial manure? Is it not a fact that when land has been cropped for a while it is reduced in certain chemical elements of the soil, faster by some crops than others? A. Yes, this plan appears to me quite fair, and as the ground is the same in quality in all the plots to begin with, should show the relative value of the added fertilizer.

Q. Do you think this the best way to test? A. Yes; we shall have a blank plot in each series and we shall thus be able to arrive at the value of virgin soil and the comparative value of each fertilizer.

By Mr. Trow :

Q. What is most exhaustive to soil, wheat or oats or barley? A. There has been a good deal of discussion on that question. The statement has been made that barley is very exhaustive in its nature, but that is not borne out by chemical analysis. The cereals do not take from the ground the same constituents that root crops do, and it is, therefore, wise to rotate them; that is, alternately to grow a root crop and cereals. It is only an opinion that barley is so exhaustive to the soil. I think that a good crop of barley can be grown after a wheat crop has been grown for the reason that what we require in wheat we do not require in barley. Malting barley should be very poor in nitrogen; whereas the more nitrogen the more gluten in wheat, which is its valuable constituent. When wheat has exhausted the soil of this nitrogen we find we can grow a good crop of barley.

Q. When land is exhausted for wheat it might be sufficient for barley or oats? A. Yes; it might.

By Mr. Cochrane :

Q. Would you rotate barley after wheat or wheat after barley? A. Barley after wheat if you wish to grow good malting barley.

By Mr. Marshall :

Q. Do you intend to have these experimental plots all together or in different parts of the farm? A. The ground has not been laid out definitely, but I think they will be together. You could not eradicate the manure from the ground as the effects can be recognized very easily 12 years after its addition to the soil.

Q. The same soil must be used? A. Yes; but the value of experimental plots is to ascertain the benefit of various fertilizers.

By Mr. Cochrane :

Q. Are there any deposits of marl in this part of the country? A. I cannot speak positively as to this; but I believe there are.

By Mr. Trow :

Q. Would a mixture of clay or sandy loam be desirable? A. It would be a very good thing on account of its mechanical action. It would destroy that porosity

which would allow of the fertilizer being washed away and increase its absorptive properties.

By Mr. Marshall :

Q. We find that the same fertilizer has a different effect on different land ; that is, on clay and sandy soil ? A. Yes ; as far as plant food is concerned, the mechanical condition of the soil is important in its value for holding the fertilizing material.

By Mr. McNeill :

Q. I have heard often asked in my section of the country where there is a good deal of heavy clay whether sawdust would be beneficial or not ? A. I think it might destroy that tenacity which clay has to some extent. Coal ashes are very good for that.

Q. Would it fertilize ? A. I think not.

By the Chairman :

Q. Would a dressing of loam benefit clay ? A. Yes ; that would be very good. Anything that would open the pores of the earth so that the air and water might reach the roots would be beneficial.

By Mr. Cochrane :

Q. Does it not depend on the kind of crop ? For instance would not oats be more exhaustive on some soils than others. Is it not a fact that you would get a good crop of oats off some soil that you could not grow wheat on at all ? A. It is quite possible, because they require somewhat different ingredients. Plant food is not the same in all cases.

Q. This question would have to be tried on one class of soil ? A. No ; I think the question of which is the most exhaustive with regard to certain fertilizing ingredients can best be ascertained by chemical analysis of the plant.

By Mr. McNeill :

Q. What is the ingredient that barley takes from the soil. You say that nitrogen is what wheat requires most ? A. No. I was saying that what made wheat of a good quality was the percentage of gluten of which nitrogen is the most important constituent. For matting barley you want a small percentage of nitrogen.

Q. If you continued growing barley you would exhaust the soil ? A. You would be taking some nitrogen, phosphoric acid, potash and lime and certain other quantities of plant food.

Q. Would potash be a better dressing for barley than wheat ? A. I should not like to say as to that. I cannot give a definite opinion, but think there would not be much difference in the benefit derive by these cereals by such application.

By Mr. Cochrane :

Q. Don't you know what chemical constituents ashes contain ? A. Yes ; but the question is whether it would be better for barley than wheat. The most important ingredients of ashes are potash and phosphoric acid, and after these lime.

By Mr. McNeill :

Q. Is there a larger proportion of potash in barley than wheat ? A. They are both very close. I cannot say at this moment, but the difference is very small.

By Mr. Marshall :

Q. Ashes have more effect on light land than on clay land ? A. Yes ; because potash is a constituent more or less of clay soils.

Q. Light land is likely to be more deficient in potash ? A. Yes.

By Mr. Cochrane :

Q. I suppose the experiments on these plots will be conducted in such a way that we will know what amount of manure is to be put on our land ? A. Yes ; there will be definite quantities taken, and the result carefully observed.

The Committee then adjourned.

PART II.—IMMIGRATION.

HOUSE OF COMMONS, 22nd March, 1888.

The Committee on Agriculture and Colonization met this morning, Mr. Peter White presiding. The evidence taken was as follows:—

JOHN LOWE, Acting Deputy Minister of Agriculture.

By the Chairman :

Q. Will you tell us, Mr. Lowe, what has been done during the past year with respect to immigration? A. To go over the same kind of ground as in previous years, the total immigration and the particulars respecting it come first. The total number of immigrants who entered the Dominion in 1887 was 175,579. This was the largest total immigration of any year since 1883, which was the highest in our record, the gross numbers being 206,808; but out of these gross numbers, a very considerable portion—in fact more than half—were simply passengers for the Western States, using our routes. The total number of immigrant passengers for the United States by our routes in 1887 was 91,112; and the net number of settlers, 84,526. Of these number of settlers, 29,822 were entered with settlers' effects, and we have the record from the Customs houses. These consist of entries of every Customs house along the frontier. The ports of entry at which the immigrants other than by Customs returns came were: At Quebec, or *via* the St Lawrence, 32,729; *via* Suspension Bridge, 63,477. I should explain with regard to these last that the greater number of them were simply passengers by the Great Western Railway for the Western States. At the several inland ports we have 10,297, and at the Maritime Province ports, including those who came by Portland, Boston and New York, we have 25,880; and a total in British Columbia of 13,354, making 145,757 for the gross immigration. These are the gross figures, including passengers and immigrants. The net immigration, that is, settlers in Canada, is 21,936 at Quebec; at the Suspension Bridge 5,222; at St. John, N.B., 9,354; at Portland, 1,662; at Montreal, from Boston and New York, 2,906; at Manitoba and the North-West, that is, settlers from outside of Canada, 7,131; and British Columbia, 3,138. The total number of entries into Manitoba and the North-West in 1887, according to the reports of our agents was 27,390. That is, there were 7,259 reported at Emerson; 1,345 at Gretna; 17,826 at Port Arthur; and there were reported by the agents west of Winnipeg, along the frontier, 960, making the total number of entries as stated. Altogether from Europe there were 10,317; from Canada, 9,996; and from the United States 7,071. But deducting those who again went out, the remainder made the net immigration for Manitoba and the North-West during the year 21,685. This, I may say, is very largely in advance of the two previous years, the total for 1886 having been reported at 11,599, and for 1885 only 7,240. The figures of the years preceding these were affected by the "boom." It may be well also to state in this connection that the returns for the present year show very largely increased activity. The entries at all the ports for the month of February of the present year were nearly double that of the preceding year, and the total settlers in the Dominion showed the same result. That may be taken to signify the activity of the immigration movement for the present year, and I think if it is not checked by some cause which we cannot now foresee, we can reasonably hope for a large and valuable immigration. The correspondence with our agents indicate that. These, I think, are the main total figures connected with the numbers of the immigration of the year.

Another question which came up in former meetings of the Committee was the character of the immigration. That for the year 1887 may on the whole be stated to be very good. The whole of the immigrants who reported themselves at the several stations seeking employment found it. There were simply none left over who did not find employment, and the demand for female domestic servants in all parts of the country was not satisfied during the year. The same is true of the agricultural laborers in the different parts of the country. In the North-West and Manitoba during the last year the demand for labor was very active indeed, and could not be

fully supplied. There is a further point in relation to the character of the immigration, and respecting which it is well to make a statement to the Committee. There has been a great deal said as to certain unsuitable immigrants who have arrived during the year; and that has had a special relation to the towns. It may be remarked that the class of unsuitable immigrants would as a rule gravitate towards the towns, and the discussions which have taken place have largely had for subject these unsuitable immigrants. It was said during the autumn, for instance, that Montreal was almost overrun with them, and that the House of Refuge was crowded. In consequence of that the department caused an inquiry to be made with respect to the numbers of the alleged unsuitable or pauper immigrants who were the actual subjects of complaint, and the fact was found, according to a report which I have here of the manager of the House of Refuge, Mr. David McMillan, that out of 128 persons, frequenters of the House at the time stated, 96 were the old standbys, or the habitual residents, a kind of people in fact whom you will always find in all large towns and in the most prosperous times, leaving only the number of 32 strangers, and these even were not positively known to be immigrants. The point I desire to make is, that the numbers of these unsuitable persons, about whom much outcry was made, bear a very small fractional relation to the total immigration, and that to judge the total immigration by that fractional number would be not only grossly unjust, but very misleading.

It is also well to remark that the last immigration season in Manitoba and the North-West was marked by satisfactory activity in the formation of colonies, which is an important point in the settlement of a new country such as the North-West. The largest in extent of these colonies was the Icelandic. We had during the year an immigration of 1,800 Icelanders. They came entirely at their own expense, and they expended in steamship fares \$33,000, and in railway fares \$18,000. They brought with them money and effects to the value of \$60,000. A very considerable portion of these settled on land, and the remainder found suitable work in the North-West. There was also activity in the Scandinavian colonies, the number of homesteads being considerable, and those who came to find work found it, and were apparently satisfied. There were also successful German colonies. The Germans make the best of settlers. Those, I think, are the principal points in relation to the character of the immigration. It may be stated that the immigrants are known to have brought with them very considerable values into the country. The total of ascertained amounts is \$3,879,908; that is, of money and effects, which compares very favorably with previous years.

The next point on which the Committee in former years has requested information has had relation to the expenditure. The figures which I have before me are for the calendar year, our immigration returns being kept by the calendar year, and therefore the figures of expenditure for that period have direct relation to the results obtained. It may be observed, however, that these figures do not differ from those published by the Auditor General for the fiscal year, except in the particular that some of the calendar years appear to be more and some of the fiscal years less, and *vice versa*; but in a series of years they all tally to a cent. The total expenditure for the year 1887 was \$313,891, against a total expenditure for the previous year of \$301,704, and for 1885 of \$310,271. The two previous years showed larger expenditure, the figures being \$432,822 and \$431,171 respectively. It may be explained in this connection that it is proposed by the Government to reduce these figures in the operations of the present year, the vote for what we call the "bulk sum"—that is, the large and defined item from which the general payments are made—being reduced from \$150,000 to \$50,000. The other votes of defined items remain the same. The moneys expended for the assisted passage and inland transport which have been spent continuously more or less since 1872, will be discontinued. No assisted passages at all will be afforded, and inland transport will also be discontinued.

By the Chairman:

Q. This \$313,000 represents the whole cost, including quarantines? A. Yes, of immigration, but not including quarantine. Quarantine has no more relation to

immigration than to commerce. It covers the cost of all immigration establishments and all kinds of immigration expenses in Europe and Canada, including printing. The amount expended through the London office for all services was \$57,150 during the year, and at the Canadian agencies for all services \$60,992. Both the figures during the year were slightly less than in the preceding year. There was \$1,000 granted to the Women's Protective Immigration Society in Montreal, and the amount spent in printing pamphlets, posters and maps was \$35,111. The paper for the same amounted to \$9,665, the expenditure under these heads being much less than in previous years. The amount spent in inland transport was \$28,219, being in excess of the previous year, a fact arising from the greater number of immigrants dealt with. The increase of expenditure, however, is not so great as the proportionate increase of immigration. The same with respect to assisted passage and commissions. The total amount spent during the year for that service was \$60,858 out of the \$313,000, but only two-thirds of that amount belonged to the service of assisted passages proper, the remainder being paid in the shape of commissions, which stand for salaries or remunerations to people who distribute our pamphlets and other publications in Europe and the United Kingdom. The expenditure in connection with repatriation, including the Western Agency, was \$6,101 during the year. These were the principal items of expenditure. There were also a number of small items which go to make the amount which I have stated. I may add, as regards the details of all the items, that they are very carefully and very elaborately analyzed, and stated for the fiscal year in the report which the Auditor General has submitted to Parliament. There is one further point which I think should be explained in relation to the expenditure for agencies in Europe. It is, that all the agents in Europe are charged with furnishing commercial reports, which are published and found to be practical and very useful. Some of them, I am aware, have led to quite important results. These are services of the same kind as those rendered by the Consular Agents of the United States, and for which very large sums are paid.

The number of immigration publications during the fiscal year—a list of which I have in my hand—was 3,008,643. That is all the publications both in England and Canada. 231,000 publications of various kinds were published in England, these being principally in foreign languages adapted to circulation in Europe. I have with me numerous details, but if I were to undertake to read them from my notes I might weary the Committee. I think I have given the leading points of the immigration service for the year.

By Mr. Semple :

Q. It is stated that there is 27,390 who went into the North-West last year; does that include those who went to British Columbia? A. Yes; those are the total figures of the number of those who went to stay and of those who came back, having gone simply to explore. The number of those who went to stay was 21,685. I am speaking of Manitoba and the North-West.

Q. Does that cover British Columbia and the North-West? A. Yes; the immigration to British Columbia from the east, by the Canadian Pacific Railway, but not that entering British Columbia from the east. It is exceedingly difficult to ascertain the total number of settlers who have gone into British Columbia during the year, and I think in our criticism of the figures of the total entries, namely, 13,354, we have probably rather minimised the net settlement in putting the figures at 3,300.

By the Chairman :

Q. As having entered by the sea? A. Yes; from all parts as far as we could ascertain. But I may observe it is impossible to obtain the figures of the immigration into the Province of British Columbia as things are at present.

By Mr. Baker :

Q. Are they too thick to count them? A. I think immigrants are going in at least as thickly as the Province can absorb immediately and readily, although ultimately I think it will take large numbers.

Q. You state that 13,354 approximately went into British Columbia? A. Yes; our figures are based on the agents' statements, which will appear in the appendix to the Report of the Minister of Agriculture, and to this I beg to refer the Committee. We have endeavored, I may explain, to obtain from the Canadian Pacific Railway, as well as the steamship companies which bring immigrants, and the Custom Houses, the total results. We have taken very great pains to get at the facts, but as I have stated, we have found difficulties. Mr. Jessop, who is the agent there, is a very painstaking officer, and there has been a good deal of correspondence between him and the department as to how to arrive at the net figures of immigration. He reported, as stated, a total of 13,354 entering British Columbia.

Q. From all sources? A. Yes; entries from all sources, but many of these were through passengers both ways. There has been a larger movement of the through passenger traffic both ways in British Columbia of late than previously.

Q. From Hong Kong? A. Yes; and also from the United States more than previously.

By Mr. Robertson :

Q. Do you count those through passengers as immigrants? A. No; we have only taken as immigrants a little over 3,000, out of the 13,000 as *bona fide* settlers.

Q. On what basis do you count these? A. The element of estimate very largely enters; I give these figures as approximate.

Q. You have no positive evidence that there is an immigrant at all? A. We have positive evidence of a large number of entries, but we have no positive evidence as to the number of settlers.

By Mr. Baker :

Q. Out of these 3,138 settlers does Mr. Jessop give any idea as to what particular parts of the Province they have actually located in, and in which particular part of the Province that settlement predominates? A. There is a report of the details, as far as obtained in Mr. Jessop's report, which I thought I had with me, but which I appear not to have. The settlers, however, are on the agricultural lands, and it is found that along the line of the Canadian Pacific Railway various settlements are springing up. I think we shall not be able to obtain anything like accurate results until the census is taken in British Columbia. I am sure, however, that the immigration to the Province has very favorable features, and shows signs of marked activity.

Q. The proportion, apparently, of the immigrants who have remained is about 25 per cent. Does that 25 per cent. include Chinese immigration, or is this irrespective of the Mongolian immigration? A. It includes the Chinese, but I believe the number is very small.

Q. Then you cannot tell me, for the moment, the number of Chinese immigrants? A. I can obtain that immigration, but I have not got it in my notes at this moment.

By Mr. Robertson :

Q. What do you say was the total immigration to the Dominion? A. The total immigration to Canada, including the immigrant passengers to the United States and settlers in Canada, was 175,579.

Q. And the net immigration? A. The net immigration was 84,526.

Q. Leaving 91,000 as passengers? A. Yes.

Q. Passengers to the United States? A. Yes; the St. Lawrence route forms one of the most convenient means of reaching the Western States, and is decidedly the shortest.

Q. Was any portion of these 91,000 assisted? A. No; and only a small proportion of the others were assisted.

By Mr. McNeill :

Q. What was the net immigration proper? A. 84,526.

By Mr. Wilson (Lennox) :

Q. What was the total cost? A. \$313,891, for all establishments and expenses.

Q. Can you tell us how that is distributed? A. I have the exact distribution here. Of that total sum \$57,160 was expended from the London Office for staff,

agencies and general expenditure. The sum of \$60,992 was expended for Canadian agencies. These two figures represent the cost of all the permanent establishments both in Canada and in Europe. The figures are somewhat less this year; but they have the same general aspect year by year.

By Mr. McNeill:

Q. Does that first figure include the establishment of our High Commissioner there? A. Not the salary; but includes all the expenses of the establishment in Victoria Chambers.

By Mr. Wilson (Elgin):

Q. Do I understand you to say that includes all the expenditure at the High Commissioner's office? A. Yes; all the office expenditure. This includes all the clerks and rent of the office, and all the office expenses. The service is mainly for that of immigration. The salary of the High Commissioner, which is specially voted, and the contingencies of the residence are not included in this item. With regard to the immigration and other expenditure, as it is analyzed for presentation to Parliament, you will find the details in the report of the Auditor General, and I must say he has made a complete anatomy of all the items of expenditure. The account which I have in my hands has simply relation to the expenditure of the calendar year through the Department of Agriculture, and to show the way in which the immigration vote is expended.

By Mr. Chisholm:

Q. You say that is the whole expenditure, but the expenses of the High Commissioner appear in the Auditor General's report? A. Yes; the whole of the immigration expenditure. I may further explain in connection with that item of \$69,000 that the several immigration agents in the United Kingdom render commercial services in many respects analogous to foreign consuls, for which large sums are paid; and that the actual value of these has a very large relation to the total expenditure.

By Mr. Semple:

Q. What was the total amount for assisted passages? A. The total amount for assisted passages and commissions was \$60,858. That, however, is a grouped item, and I may say that about one-third of that amount represents commissions or bonuses to agents.

By Mr. McNeill:

Q. That would be \$40,000 net? A. Yes, approximately. It may be roughly stated that the amount contributed by the Department for the assisted passage, as regards the main portion of that item, is ten shillings per adult and six shillings and sixpence commission for agents. It is very easy to arrive at the exact number of adults by dividing the total sum by the ten shillings paid *per capita*.

Q. So far as the immigrants who came are concerned you say that 84,500 settled in the country. That is the net total of immigration from all sources, and for these 84,500 there has been expended \$40,000 in assisted passages? A. Yes.

By Mr. Wilson (Lennox):

Q. I understood Mr. Lowe to say that this arrangement would be discontinued? A. The agreement expires on the 27th of April next, and an official notice has been given that the Department will then withdraw from the arrangement.

By Mr. Wilson (Elgin):

Q. I think I heard you say that one-third of the whole amount expended was to pay agents to obtain immigrants; is that true? A. About one-third has been paid out in the form of commissions and bonuses.

Q. To whom is that paid? A. To a large number of persons who are steamship agents, who receive that commission. The agents who distribute the departmental publications are paid for their services in that way.

Q. Are those steamship agents engaged in other employment under the Government? A. None whatever; and I may add that no commissions will be payable after the 27th of April next, such payment being part of the assisted passage agreement.

Q. The ocean mail clerks—are they so employed? A. That service has ceased.

Q. When did it cease? A. During last year. The Government withdrew the mail clerks, and thus the service they rendered to immigration fell in.

Q. Do you pay those mail clerks a higher commission now than you did before? A. We do not now pay them at all. The payment that was made was \$100 a year for distributing publications on the steamers.

Q. Then the other parties who receive the commissions—where are they residents of? A. All parts of the United Kingdom; but that will only go on until 27th April, when it will stop.

Q. Have you any definite arrangement whereby we are to be fully satisfied that they perform services for the payment? A. The payment was specific for a specific service in every case; but, as I have stated, under the new arrangement no payment will be made to these agents at all. None will be made after the 27th of April.

Q. What means have you of knowing that these agents send out a class of immigrants that the Department desires? A. We have the fact as it appears on the arrival of the immigrants, and I have stated to the Committee that the Department had reason to be satisfied with the immigrants as a whole; I have also stated that the percentage of unsuitable immigrants bore a very small fractional relation to the whole.

Q. You drew your conclusion from the report that was made at Montreal? A. I gave that as a test at that important point. Unsuitable immigrants always as a rule remain in the cities.

Q. Had you any data to form a conclusion at any other point? A. We have the reports of the agents as to the character of the immigration at their several stations, and these are highly satisfactory. In relation to that there is a further point, which I had marked to give in the statement which the Chairman asked me to make, and that is in reference to the occupations of the immigrants who came to Canada. As respects the male adults we have a registration at Quebec and Halifax. At Quebec there were 2,371 farmers; 12,406 laborers; 986 mechanics, and 111 clerks and traders. That may be accepted as the way in which the occupations run in relation to 21,000 of the settlers.

By Mr. McNeil:

Q. How is this ascertained? A. They are taken from the steamship passenger tickets and from the passenger lists, which all vessels carrying immigrants are obliged to keep by the Imperial law. We obtain possession of these lists.

Q. How are they obtained at the ports? A. They are taken from the steamship passenger lists, which are an actual registration name by name, with nationality and occupation. We have the names and occupations of all immigrants who arrive at these two ports.

Q. I came out in 1886, and I am sure that no one knew what I was. A. Yes; but you did not come on a steerage contract ticket. These particulars are not obtained in relation to saloon passengers. The passenger contract ticket is the form of ticket established by Imperial law, which imposes a very severe penalty for any deviation from its requirements. That passenger ticket states the occupation of the immigrant or passenger.

Q. Is it only those who arrive as immigrants? A. All steerage passengers. All who travel on what is called a passenger contract ticket, which is the definition under the Imperial Act.

By Major General Laurie:

Q. What is the object of recording those who are simply passengers through? It has a very bad effect in England to read that out of 174,000 immigrants only 84,000 stayed. What is the object of recording those who were simply passengers through? A. Simply to account for all those who do come to our ports, and to keep a record of the whole of those who pass through our agencies.

Q. Can they not be eliminated? A. If it were thought advisable; but putting the total numbers shows the advantage which our route affords to immigrant passen-

gers between the east and the west. We do not give the passengers as immigrants to Canada, but merely as passengers through Canada.

Q. They appear, however, as immigrants from England who pass through Canada? A. Yes. I may say in this connection that the Imperial returns, as kept by the Board of Trade, simply take the port to which the emigrant sails as that of his destination. We have to account for the immigrants who come through our ports, and I think as long as we simply show that they are passengers using our routes we do not publish anything which is necessarily injurious to the country.

Q. It is so understood in England, I am sorry to say. They should be put down as passengers? A. I am afraid I have not made myself very clear. That is actually what is done, which was what I have intended to say. Our heading is: "Immigrant Passengers to the United States."

By Mr. Cochrane:

Q. Why give them at all? A. To keep a full record of our agencies.

By Mr. Semple:

Q. Are the agents instructed not to send out pauper immigrants? A. Yes; the instructions are very particular. In the case of any pauper immigrant being sent out respecting whom we can make any inquiry, a correspondence is immediately instituted.

By Mr. Wilson (Lennox):

Q. Have you agents in Germany? A. We have one agent in Germany, or perhaps, to speak more accurately, he is rather a *quasi* agent, as the salary paid to him can only be considered nominal. It is Dr. Hahn, who is located at Reutlingen. He is the author of a number of publications relating to Canada. Then there is Mr. Fabre at Paris. He is a general agent, with immigration as one of his functions. But he is paid by a separate vote which does not come under the administration of the Minister of Agriculture. However, he acts as an agent for immigration to Canada. Then in London there is the High Commissioner's office. At Bristol we have Mr. J. W. Down, an exceedingly active agent. At Liverpool we have Mr. Dyke, at Glasgow Mr. Thomas Graham, at Dublin we have Mr. Thomas Connolly, and in the north of Ireland Mr. Merrick at Belfast.

Q. Have you only one agent for the whole of Germany and one for the whole of France? A. Yes; in the way I have already explained; but we have arrangements with the steamship agents, who are paid on a specific *per capita* basis, for actual work done, for which they circulate our publications. It is only by this means we are enabled to reach the Scandinavian and German populations, which it is of much importance to us to reach.

Q. What is the particular business of the general agents; to distribute literature? A. They are agents of reference, and they are expected to give information on any points of interest which may arise in relation to immigration, or to the Dominion generally.

By Mr. Watson:

Q. What references are required by the department before they will contribute to the assisted passage? A. There is a form of application containing a declaration, in which the intending immigrant is required to state his age, his occupation, where he has served, or what he has done, and also his intention to settle in Canada. That has to be certified to either by a clergyman or a magistrate, as to the good faith of the statements, and afterwards to be approved by the Government agent of the locality.

Q. Has that generally proved satisfactory?

By Mr. Wilson, (Elgin):

Q. What is the object of contributing it? A. That is a question of policy rather than administration.

By Mr. Watson:

Q. If suitable immigrants are brought to this country, the assisted passage is a good thing? A. The assisted passage, as it has been afforded, has been simply a differential rate in favor of the St. Lawrence route as against New York, and at the time that that device was first used I must say there was very much greater need of

it then than there is now. That is to say, it was very much more important in 1872 and afterward, than it is in 1888.

Q. Have you any idea of the proportion of immigrants that accepted of this assisted passage? A. You will find for the fiscal year the numbers given in the Auditor General's report in minute detail. I may possibly answer the question sufficiently generally by stating that if you divide the total amount paid by 10 shillings sterling, you will get at the number who were assisted.

By Mr. McNeill :

Q. I know that in the north of Ireland there are numbers of the very best class of immigrants that we could possibly get here, who could be induced to come if proper means were taken to do so, and if they had assisted passages, they would come; but who cannot come out here without some assistance? A. It is undoubtedly true that the assisted passage has enabled many agricultural laborers and their families to come who would not otherwise have done so.

Q. I may say that I speak from actual experience. I have known some of them come out who have been most valuable citizens here. Of course, the difficulty is no doubt that people may be brought out in that way who will not be of advantage to the country. The thing is to see that a very careful supervision is had? A. It was on that ground that the system was inaugurated by Mr. Pope, the late Minister of Agriculture, and the main factor of the argument was that the wages of the agricultural laborers in England did not then average more than 14 shillings a week. Possibly they may average less than that now. A man on that rate of wages cannot keep a family, and buy a ticket at £6 or £4 per adult to come to this country. This, however, brings up another question; and it may be stated that the bulk of the immigration which comes to this continent is an assisted immigration. Very many millions of pounds sterling have been sent home from residents in America to their friends, and very largely indeed by the Irish. The Germans are now sending home very large sums to bring their friends out, and the meaning of the very large immigration which comes to the ports of the United States as compared to that of Canada arises from the fact that the greater number of all those who came are assisted by their friends who have gone before. Of course that assistance will be very much greater and in more numerous instances from a larger population than from a smaller one, but the process is going on in every part of Canada now. Many of the very poor people who come to our ports, and who have no means whatever on arrival, have been assisted in this way.

By Mr. Chisholm :

Q. That kind of assistance is valuable, and that kind of immigration is valuable, and when they arrive at the place of destination their friends are ready to take care of them. I know that there have been immigrants who have arrived in British Columbia by the assistance of the Government, and they found fault with the country because it was not just as they expected. Their idea was that the Government not only had a right to bring them through, but had a right to support them? A. In reference to those remarks in relation to the assisted passage, it may be said that the assisted passage was never anything more than a cheapened rate; and even as regards those people who send for their friends, if the head of a family comes out here and leaves a wife and five children behind, it very much affects his ability to send for his family if he can get his ticket for £3 instead of £6 or even £4. That has been the *raison d'être* of the assisted passage.

By Mr. Watson :

Q. Have charitable institutions opposed it? A. No representations have been made by charitable institutions to the Department during the year. The most striking outcry came from Montreal. That city was said to be full of assisted immigrants who could not find work, or who would not work, and the House of Refuge was particularly named as having been crowded. We caused an enquiry to be made, and found that out of 128 inmates of that institution, 96 were habitues of old standing, and the total number of all who were called immigrants was 22. But

even this remainder was not proved to be composed of new immigrants. The fact proves that in relation to a large immigration the number was very small.

Q. How did you arrive at the number who settled in the North-West? A. We have kept an exact count at Port Arthur, and also at Winnipeg. The Port Arthur numbers agree with the Winnipeg count except in very few instances, making a total number of 17,000. We have a similar count at Emerson of 7,259; at Gretna of 1,345. These are the total *ins*. We eliminate the *outs*. We have as many as 5,441 going out at Emerson out of the 7,259. We only take about 2,000 net there, and in this we have minimized rather than exaggerated the figures.

By Mr. Livingstone :

Q. Who is the agent there? A. Mr. Tétu, assisted by Mr. Woodburn, and we have Mr. Turgeon at Gretna.

By Mr. Baker :

Q. You have said that an assistance equal to about \$10 was given to immigrants going to British Columbia; that is stopped? A. Yes.

Q. Can you tell me why that was stopped, and when? A. It was stopped last summer, and because the reasons for which it was granted had ceased to exist. That bonus was offered in the first place in consequence of the difficulty and expense of reaching British Columbia, before the Canadian Pacific Railway was open; but after the opening of the Canadian Pacific Railway and the affording of a very cheap immigrant ticket from England to Victoria, it was thought that the reason did not any longer exist which caused that bonus in the first place to be given.

Q. Would you kindly tell me the total cost to an immigrant say from Liverpool to Victoria, B. C. I want the information so that I may impart it to others, as a man often writes and says: "I have a wife and three grown up sons; what would the cost be?" A. I have not brought the figures with me from the office, although I have them there.

(Figures since furnished to reporter:—\$63.50 from Liverpool to Victoria, B. C., *via* Halifax, and \$62 *via* Quebec.)

By Mr. Watson :

Q. Can you give us the statement of nationalities of the immigrants going into the North-West? A. According to our returns the total number of settlers going into the North-West was 21,685. The nationalities of the totals entered were: from Europe, 10,317; Canada, 9,996; and from the United States, 7,077.

Q. Then you deduct from those who came from the United States those who went out at Emerson, numbering some 5,000? A. Not that exactly. The entry of Americans was not confined to Emerson; and many of the immigrants at Emerson were from Europe, *via* the United States. In fact the numbers would be very much larger *via* the United States, except for the very low rate which is afforded by the Canadian Pacific Railway from Quebec to Winnipeg.

Q. Are you sure that 7,000 went in from the United States? A. We have the evidence of the counts of the agents.

Q. You know nothing of the nationalities? A. They were stated.

Q. That they were Americans? A. That there were over 7,000 from the United States. We do not get a registration of nationalities except in the entries by the Customs returns; and these are figures of great importance in studying the immigration question. Of the 29,822 so obtained, there is an actual registration name by name. We can give the names as well as the numbers, as they are on record in the office. Out of these 29,822, there were 2,480 English; 697 Irish; 706 Scotch; 574½ German (the half being a half ticket); 3,354 United States—that is, United States citizens; 19,677½ Canadians; and 2,270 other nationalities. The Canadians would represent the repatriation.

By Mr. Wilson (Elgin) :

Q. Have you any French? A. Not in that enumeration; but we have a few French and Belgian entries at Quebec and Halifax.

By Mr. Watson :

Q. While on this question, what are the best class of immigrants from the Continent, from evidence you have? A. Of foreign immigrants the Germans, Scandi-

navians and Icelanders are among the best, that is, in relation to adaptability for settlement.

Q. What about the Crofters? A. I do not call the Crofters foreign immigrants.

By Mr. Wilson (Elgin):

Q. I would like to know on what authority Mr. Lowe states that one class of citizens are better than another? A. The question asked I understood to have reference to continental or foreign immigrants, and which were considered by me as the most effective colonizers. I did not make any comparisons between the Crofters and foreign immigrants. My answer simply went to say that the inhabitants of the north of Europe were the most persistent and successful settlers among the modern immigrants in Canada, and especially North-Western Canada. With regard to that Crofter question, it may be stated that the crofter colony, which was aided by advances by Lady Gordon Cathcart, is on the whole doing very well indeed.

By the Chairman:

Q. I did not understand you to say that the Icelanders and Scandinavians were better than English? A. No; not at all. I only spoke of immigrants who came from the continent of Europe.

By Mr. Livingstone:

Q. You were going to give us the number of French? A. They are not large. During the year the number entered at Quebec was 147, and at Halifax 240. There may have been some *via* New York and Boston, by the French direct lines.

Q. I understood you to say that there was a general agent in Paris? A. Yes; Mr. Fabre, who, as I stated, is general agent with a function of immigration, but he is under the administration of the Secretary of State. He does not come immediately under that of the Minister of Agriculture, although, as I have said, he has a function to promote immigration.

By Mr. Wilson (Elgin):

Q. He is paid out of the immigration vote? A. No; he is paid by special vote of Parliament.

By Mr. Baker:

Q. \$313,000 does not really cover the entire cost of salaries of immigration; because there must be added to that a proportion of the High Commissioner's salary, and of the salary of the gentleman who acts as French agent? A. In answer to that it may be stated that the expenditure for immigration gives more to general or commercial agency than the immigration service borrows from the votes for the services which include these and perhaps others.

By Mr. Trow:

Q. What success has attended the efforts of Mr. Fabre in Paris? A. I cannot speak of his general agency, but there has never been a very large French emigration, that is, for many years past. Immigration, however, is only a part of Mr. Fabre's functions. He is general agent in France, and respecting his duties other than immigration the Secretary of State's Department could give the Committee information.

By Mr. Wilson (Elgin):

Q. I think I understood you to say that none of the charges in connection with Mr. Fabre's expenses are paid out of immigration? A. Yes; none of the charges are paid from that vote.

Q. I think under the head of travelling expenses you will see something for him? A. Yes; but those items are in connection with the exhibitions. He was an agent both at the Belgian and Colonial and Indian Exhibitions.

By Mr. Trow:

Q. Don't you think it is a waste of public money to employ an agent in Paris? A. That is a question which I do not think comes within the scope of my official duties, and I would ask to be excused from answering.

By General Laurie:

Q. Is there any probability of any greater facility being afforded to protect immigrants arriving at Halifax by ship, in other places than on the wharf? A. I

believe there is no present intention, but that is a question which is under the consideration of the Minister.

Q. It does not concern only the lower provinces? A. No; but Mr. Schreiber reports there is a good-sized room in connection with the railway.

Q. It accommodates about 140 or 150, and sometimes 1,200 arrive? A. It might be insufficient for a large influx of immigrants.

By Mr. Watson:

Q. I entirely agree with the remarks of the gentleman from British Columbia, a few minutes ago, that it is important to receive the immigrants at the place of arrival, and a small expenditure by the Department to put up some sheds would make people more comfortable on their arrival? A. We have sheds or stations at different points in the North-West. We had sheds at Emerson, but they were destroyed, and in fact rendered useless by changes at stations. At Winnipeg we are going to erect a very adequate building. We have one at Brandon which is quite large and sufficient for all purposes. There are two on the line of the North-Western Railway. There is one at Troy, Qu'Appelle; one at Medicine Hat, and another at Calgary. A temporary building is also rented at Regina, and we have a building at Victoria, B. C.

Q. A small expenditure of say \$1,000 for a building would be of great service to immigrants? A. That is a question of considerable importance in connection with the general question of immigrant settlement.

By Mr. Trow:

Q. Have you any particular rule whereby you retain these immigrants in the sheds, as to length of time? A. What happens is this: Immigrants who require to use the sheds consist very largely of families. The wife and children will be left in the sheds for two or three days or more, while the husband goes to make a selection of his homestead. When he has done that and obtains the necessary stock and supplies they all go on together.

Q. Are there any instances of the head of the family going away for months and leaving his family there? A. At Emerson in the past that has happened in a few very exceptional cases. But there is no such practice generally.

By Major General Laurie:

Q. Who feeds these people under these circumstances? A. They feed themselves.

Q. Have they appliances for cooking? A. Yes; stoves and fuel are supplied by the Department.

By Mr. Baker:

Q. The agents of the Department of Agriculture—the immigration agents—are generally regarded as the agents of the Department at their respective stations, including quarantine matters? A. No; they have nothing to do with quarantine. That is a separate administration, although it comes under the control of the Minister of Agriculture.

Q. Is it any part of their duty to carry on correspondence with persons who may seek information as to the commercial relations between Victoria, B.C., and San Francisco and the Hawaiian Islands? Are they expected in their capacity as agents to give reasonable and full replies to correspondence of that nature? Have they been so instructed? A. Yes; in so far as they are able, the fullest information in relation to their respective localities. If you will look at the reports which are published in the appendix to the report of the Minister of Agriculture, you will find detailed commercial reports from nearly all of the agencies.

Q. The reason I ask is, sometimes an immigration agent might feel himself overworked, and in reply to such a question say: I am an immigration agent and that is a question of trade and commerce? A. It would not be his duty to give that answer.

By Major General Laurie:

Q. Sometimes 1,200 immigrants arrive at Halifax, and freight is piled up around them so that there is no possibility of their getting warm? A. That is simply a

question of extent of immigration station accommodation, implying expenditure, and there appears to be a disinclination to increase the immigration expenditure.

By Mr. Cochrane :

Q. Is it not a fact that a great many of these people are going through to the United States? A. I have already explained that many immigrant passengers for the United States come by our routes; but we do not afford them more accommodation than our immigrants who come by New York receive at Castle Garden in precisely the same way. The secretary of the Castle Garden Commission took pains to explain to me personally on one occasion when I visited that institution that they gave as much care and attention to immigrants for Canada as they did to those who were for the United States. There is this to be said: that the Canadian Government contributes nothing directly in aid of the immigrants who pass through Canada. But these leave in the aggregate large sums for transport, &c.

By Mr. McNeill :

Q. About half of those who are thus inconvenienced by want of adequate accommodation at Halifax, are settlers in Canada? A. Much more than half at that port; but as respects that question, I may explain the object is to send them forward as quickly as possible, and the question of inconvenience would come to those landed say late on Saturday night.

By Mr. Cochrane :

Q. Who pays the expenses of Castle Garden in New York? A. The major part of the cost of support comes from the Federal Government, which taxes the steamships for that purpose.

By Mr. Wilson (Elgin) :

Q. The transportation companies should make the provision? A. That is a question of policy. The Canadian Government did formerly impose an immigration tax, but it was repealed, I think, in 1872.

By Major General Laurie :

Q. At Halifax the Intercolonial Railway is concerned in supplying accommodation. It is a Government railway? A. They do make provision. It is only a question of adequacy.

By Mr. Cochrane ;

Q. What is supposed to be the duty of your agent, say in the north of Ireland? To give information to parties who inquire, or does he lecture, and in other ways try to get immigrants to come to Canada? A. He is supposed to use all possible exertions. He sometimes delivers lectures. He writes many letters to the newspapers, and distributes the publications of the Department throughout the locality, and at fairs. One of his most important duties would be to answer questions by correspondents.

Q. Is he supposed to have any other occupation? A. No.
The Committee then adjourned.